



**KARNATAKA ELECTRICITY REGULATORY
COMMISSION**

TARIFF ORDER 2022

OF

MESCOM

ANNUAL PERFORMANCE REVIEW FOR FY21

&

APPROVAL OF ANNUAL REVENUE REQUIREMENT

FOR FY23 TO FY25

&

REVISION OF RETAIL SUPPLY TARIFF FOR FY23

4th April, 2022

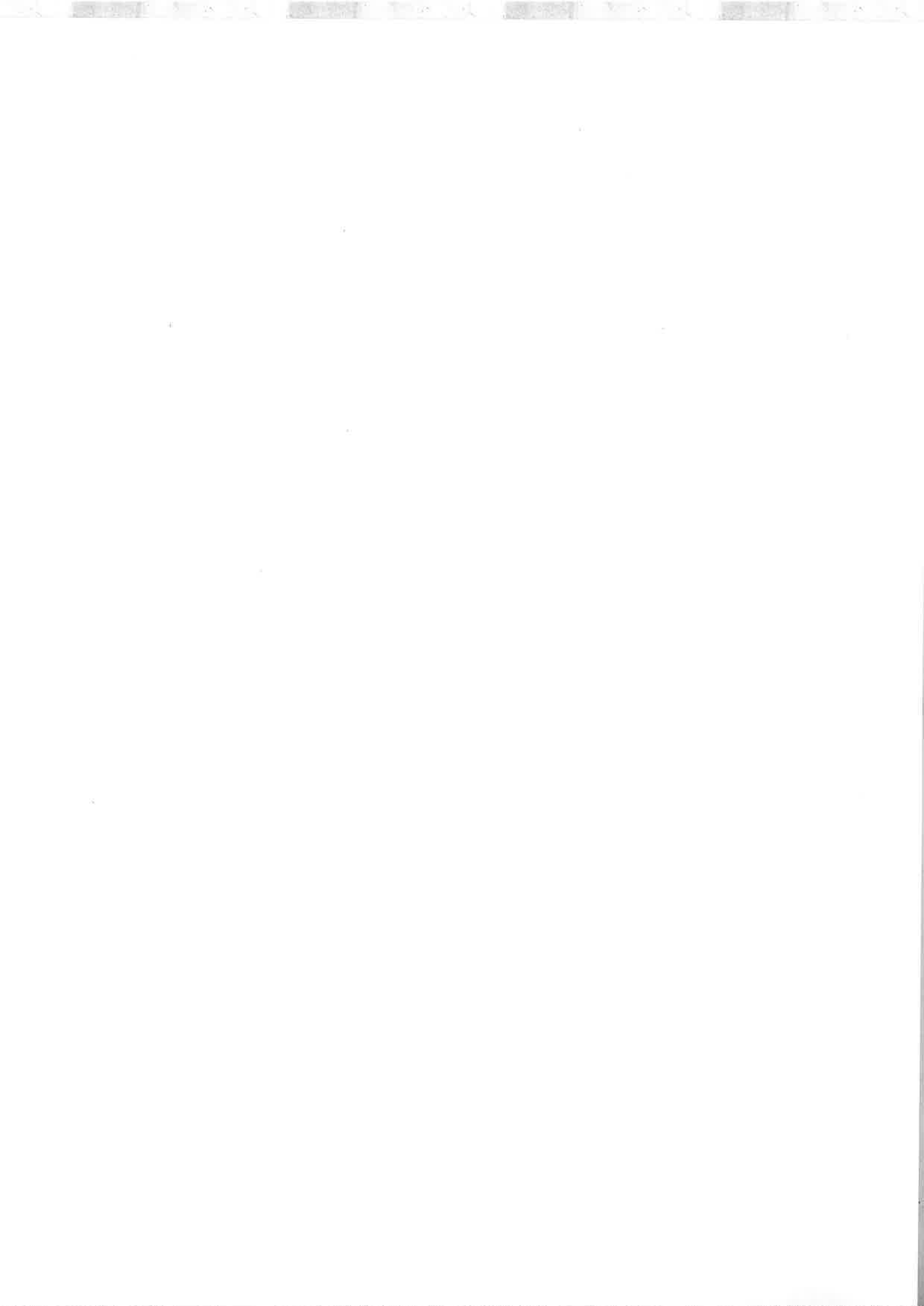
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ABBREVIATIONS	
ABT	Availability Based Tariff
AEH	All Electric Home
A & G	Administrative & General Expenses
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal for Electricity
BST	Bulk Supply Tariff
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CEA	Central Electricity Authority
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DA	Dearness Allowance
DCB	Demand, Collection & Balance
DPR	Detailed Project Report
EA	Electricity Act
EC	Energy Charges
ERC	Expected Revenue From Charges
ESAAR	Electricity Supply Annual Accounting Rules
ESCOMs	Electricity Supply Companies
FA	Financial Adviser
FKCCI	Federation of Karnataka Chamber of Commerce & Industry
FoR	Forum of Regulators
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government Of India
GoK	Government Of Karnataka
GRIDCO	Grid Corporation
HP	Horse Power
HRIS	Human Resource Information System
ICAI	Institute of Chartered Accountants of India
IFC	Interest and Finance Charges
IW	Industrial Worker
IP SETS	Irrigation Pump Sets
KASSIA	Karnataka Small Scale Industries Association
KEB	Karnataka Electricity Board
KER Act	Karnataka Electricity Reform Act
KERC	Karnataka Electricity Regulatory Commission
KM/Km	Kilometre
KPCL	Karnataka Power Corporation Limited
KPTCL	Karnataka Power Transmission Corporation Limited
kV	Kilo Volts
kVA	Kilo Volt Ampere
kW	Kilo Watt
kWH	Kilo Watt Hour
LDC	Load Despatch Centre

MAT	Minimum Alternate Tax
MD	Managing Director
MESCOM	Mangalore Electricity Supply Company
MFA	Miscellaneous First Appeal
MIS	Management Information System
MoP	Ministry of Power
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NLC	Neyveli Lignite Corporation
NCP	Non Coincident Peak
NTP	National Tariff Policy
O&M	Operation & Maintenance
P & L	Profit & Loss Account
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PRDC	Power Research & Development Consultants
R & M	Repairs and Maintenance
ROE	Return on Equity
ROR	Rate of Return
ROW	Right of Way
RPI	Retail Price Index
RPO	Renewable Purchase Obligation
REC	Renewable Energy Certificate
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition System
SERCs	State Electricity Regulatory Commissions
SLDC	State Load Despatch Centre
SRLDC	Southern Regional Load Dispatch Centre
STU	State Transmission Utility
TAC	Technical Advisory Committee
TCC	Total Contracted Capacity
T&D	Transmission & Distribution
TCs	Transformer Centres
TR	Transmission Rate
VVNL	Visvesvaraya Vidyuth Nigama Limited
WPI	Wholesale Price Index
WC	Working Capital



KARNATAKA ELECTRICITY REGULATORY COMMISSION**No.16C-1. Miller Tank Bed Area, Vasanthnagar
BENGALURU - 560 052****Dated 4th April, 2022****In the matter of:**

Application of the Mangalore Electricity Supply Company Limited, in respect of the Annual Performance Review for FY21, Approval of Annual Revenue Requirement for FY23 to FY25 and Revision of Retail Supply Tariff for FY23, under Multi Year Tariff framework.

Present:**Shri H.M. Manjunatha
Shri M.D. Ravi****Officiating Chairman
Member****O R D E R**

The Mangalore Electricity Supply Company Ltd., (hereinafter referred to as 'MESCOM') is a Distribution Licensee, under the provisions of the Electricity Act, 2003. The MESCOM has filed its application on 30.11.2021 and has prayed for considering the following:

- a. Annual Performance Review for FY21, as per the tariff application;
- b. Energy Sales of MESCOM for the control period FY23 to FY25 as per the tariff application.
- c. Consider the Aggregate Revenue Requirement / ERC for the control period for FY23 to FY25.



- d. Average tariff hike required for MESCOM to bridge the revenue gap of Rs.718.21 Crores is Rs.1.33 / unit. Hence, Hon'ble Commission is requested to consider the base for the proposed tariff increase and approve increased fixed charges / demand charges and energy charges as proposed in the tariff application.
- e. The wheeling charges, cross subsidy surcharge and additional surcharge as per the tariff application;
- f. Consider the New Proposals as proposed in the tariff application.
- g. Condone any errors, omission and deletions in the petition and provide an opportunity to provide other necessary information as deemed fit.

In exercise of the powers conferred under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations, 2000 and other enabling Regulations, the Commission has considered the said application and also the views and objections submitted by the consumers and other stakeholders while passing this Order. The Commission's decisions on various aspects, are brought out in the subsequent Chapters of this Order.

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CHAPTER – 1

INTRODUCTION

1.0 Mangalore Electricity Supply Company Ltd.- (MESCOM):

The MESCOM is a Distribution Licensee under the provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as the 'Act'). The MESCOM is responsible for purchase of power, distribution and retail supply of electricity to its consumers and also providing infrastructure for Open Access and Wheeling of energy in its area of operation, in the four Districts of the State as indicated below:



1. Dakshina Kannada
2. Udupi
3. Chikkamagaluru
4. Shivamogga

The MESCOM is a company registered under the Companies Act, 1956, incorporated on 30th April, 2002. The MESCOM commenced its operations on 1st June, 2002 covering initially a larger area than its present jurisdiction.

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Subsequently, the MESCOM was split into two companies namely, the Mangalore Electricity Supply Company Ltd., with headquarters at Mangaluru covering five districts namely Dakshina Kannada, Udupi, Shivamogga Chikkamagaluru and Kodagu and the Chamundeshwari Electricity Supply Corporation Ltd., (CESC) with headquarters at Mysore covering four districts namely Mysore, Chamarajanagara, Mandya and Hassan. This came into effect from 1st April, 2005.

Later, Kodagu District was transferred from the MESCOM to the CESC with effect from 1st April, 2006.

MESCOM is having 2 O&M zones, 4 O&M circles and 13 O&M divisions. The MESCOM's area of operations is structured as follows:

O&M Zones	O&M Circles	O&M Divisions
Mangaluru	Mangaluru Circle	Mangaluru-1
		Mangaluru-2
		Bantwal
		Puttur
	Udupi Circle	Udupi
		Kundapura
Shivamogga	Shivamogga Circle	Shivamogga
		Bhadravathi
		Sagar
		Shikaripura
	Chikkamagaluru Circle	Kadur
		Chikkamagaluru
		Koppa

The O & M Divisions of the MESCOM are further divided into sixty-one Sub-Divisions with each of the Sub-Divisions having two to three O & M Section Offices. There are 238 O & M accounting / non-accounting Section Offices.

The Section Offices are the base level offices looking into operation and maintenance of the distribution system in order to provide reliable and quality power supply to the MESCOM's consumers.

1.1 The MESCOM at a glance:

The profile of MESCOM is as indicated below:863

Sl. No.	Particulars (As on 31-03-2021)		Statistics
1	Area	Sq. Km.	26222
2	Districts	No.s	4
3	Taluks	No.s	29
4	Population	Lakhs	61.64
5	KPTCL Sub-stations (66kV & above)	No.s	95
6	MESCOM Sub-stations (33 kV)	No.s	42
7	Consumers	Lakhs	25.05
8	Distribution Transformer Centers	Nos.	88849
9	Assets (Net Fixed Assets As on (31-03-2021)	Rs. in Cr.	2808
10	HT lines	Ckt. Km	44867
11	LT lines	Ckt. Km	87585
12	Total employee strength:		
A	Sanctioned	Nos.	9273
B	Working	Nos.	5288
13	Rev. Demand in (FY21)	Rs. in Cr.	3830.93
14	Rev. Collection in (FY 21)	Rs. in Cr.	3853.89
15	Energy Sales in FY 21	MU	5863.54

Source : Tariff filing

1.2 Number of Consumers, Sales in MU to various categories of consumers and details of Revenue for FY21 as filed by MESCOM are as follows:

Category	No. of Consumers (As at the end of March 2021)		Consumption (MU) (FY21)		Revenue (Rs. in Cr.) (FY21)	
	No.	%	MU	%	Rs. in Cr.	%
BJ/KJ	179218	7.15%	53.91	1.071%	37.53	1.06%
Domestic	1626736	64.94%	1529.78	30.28%	1011.94	28.49%
LT-Commercial	228224	9.11%	349.98	6.93%	347.95	9.80%
IP Sets	366924	14.66%	1694.84	33.55%	959.71	27.01%
LT-Industrial	33769	1.35%	123.75	2.45%	108.11	3.04%
WS & St.Lt.	43412	1.73%	211.59	4.19%	139.03	3.91%
Others	24212	0.97%	26.37	0.52%	47.11	1.33%
HT	2364	0.09%	1061.17	21.01%	900.88	25.36%
Grand Total*	2504859	100%	5051.39	100%	3552.26	100%

* Excludes KPCL sales of 6.57 MU

Mangalore Special Economic Zone Ltd, (MSEZL), as a deemed licensee, is purchasing power from MESCOM at the bulk supply tariff determined by the Commission. MSEZL, has filed a separate application for approval of APR for FY21, Approval of ARR for FY23 to FY25 and retail supply tariff for its distribution and supply area for FY23.

MESCOM has filed its application for Annual Performance Review for FY21, approval of Annual Revenue Requirement (ARR) for FY23 to FY25 and Revision of Retail Supply Tariff for FY23.

MESCOM's application, the objections / views of stakeholders thereon and the Commission's decisions are discussed in detail, in the subsequent Chapters of this Order.



CHAPTER – 2

SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

2.0 Background for Current Filing:

The Commission in its Tariff Order dated 9th June, 2021 had approved the revised ARR for FY22 duly considering the deficit / surplus of FY20 consequent to APR of FY20, and the Revised Retail Supply Tariff of MESCOM for FY22 under the MYT principles. The MESCOM, in its present application filed on 30th November, 2021, has sought approval for the Annual Performance Review (APR) for FY21 based on the audited accounts, Approval of ARR for FY23 to FY25 and Revision of Retail Supply Tariff for FY23.

2.1 Preliminary Observations of the Commission:

After preliminary scrutiny of the application, the Commission had communicated its observations to the MESCOM on 10th December, 2021. The preliminary observations were mainly on the following points:

- Sales Forecast
- Capital Expenditure
- Assessment of Sales to IP sets
- Distribution Losses
- RPO Compliance
- Power Purchase
- Wheeling Charges
- Cross Subsidy Surcharge & Additional Surcharge
- Issues pertaining to items of Revenue and Expenditure
- Compliance to Directives issued by the Commission

The MESCOM, in response, had furnished its replies on vide letter dated **20.12.2021** and was received in the Commission's on **23rd December 2021**. The replies furnished by the MESCOM are considered in the respective Chapters of this Order.



2.2 Acceptance of Applications and Publication of Notices:

The Commission vide its letter dated 24th December, 2021 informed the MESCOM that, its application filed on 30th November, 2021, for APR of FY21, approval of ARR for FY23 to FY25 and revision of retail supply tariff for FY23, in the MESCOM area, has been treated as a petition, in terms of the Tariff Regulations, subject to further verification and validation and directed it to publish a summary of the application in the leading newspapers in the distribution area of MESCOM.

2.3 Public Hearing Process:

As per the Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006, read with the KERC (Tariff) Regulations 2000, and the KERC (General and Conduct of Proceedings) Regulations, 2000, the Commission vide its letter dated 24th December, 2021 treated the application of the MESCOM as a petition and directed the MESCOM to publish the summary of ARR and Tariff proposals in the newspapers calling for objections, if any, from interested persons.

Accordingly, the MESCOM has published the same in the following newspapers:

Name of the News Paper	Language	Date of Publication
The New Indian Express	English	28.12.2021
The Hindu		
Udayavani	Kannada	29.12.2021
Vijayakarnataka (Mangalore & Shimoga Edition)		
Vijayavani (Mangalore & Shimoga Edition)		

The MESCOM's application for APR for FY21, Approval of ARR for FY23 to FY25 and Revision of retail supply tariff for FY23, were also hosted on the web sites of the MESCOM and the Commission, for the ready reference and information of the stakeholders / general public.

In response to the application of the MESCOM, the Commission has received **one** written objections with affidavit, within the time stipulated for filing the objections. The MESCOM has furnished its replies to all the objections. The Commission has held a virtual Public Hearing on **21.02.2022** at Mangaluru. The details of the written / oral submissions made by the various stakeholders and the responses from the MESCOM thereon have been discussed in Chapter - 3 and Appendix to this Order.

2.4 Consultation with the State Advisory Committee of the Commission:

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on 14th March, 2022. During the meeting, the KPTCL and ESCOMs made brief presentations on the important issues relating to the tariff application filed before the Commission.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.



CHAPTER - 3

PUBLIC CONSULTATION - SUGGESTIONS / OBJECTIONS & REPLIES

3.1 The Commission undertook the process of public consultation in pursuance of Section 64 of the Electricity Act, 2003, in order to provide an opportunity to the stakeholders to express their suggestions/views/objections, on the Tariff application filed by MESCOM. In the written submissions as well as during the public hearing some of the stakeholders and public have raised several objections to the Tariff Applications filed by MESCOM. The names of the persons who have filed written objections and made oral submissions are as follows:

3.2 List of persons who filed written objections:

Sl. No	Application No.	Name & Address of Objectors
Received within due date: MA-01 to MA-10 and MB-01 to MB-12		
MA-01 to MA-10		
1	MA-01	Sri. P. Shashidhar, Administrator, KASSIA, 2/106, 17 th Cross, Magadi Chord Road, Jayanagar, Bengaluru – 560 040
2	MA-02	The Karnataka Coastal Ice Plant & Cold Storage Owners Association, Udupi
3	MA-03	Sri. Ravindra Gujjarabettu, Udupi Jilla Krushikara Sangha, Guruprasad Building, Alankar Theater behind, Udupi
4	MA-04	Sri. Sanjiva Shetty, Hegra Halemane, Hegra Post, Udupi Taluk and District
5	MA-05	Sri. Sharma, Harana Katte, Bantakallu, Shankarapura
6	MA-06	Haridasa Ballal, S/o M.Srinivasa Ballala, 'Sreedeepta', 1-175C1, V M Temple Road, Mallachalli, Udupi – 576 102
7	MA-07	Sri. Shashidhar Pai Maroor, Director/President, Kanara Chamber of Commerce & Industry, Chamber Building, Bunder, P.B. No. 116, Managaluru – 575 001
8	MA-08	Sri. K.N. Venkatagiri Rao, President, Consumer' Forum, Brasam Building, Nehru Field, Sagar – 577 401
9	MA-09	Sri. Robin Jose, Joint Secretary, Kanara Industries Association, Association Building, Industrial Area, Baikambapdy, Managluru – 575 011

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10	MA-10	Sri. Sathyanarayana Udupa, District General Secretary, Bharathiya Kisan Sangha Karnataka Pradesh (R), Udupi Jilla Samiti, 1 st Floor, Vasuki Towers, Court Road, Udupi – 576 101
MB-01 to MB-14		
11	MB-01	Sri. Suresh Nayaka M, Shridhar Krupa, 9-4-236, City Press Road, Managaluru – 575 001
12	MB-02	Sri. B.V. Pujari, Padruru Village, Udupi Taluk & District – 576 101
13	MB-03	Sri. Aastrika Shastri S/O Narasimha Shastri, Gundmi Village, Sasthana Post, Bramhavara Taluk
14	MB-04	Sri. Harish Kumar S/O Pashwanatha Padiwal, Kalya Parari House, Kalya Post, Karkala Taluk, Udupi – 574 110
15	MB-05	Sri. K.P. Bhandari, Divya Residency, Gandhi Ground Road, Kevenje Village, Karkala Taluk, Udupi – 574 104
16	MB-06	Sri. Praveen Kumar, Gumre House, Kalatturu Post, Kapu Taluk, Udupi
17	MB-07	Sri. Seetharama Ganiga S/O Subbaiah Ganiga, Haladi Post, Kundapura Taluk, Udupi – 576 222
18	MB-08	Sri. Chandrasasa Shetty, 'Bandavya', Kaachur, Inna Village and Post, Karkala Taluk, Udupi – 576 121
19	MB-09	Sri. Umanatha Ranade S/O Late Ranade Sadashiva Bhatt, Mala Village and Post, Karkala Taluk, Udupi
20	MB-10	Sri. Govindaraja Bhat, Moorsalu Mane, Kadthala Post, Karkala Taluk, Udupi – 574 108
21	MB-11	Sri. Naveenchandra Jain, Padumane, Nitte Village, Karkala Taluk, Udupi
22	MB-12	Sri. Srinivasa Bhat, 'Sadana', Irvathur Post, Karkala Taluk, Udupi – 574 414
Received after due date: MB-13 and MB-14		
23	MB-13	Sri. Jogendra Behera, VP(Market Design & Economics) Indian Energy Exchange, Plot No. C-001/A/1, 9 th floor, Max Towers, Sector 16B, Noida, UP-201301
24	MB-14	Sri. Anil Savur D. Secretary, The Karnataka Planters' Association, Chikmangalur-577101
25		Dr.L.Hanumanthaiah, Member of Parliament, Rajya Sabha
Received during Public Hearing on 21.02.2022		
26	PHM-01	M/s. SRI MAHAGANAPATHI ENGINEERING WORKS, Tropical Plaza, Goodshed Road, Mangaluru-575001.
27	PHM-02	M/s. DIVINE ICE & COLD STORGAE, Plot No. 395-A1, Industrial Area, Baikampady, Mangaluru-575011.
28	PHM-03	M/s. MARIYA ICE & COLD STORAGE, Bolor, Mangalore-575003.
29	PHM-04	M/s. MASTER MARINE FOODS, South Wharf, Bunder, Mangalore-575001.

30	PHM-05	M/s. KAVERY ICE & COLD STORAGE, Plot No. 395C, Industrial Estate, Baikampady, Mangaluru-575011.
31	PHM-06	M/s. THASNEEM ICE & COLD STORAGE, Neershwalya Cross Road, Kandak, Bundar, Mangalore-575001.
32	PHM-07	M/s. DIVINE SPIRIT ICE & COLD STORGAE, Plot No. 395-A1, D. No.6-244/1, Industrial Area, Baikampady, Mangaluru-575011.
33	PHM-08	M/s. DIVINE MERCY ICE & COLD STORGAE, Plot No. 7-D-89, Industrial Area, Baikampady, Mangaluru-575011.
34	PHM-09	M/s. KAVERY KRIPA ICE PLANT, Plot No. 395C, Industrial Estate, Baikampady, Mangaluru-575011.
35	PHM-10	M/s. KARNATAKA COASTAL ICE PLANT & COLD STORAGE OWNERS' ASSOCIATION, D. No. 8-3-80A(3), Sri Guru Raghavendra residency, Kadiyali, Udupi-576102.
36	PHM-11	M/s. SIDDHI ICE PLANT, Kuthpady-Udupi-574118.
37	PHM-12	M/s. SRI DURGA ICE PLANT, Nireshwalya Cross Road, Casba Bazar, Bunder, Mangalore-575001.
38	PHM-13	M/s. SUHAS ENTERPRISES, bundar, Post malpe, Udupi Tq. & Dist.
39	PHM-14	M/s. NITHYANANDA ICE PLANT, Kuthpady, Udyavara-Udupi.
40	PHM-15	M/s. VIJAYA ICE PLANT, Kulai, mangalore-575019.
41	PHM-16	M/s. MASTER ICE PLANT, Kulai, Mangalore-575019.
42	PHM-17	M/s. DARIA ICE & COLD STORAGE, New South Wharf, Old Port, Bunder, Mangalore-575001.
43	PHM-18	M/s. RAVICHANDRIKA ICE PLANT, Mulihithlu, Bolar, Mangalore-575001.
44	PHM-19	M/s. SRI SATHYA ICE PLANT, Nireshwalya Road, Casba bazar, bundar, Mangalore-575001.
45	PHM-20	M/s. SRI KAVRI ICE PLANT, opp. Karnataka bank, N.H.66, Trasi, Kundapura Taluk.
46	PHM-21	M/s. SRI MATHA ICE PRODUCTS, opp. Karnataka bank, N.H.66, Trasi, Kundapura Taluk.

The objections/suggestions mainly pertain to:

- Tariff;
- Quality of Power Supply and Service;
- Standards of Performance; and
- Certain specific requests.



The gist of objections, Replies by MESCOM and the Commission's Views are appended to this order in **Appendix-1**. MESCOM has not provided replies to objections received vide objection No.MB-13, MB-14.

3.3 List of the persons, who were listed for oral submissions during the Public Hearing, held on 21.02.2022:

SL. No.	Names & Addresses of Objectors
1	Sri. B. A. Nazeer, Director, Kanara Chamber of Commerce & Industry (KCCI), Bunder, Mangalore.
2	Sri. C. A. Abdul Rahman, Treasurer, KCCI.
3	Sri. Isaac Vas, President, Kanara Industries Association (KIA), Baikampady, Mangalore.
4	Sri. Devadas Shettigar, Karnataka ICE Plant Association.
5	Sri. Rajendra Suvama, Karnataka ICE Plant Association.
6	Sri. Udaya Kumar, Karnataka ICE Plant Association.
7	Sri. Ashok Kaveri, Kaveri ICE Plant Association.
8	Sri. Ramakrishnasharma Bantakallu, Udupi District Krushika Sangha.
9	Sri. Ravindhra Gujarabettu, Udupi District Krushika Sangha.
10	Sri. K. N. Venkatagiri, Sagar.
11	Sri. Vishwanath, Biddmar, Mangalore.
12	Sri. Sathyanarayana Udupa, Chief Secretary, Bharatiya Kisan Sangha (R), Udupi District.
13	Sri. Suresh Nayak, Mangalore.
14	Sri. Ravindra, Contractor, Kundhapura.
15	Sri. Sunil Vas, Electrical Contractor.
16	Sri. K. Ummer. Universal Electrical Contractor, Mangalore.

3.4 The summary of the additional points raised during the Public Hearing is as follows:

- 1) In general, the stakeholders opposed the Tariff hike, as there is an economic slowdown due to COVID-19, by which small scale industries are closing down their businesses and requested, not to increase the tariff.
- 2) The tariff for Ice Plant and Cold Storage units are on the higher side compared with neighboring States like Kerala and Goa. Due to which, the owners of the ice plants are not in a position to repay their loan amount and as a consequence, several ice plants have been closed down and several are in

- verge of closure. The ice plants will function seasonally and it was requested for lower (by Rs 2 to 4 per unit) and separate tariff for ice plants.
- 3) More and more consumers are moving to Open Access due to tariff hikes and there is need to bring back these consumers back to MESCOM grid by reducing the tariffs.
 - 4) The per unit cost of some of the plants like BTPS and UPCL are on higher side.
 - 5) In the power exchanges the power is available at much cheaper rate compared to MESCOM tariff.
 - 6) The fixed charges need to be reduced.
 - 7) The DTC metering is not completed 100% and hence the IP set consumption is inaccurate and hence distribution loss indicated is not correct. As a pilot project, IP set metering shall be done fully in Udupi District.
 - 8) Maintenance of lines is very poor and this loss is included in IP set consumption. Further, IP set consumer needs to be enlightened on importance of water and its saving alongside saving of power.
 - 9) Low Voltage problems needs to be sorted out.
 - 10) MESCOM has carried out good work during COVID-19.
 - 11) Introduction of prepaid meters will bring discipline and will avoid payment of deposits.
 - 12) Cross subsidy charges towards Agriculture needs to be reduced.
 - 13) Efficiency of MESCOM should improve.
 - 14) Storage of power needs to be encouraged.
 - 15) Special incentive schemes shall be encouraged.
 - 16) Supply from alternate feeders to avoid power interruption is to be made mandatory.
 - 17) Consumer meets are not conducted regularly.
 - 18) School Students shall be encouraged to learn about savings in energy.
 - 19) Amount to be released/Balance subsidies from the Government shall be collected and same will result in taking loan from the banks and payment of interest.
 - 20) Suo-motu compensation shall be issued for any deviation from the Standards of Performance by MESCOM. Requested for a pilot study in one Sub-Division by

- the Third party regarding the implementation of Standards of Performance and its deviations.
- 21) The no. of Electrical accidents shall be reduced and requested the Commission to bring Regulations or standards of performance on electrical accidents.
 - 22) There is a need for new formula to be determined for Akrama-Sakrama of IP Sets.
 - 23) Regulations is needed on utilization of Consumer Welfare funds. The same should be utilized in educating the consumers through workshops. In the workshops presentations may be made in kannada on various aspects involving the consumer. Utilizing the Consumer Welfare fund towards construction of Anganavadi Building is not encourageable.
 - 24) Requested for Concession in fixed charges for Senior Citizens.
 - 25) Reduction in distribution loss is appreciable. However, even with reduction in distribution loss, increase in tariff is objectionable.
 - 26) HT:LT Ratio is in the ratio of 1:2 is appreciable.
 - 27) Hydro allocation is very minimal to MESCOM, which is not correct.
 - 28) Employee shortage needs to be handled appropriately instead of outsourcing.
 - 29) Capital investment shall be approved based on previous years achievements.
 - 30) Applications for connections are available only with contractors, which is objectionable.
 - 31) The contractors are collecting excess amount in the name of officers of the MESCOM, including Managing Director.
 - 32) Vigilance activity needs more attention towards temporary connections.
 - 33) The Vigilance squad has reduced the booked amount from Rs.8 lakhs to Rs. 30,000.
 - 34) Quality materials are not being procured.
 - 35) The minimum charges towards the bills shall be in line with the Kerala State.
 - 36) Delhi Distribution Company shall be taken as a model.
 - 37) Sever problems in the distribution system have be resolved by up-grading the system.



MESCOM Response:

The MD MESCOM stated that the replies to most of the issues raised in the public hearing have been furnished in the written replies. The other issues not covered earlier would be looked into and remedial action taken.

Commission's Views:

The Commission directs MESCOM to look into the unresolved issues and attend to them on priority.



CHAPTER – 4

ANNUAL PERFORMANCE REVIEW FOR FY21

4.0 MESCOM's Application for APR for FY21:

The MESCOM has filed its application on 30th November, 2021, for the Annual Performance Review (APR)/ revision of ARR for FY21 based on the Audited Accounts, approval of the Annual Revenue Requirement (ARR) for the control period FY23- FY25, and revision of retail supply tariff for FY23.

The Commission had communicated its preliminary observations on the application of the MESCOM on 10th December, 2021. The MESCOM has furnished its replies to the preliminary observations of the Commission, vide its response dated, 23rd December, 2021.

The Commission in its Order dated 4th November 2020, had approved MESCOM's revised net Annual Revenue Requirement (ARR) of Rs.4011.33 Crores along with the revision of retail supply tariff for FY21.

The revised Annual Revenue Requirement (ARR) of the MESCOM as per annual performance review for FY21, based on the Audited accounts, is discussed in this chapter.

4.1 MESCOM's Submission:

The MESCOM has submitted its proposals for revision of ARR under APR for FY21 based on the Audited Accounts as follows:

TABLE – 4.1
APR for FY21 – MESCOM's Submission

Sl. No	Particulars	Amount in Rs. Crores	
		As approved in Tariff Order dated 04.11.2020	As Filed 30.11.2021
1	Energy at the Generation Bus (With MSEZ) (MU)	6097.10	5863.54
2	Transmission Losses - in %	3.039%	4.30%
3	Energy at Interface (MU)	5853.92	5611.33
4	Distribution Losses in %	10.00%	9.86%
	Sales in MU:		

Sl. No	Particulars	As approved in Tariff Order dated 04.11.2020	As Filed 30.11.2021
5	Sales to other than IP & BJ/KJ	3540.83	3337.71
6	Sales to BJ/KJ(consuming<40 units/month)	37.29	35.00
7	Sales to IP	1690.41	1685.25
	Total Sales	5268.53	5057.96
	Revenue at existing tariff in Rs. Crores		
8	Revenue from tariff and Misc. Charges	2908.51	2670.42
9	RE Subsidy to BJ/KJ	27.34	29.21
10	RE Subsidy to IP	951.24	
	Total Existing Revenue	3888.40	3649.87
	Expenditure in Rs. Crores		
11	Power Purchase Cost	2805.94	2813.79
12	Transmission charges of KPTCL	319.224	293.01
13	SLDC Charges	1.996	2.00
	Power Purchase Cost including cost of transmission	3127.16	3108.80
14	Employee Cost	702.32	467.61
15	Repairs & Maintenance		64.99
16	Administration & General Expenses		113.39
	Total O&M Expenses		645.99
17	Depreciation	153.53	193.14
	Interest & Finance charges		
18	Interest on Loans	109.84	100.19
19	Interest on Working capital	79.80	54.01
20	Interest on belated payment on PP Cost	0.00	0.00
21	Interest on consumer deposits	38.34	30.15
22	Other Interest & Finance charges	1.84	0.00
23	Less: interest and other expenditure capitalized	-2.10	0.00
	Total Interest & Finance charges	227.72	184.35
24	Other Debits/Extraordinary items (Rs.6.55 Crores of other debits Less extraordinary item of Rs.7.95 Crores)	0.00	-1.40
25	Net Prior Period Expenses/Income (Debit/Credit)	0.00	0.00
26	Return on Equity	167.04	135.24
27	Taxation/MAT Credit	0.00	0.00
28	Funds towards Consumer Relations/Consumer Education	0.50	0.41
29	Other Income	-133.38	-143.41
	ARR	4244.88	4123.12
30	Add surplus of previous years	-233.55	0.00
	Net ARR	4011.33	4123.12
31	Deficit in Revenue for FY21	-122.93	473.25

Sl. No	Particulars	As approved in Tariff Order dated 04.11.2020	As Filed 30.11.2021
32	Approved Regulatory Asset to be recovered during FY22 & FY23	122.00	0.00
33	Net Deficit for FY21	0.00	473.25

Considering the revenue of Rs.3649.87 Crores against a net ARR of Rs.4123.12 Crores, MESCOM has reported a revenue gap of Rs.473.25 Crores for FY21.

4.2 MESCOM's Financial Performance as per the Audited Accounts for FY21:

An overview of the financial performance of MESCOM for FY21, as per its Audited Accounts is indicated in the following Table:

TABLE – 4.2

Financial Performance of MESCOM for FY21

Amount in Rs. Crores

Sl. No.	Particulars	Amount
	Receipts:	
1	Revenue from Tariff and misc. charges	3650.285
2	Other Income	142.993
	Total Revenue	3793.28
	Expenditure:	
3	Power Purchase Cost:	2813.79
4	Transmission charges of KPTCL	293.01
5	SLDC & DSM(UI) charges	2.00
	Power Purchase Cost including cost of transmission	3108.80
6	Employee Cost & Benefit Expenses	467.61
7	Finance Cost	131.66
8	Depreciation	193.05
9	Other Expenses	215.58
10	Current Tax	0
11	MAT Credit Entitlement	0
12	Exceptional Items	-7.95
13	Less: Net movement of Regulatory deferred amount	-262.50
	Total ARR	3846.25
	Net Profits/-Loss	-52.97

As per the Audited Accounts, MESCOM has incurred a loss of Rs.52.97 Crores for FY21. The profit / loss reported by MESCOM in its audited accounts in the previous years are as follows:

TABLE – 4.3
MESCOM's Accumulated Profit / Loss

Particulars	Amount in Rs. Crores
Profit / Loss (-) as at the beginning of FY21	231.3958
Losses incurred during FY21	-52.9669
Accumulated balance of Profit / Loss (-) as at the end of FY21	178.4289

As seen from the above table, the accumulated profit as at the end of FY21 is Rs.178.4289 Crores.

Commission's analysis and decision:

As per the provisions of the MYT Regulations, the Commission has taken up the Annual Performance Review for FY21, duly considering the actual revenue and expenditure booked as per the Audited Accounts against the revenue and expenditure approved by the Commission in its Tariff Order dated 4th November, 2020. The item-wise review of expenditure and the revenue and the decisions of the Commission thereon are as discussed in the following paragraphs:

4.2.1 Sales for F21:

A. Sales- Other than IP sets:

- a. The Commission, in its Tariff Order 2020, dated 04.11.2020, had approved total sales of 5268.53 MU in respect of various consumer categories, as against MESCOM's proposal of 5554.25 MU, excluding the sales to MSEZ. The Actual sales of MESCOM, as per the current APR filing [D-2 FORMAT], is 4996.98 MU indicating a decrease in the sales to an extent of 271.55 MU, as compared with the approved sales.
- b. The category-wise sales approved by Commission and the actuals for FY21 are indicated in the table below:

TABLE - 4.4
Category wise Sales Approved Vs Actuals for FY21

Category Col-1	Energy In MU		
	Approved** Energy in MU Col-2	Actuals** Energy in MU Col-3	Difference (MU) Col-4= Col 3 - Col 2
LT-1 BJ/KJ greater than 40 units/month	12.08	18.91	6.83
LT-2a Domestic Lighting	1486.51	1529.78	43.27
LT-2b Pvt, Educational Institutions.	14.24	8.05	-6.19
LT-3 LT Commercial	408.52	349.98	-58.54
LT-4b IP sets above 10 HP	0.87	0.89	0.02
LT-4 (c) Pvt. Nurseries, coffee & Tea Plantations	8.11	8.70	0.59
LT-5 LT Industries	133.95	123.75	-10.20
LT-6 WS Water Supply	131.10	144.80	13.70
LT-6 SL Street Lights	72.11	66.79	-5.32
LT-7 Temporary Supply	20.41	18.32	-2.09
HT-1 HT Water Supply	109.04	100.79	-8.25
HT-2a HT Industrial	685.91	550.54	-135.37
HT-2b HT Commercial	220.55	140.44	-80.11
HT-2c Aided Edcl. Instns. & Hospital	159.93	89.81	-70.12
HT-3a & b HT Irrigation	48.86	95.59	46.73
HT-4 HT Residential Apartments	23.60	20.73	-2.87
HT 5 HT Temporary Supply	2.16	2.29	0.13
Sub total	3537.95	3270.16	-267.79
BJ/KJ less than/= 40 units/month	37.29	35.00	-2.29
IP Sets up to 10 HP	1690.41	1685.25	-5.16
Sub total	1727.70	1720.25	-7.45
KPCL	2.88	6.57	3.69
Grand total**	5268.53	4996.98	-271.55

**Excludes sales to SEZ.

The Commission had noted that the major categories contributing to the reduction in sales with respect to the estimates are LT-3, LT-5, HT-2a, HT-2b & HT-2c categories.

MESCOM in its filing has attributed the reduction in sales in the above categories to Covid -19 pandemic which is noted by the Commission. The Commission also notes that the sales in domestic category has increased probably due to work from home and use of gadgets owing to Covid-19 lockdown.

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B. Sales to IP sets – APR for FY21:

- i. In its Tariff Order dated 04th November, 2020, the Commission had approved a specific consumption of IP-sets as 4,796 units / installation / annum for FY21. Whereas, as per the data of IP-set consumption submitted by the MESCOM, in its Tariff filing for APR of FY21, the specific consumption works out to 4,771.59 units / installation / annum. This shows a decrease in the specific consumption by 24.41 (4,796 – 4,771.59) units / installation / annum, as compared with the approved figures. This actually corresponds to a decrease by 0.51%.
- ii. The total IP-set consumption reported by the MESCOM for the FY21 in the prescribed formats of the Commission, for assessment of sales to IP sets, is 1,685.25 MU. Whereas, the Commission had approved 1,690.41 MU for FY21, in its Order dated 04th November, 2020. Thus, there is a decrease of overall sales by 5.16 (1,690.41 – 1,685.25) MU which corresponds to 0.31 per cent decrease in percentage terms.
- iii. Further, the Commission had approved 3,61,245 as the number of IP-set installations for FY21; whereas the actual number of installations serviced as reported by the MESCOM in its Tariff filing is 3,61,885. This indicates an increase in number of installations by 640 (3,61,885 – 3,61,245) and this corresponds to 0.18 per cent increase in the number of installations as compared to number of installations approved for the FY21.

The details of sales to IP sets for FY21, as approved by the Commission in its tariff order 2020 and as furnished by MESCOM, in its current Tariff Filing are as indicated below (FY21 approved Vs Actuals):

Particulars	As approved by the Commission	Actuals as submitted by MESCOM
Number of installations	3,61,245	3,61,885
Mid-year number of installations	3,52,481	3,53,184
Specific consumption in units / installation / annum in units	4,796	4,771.59
Sales in MU	1,690.41	1,685.25

- iv. The Commission, in the APR for FY20, vide its tariff order 2021 has approved the total sales to IP sets as 1,728.92 MU with a specific consumption of 5,156 units per IP set per annum for FY20. MESCOM in its current tariff filing has indicated the sales to IP sets as 1,685.25 MU for FY21 with a specific consumption of 4,771.59 units per IP set per annum. It is observed that, there is a decrease in sales by 43.67 MU [1,728.92 (FY20) – 1,685.25 (FY21)] corresponding to 2.52% and a decrease in the specific consumption by 384.41 (5156 – 4771.59) units per IP set per annum corresponding to 7.45% for FY21 as compared to FY21 actuals – approved.
- v. The Commission, in its preliminary observations had directed MESCOM to furnish the data of GPS as on 31.03.2020 and 31.03.2021 by reconciling survey data with the number of installations in the DCB. As per the data furnished by MESCOM in its replies to preliminary observations, it has completed 78.19% of survey as on 31.03.2020 and the it is 98.47% as on 31.03.2021 and 100% as on 30.09.2021. From the data submitted, it is observed that, out of 3,61,885 numbers of installations as on 31.03.2021, 15,348 are defunct / dried up and 5,526 are not surveyed at all. Though the survey is said to be completed as on, 30.09.2021, MESCOM has reported 1,610 numbers as defunct / dried up. MESCOM has not reported the details of un-authorized IP installations in its area and the action taken to regularize such IP installations. In the previous tariff filings, the number of IP installations identified by MESCOM in GPS survey was more (authorized and unauthorized) than the number of installations in the DCB. Hence, the Commission observes that, MESCOM has not furnished the information of IP set installations as per GPS survey as desired by the Commission and there is an ambiguity in the data.
- vi. The Commission notes that, MESCOM, has not reported the precise details of actual number of IP installations existing in the field, working IP sets, permanently disconnected IP sets in respect of both the authorized and unauthorized categories, action taken to regularize the unauthorized IP sets etc., and the action taken to reconcile the data of the GPS survey with the DCB figures. The Commission hereby finally directs MESCOM to submit the



clear data of IP sets as per survey without any ambiguity in the data within 3 months from the date of this Order.

- vii. In the preliminary observations, the Commission has directed MESCOM to furnish the status of segregation the agricultural feeders to assess the sales to IP set installations based on the energy meter readings provided to such agricultural feeders. MESCOM has submitted that, out of 124 number of agricultural feeders, 120 feeders are commissioned. Along with these feeders, MESCOM also has aligned 252 numbers of rural mixed feeders as exclusive IP feeders. The Commission appreciates the progress of MESCOM in commissioning 372 (120 + 252) segregated IP feeders in the O&M Division areas of Shivamogga, Bhadravathi, Sagar, Shikaripura and Kadur. The Commission also directs MESCOM to take necessary action to commission the balance 4 numbers of segregated agricultural feeders at the earliest. MESCOM shall start furnishing the data of assessment of sales to IP installations in the area of above Divisions on the basis of the energy meters provided to these 372 feeders from the date of commissioning of these feeders.
- viii. The Commission, in its previous Tariff Orders, had directed MESCOM to submit the monthly IP-set consumption by considering the meter readings of individual IP-set installations which were said to be metered. MESCOM was also directed not to assess the IP-set consumption as per the meter readings of sample DTCs feeding predominantly IP-set loads. Though, MESCOM has completed the bifurcation of agricultural feeders, MESCOM has not submitted the assessment of sales to IP-sets neither on the basis of the meter readings of individual IP sets nor based on the consumption recorded in energy meters provided to the bifurcated agriculture feeders. Instead, MESCOM has submitted the abstracts of the IP-sets' consumption, based on the energy meter readings of sample DTCs supplying power predominantly to IP installations. MESCOM is directed to furnish the data of assessment of sales to IP installations on the basis of the readings of energy meters provided to segregated agriculture feeders while submitting the data for APR of FY22.

- ix. Based on the above discussions, even though the average consumption recorded in few of the predominant DTCs are higher than the MESCOM's average, since the sub-division average considered is found to be in acceptable range. On detailed verification of the data, it is noted that the overall sales of 1,685.25 MU as submitted by MESCOM for FY21 in its Tariff application which is acceptable. Therefore, the Commission hereby considers the IP set consumption of 1,685.25 MU for FY21.

Hence, the Commission hereby decides to allow the consumption of 1,685.25 MU claimed by the MESCOM in its tariff filing for FY21 with the details as follows;

Particulars	Approved sales of IP sets for FY20
Number of installations	3,61,885
Mid-year number of installations	3,53,184
Specific consumption in units / installation / annum	4,771.59
Sales in MU	1,685.25

In the light of the above discussions, based on the audited accounts, the Commission hereby approves energy sales for FY21 as indicated in the following table, including sales of 6.57 MU to KPCL and excluding wheeled energy and sales to MSEZ:

TABLE - 4.5

Category-wise Sales Approved for FY21 as per APR

Category	Actuals** Energy in MU
LT-1 BJ/KJ greater than 40 units/month	18.91
LT-2a Domestic Lighting	1529.78
LT-2b Pvt. Educational Installations	8.05
LT-3 LT Commercial	349.98
LT-4b IP sets above 10 HP	0.89
LT-4 (c) Pvt. Nurseries, coffee & Tea Plantations	8.70
LT-5 LT Industries	123.75
LT-6 WS Water Supply	144.80
LT-6 SL Street Lights	66.79
LT-7 Temporary Supply	18.32
1 HT Water Supply	100.79
HT-2a HT Industrial	550.54

HT-2b HT Commercial	140.44
HT-2c Aided Edcl. Instns. & Hospital	89.81
HT-3a & b HT Irrigation	95.59
HT-4 HT Residential Apartments	20.73
HT-5 HT Temporary Supply	2.29
Sub total	3270.16
BJ/KJ less than/= 40 units/month	35.00
IP Sets up to 10 HP	1685.25
Sub total	1720.25
KPCL	6.57
Grand total**	4996.98

**Excludes sale to SEZ.

Thus, the Commission approves 4996.98 MU excluding sales to MSEZL. The Sales to MSEZL is discussed in the relevant Chapter of the MSEZL Tariff Order.

4.2.2 Power Purchase for FY21:

MESCOM's Submission:

The Commission in its Tariff Order dated 4th November 2020, had approved power purchase quantum of 6,097.10 MU for MESCOM at a cost of Rs.3,127.157 Crores, indicating source-wise quantum of power purchase and cost thereon, for FY21. MESCOM, in its application has submitted the details of actual power purchase for FY21 vis-à-vis the approved figures, for the purpose of Annual Performance Review as under:

TABLE - 4.6
Power Purchase for FY21- Approved and Actuals

Source of Generation	Approved for 2020-21			Actuals as per filing for 2020-21			Difference			% increase (+)/decrease (-) over approved figures	
	Energy in MU	Amount in Crs.	Avg. cost in Rs/ kWh	Energy in MU	Amount in Crs.	Avg. cost in Rs/ kWh	Energy in MU	Amount in Crs.	Avg. cost in Rs/ kWh	Energy	Amount
KPCL Hydel Stations	1081.57	91.82	0.85	1155.76	123.68	1.07	74.19	31.86	0.22	6.86	34.70
KPCL-Thermal Stations	1199.46	758.55	6.32	760.53	558.64	7.35	438.93	199.91	1.03	-36.59	-26.35
CGS	1859.45	842.39	4.53	1924.52	861.87	4.48	65.07	19.48	0.05	3.50	2.31
Major IPPs	468.00	318.24	6.80	280.34	228.03	8.13	187.66	-90.21	1.33	-40.10	-28.35

Minor IPPs(RE Projects)	1473.20	570.17	3.87	1638.17	680.78	4.16	164.97	110.61	0.29	11.20	19.40
Other State Hydro Projects	15.42	5.19	3.37	19.11	3.30	1.73	3.69	-1.89	1.64	23.93	-36.43
Transmission Charges (KPTCL/PGCIL)	0.00	538.61	-	0.00	538.69	-	-	0.08	-	-	0.01
SLDC charges	0.00	2.00	-	0.00	2.00	-	-	0.00	-	-	0.20
POSOCO Charges	0.00	0.19	-	0.00	0.27	-	-	0.08	-	-	42.11
ENERGY Balancing	0.00	0.00	-	240.46	130.03	5.41	240.46	130.03	5.41	-	-
UI Charges	0.00	0.00	-	-24.10	-5.53	2.29	-24.10	-5.53	2.29	-	-
Other Charges	0.00	0.00	-	0.00	30.77	-	-	30.77	-	-	-
Energy Sales (Overarching/IEX/Others)	0.00	0.00	-	-131.25	-43.73	3.33	131.25	-43.73	3.33	-	-
Total	6097.10	3127.157	5.13	5863.54	3108.80	5.30	-233.56	-18.36	-	-3.83	-0.59

Commission's analysis and decisions:

1. Approved and Actual quantum & Cost of energy for FY21:

The actual power purchase quantum for FY21, as per annual accounts submitted by MESCOM is 5,863.54 MU purchased at a cost of Rs.3,108.80 Crores, as against the approved quantum of 6,097.10 MU at a cost of Rs.3,127.157 Crores. This indicates that there is a decrease in the quantum of power purchased to an extent of 233.56 MU and decrease in the power purchase cost by Rs.18.36 Crores.

The decrease in quantum and cost of power purchase is to the tune of 3.83% and 0.59% respectively as compared with the approved figures.

On decrease in power purchase quantum to an extent of 233.56 MU, MESCOM has submitted that due to COVID-19 restrictions which prevailed in the year FY21, there is decrease in sales in respect of high revenue yielding categories (industrial & commercial installations).

2. Merit Order Despatch:

On the deviation from the merit order scheduling, MESCOM has submitted that, based on the load requirements, the SLDC is scheduling the power in order to balance the load-generation. This is a dynamic exercise which SLDC is carrying out in respect of all time blocks. However, as can be observed from the statement (enclosed in the replies to the preliminary observations, showing variable cost in the ascending order of energy scheduled from

different sources), merit order dispatch has been complied with, while scheduling the energy.

3. Purchase of Energy from RE Sources:

As regards the reasons for variation in renewable energy consumption against the approved consumption, MESCOM has submitted that on a comparison of approved and actual RE, excluding bundled solar power, there is difference of 166.79 MU. Actuals of FY21 includes banked energy from mini-hydel (27 MU) & wind mills (2 MU) who are under wheeling & banking agreements and energy from solar rooftop purchases (7.71 MU) also. Otherwise difference would be about 130 MU. Since, the approved figures are estimations based on previous years' energy generation and keeping in view the infirm nature of generation, the variation of about 10% may be acceptable. Hence, the Commission is requested to approve the actuals as proposed in the petition.

4. Sale of surplus energy:

On Commission had observed that MESCOM has sold surplus energy of 131.25 MU energy at Rs.3.33 per unit and had desired to know as to whether there was profit/loss, MESCOM has submitted that, it is expected by the Commission that any surplus energy available from the tied up sources of energy would be traded by the ESCOMs through PCKL on commercial principles.

As informed by SLDC, the trading of excess power in any time blocks / time period is being done by PCKL on behalf of ESCOMs. In case such surplus energy is not traded then it would be considered in deviation settlement mechanism impacting negatively to ESCOMs attributing to UI charges which may be far less than the amount what would have been realized through trading. Hence, whatever the surplus energy traded and revenue realized in FY21 would have to be reckoned as reduction in such revenue loss.

In this regard, the Commission directs MESCOM/SLDC to make a critical analysis at each block on the energy sold and amount realized considering the merit order despatch, grid conditions and other relevant parameters, in order to know whether the amount realized from such sale results in profit or loss.



5. Increase in average cost of power supply:

On the Commission observation that the average cost of thermal stations like BTPS Unit-1, NTPC Vallur, Kudgi and UPCL, NTPC VVNL Bundle Power Solar, are on a higher side, MESCOM while keeping the Commission approved values as reference has replied that in respect of BTPS Unit-1, NTPC Vallur, and UPCL, the variable charges per unit are less than approved by the Commission. However, the capacity charges per unit are higher. This is because of non-scheduling of power to the extent of approved quantum from these sources by SLDC to balance the Load-Generation. In respect of Kudgi, the average cost is lesser than the approved cost due to sourcing higher energy than the approved quantum and Solar bundling in respect of NTPC-VVNL is being done considering the pooled cost. Hence, there is slight variation.

6. PGCIL Charges:

On the Commission's observation that, the PGCIL Charges have increased by around 12% and whether MESCOM has taken any initiative to address this issue of abnormal increase in the PGCIL POC charges, MESCOM has submitted that, the PGCIL is considering the SRPC data for sharing the central transmission charges under POC mechanism as per CERC sharing regulations and it is binding on the ESCOMs to bear the same. Further, the modified PoC charges sharing methodology, as per CERC (Sharing of Inter State Transmission charges and loss) Regulations 2020, have come into force with effect from 01.11.2020, by which it is expected that in FY22, the POC charges will come down considerably.

Taking note of the above submissions, the Commission directs MESCOM to ensure that the amount paid towards PGCIL charges are thoroughly verified as per the CERC approved methodology in terms of CERC (sharing of Inter State Transmission Charges and related matters) Regulations 2020 and make sure that such charges are arrived at prudently.

7. Source-wise Generation:

On an analysis of the source-wise approved and actual power purchases, it is observed that, there are deviations in the quantum of energy purchased and cost thereon. There is increase in supply of energy from the Central Generating Stations, Renewal energy sources of power and from energy supplied by the State Owned Hydel projects and other hydro projects. Whereas, there is decrease in the supply from the State owned Thermal Power Plants and Major Thermal IPPs as indicated below:

Source of Generation	Approved Energy for 2020-21 in MU	Actual Energy for 2020-21 in MU	Excess/ Shortfall (-) Energy in MU
KPCL Hydel Stations	1081.57	1155.76	74.19
KPCL-Thermal Stations	1199.46	760.53	-438.93
CGS	1859.45	1924.52	65.07
Major IPPs	468.00	280.34	-187.66
Minor IPPs(RE Projects)	1473.20	1638.17	164.97
Other State Hydro Projects	15.42	19.11	3.69

Source of Generation	Approved Amount for 2020-21 in Crores	Actual Amount for 2020-21 in Crores	Excess/ Shortfall (-) Amount in Crores
KPCL Hydel Stations	91.82	123.68	31.86
KPCL-Thermal Stations	758.55	558.64	-199.91
CGS	842.39	861.87	19.48
Major IPPs	318.24	228.03	-90.21
Minor IPPs(RE Projects)	570.17	680.78	110.61
Other State Hydro Projects	5.19	3.30	-1.89

The excess energy supplied from Renewable Energy Sources, State Owned Hydel projects and other hydro projects and reduction in the energy requirement has resulted in backing down of KPCL Thermal Power Stations and Major Thermal IPPs, but at the same time payment of fixed cost was made to the thermal station, though no energy was purchased from these thermal stations. Added to this, the PGCIL charges have increased by around 12% over the previous year. This has resulted in increase in per unit cost from Rs.5.13 Per unit (Approved) to Rs.5.30 per unit, as per actuals.

8. Variation in the Variable Cost of Thermal Generating Stations:

It was noted from the D- statement and details of Variable Cost (Rs/kWh) submitted in the ascending order, in the compliance of the Commission's preliminary observations, that there is variation in variable cost (Rs/kWh) of thermal generating stations among ESCOMs as indicated below:

Variable Cost (Rs/kWh) as noted from information provided by ESCOMS in D1 Format and in respect of preliminary observation on statement showing the variable cost in the ascending order w.r.t. Merit Order Despatch						
Sl. No.	Source/ESCOM Name	BESCOM	MESCOM	CESC	HESCOM	GESCOM
A	KPCL Thermal					
1	RTPS -I to 7	2.96	3.15	3.18	3.18	3.18
2	RTPS-VIII	3.41	3.55	3.58	3.58	3.58
3	BTPS Unit I	2.84	2.94	2.98	2.98	2.98
4	BTPS Unit II	2.73	2.82	2.90	2.90	2.90
5	BTPS Unit III	2.86	2.74	2.88	2.88	2.88
6	Yeramarus TPS	2.85	3.17	2.97	2.96	2.95
B	Central Projects					
1	N.T.P.C-Ramagundam, St-I & II	2.38	2.49	2.55	3.87	2.39
2	NTPC-Ramagundam, St-III	2.37	2.35	2.40	1.10	2.20
3	NTPC-Talcher, St-II	1.98	2.01	1.97	1.97	1.98
4	NTPC-Simhadri	3.11	3.08	3.12	3.18	3.30
5	NLC TPS2-Stage 1	2.68	2.75	2.75		3.42
6	NLC TPS2-Stage 2	2.84	2.72	2.75	3.17	2.00
7	NLC TPS-2-Expn 1 &2	2.68	2.68	2.61		2.67
8	NLC TPS1-Expn	2.45	3.46	3.73	3.96	3.48
9	Tuticorin (NTPL)1&2	3.07	2.95	3.10	Not Provided	3.00
10	Vallur TPS 1,2 &3	4.09	3.16	3.51	4.19	3.71
11	DVC Unit-1 & 2 Koderma	2.49	2.50		Not Provided	2.65
12	DVC Unit-7 & 8 Mejia TPS	2.76	2.77	2.61	Not Provided	2.77
13	Kudugi 1,2 &3	3.06	2.87	3.28	3.05	2.92
14	NNTPS	2.27	2.22	2.31	2.61	2.28
C	IPPs-Major-Thermal					
1	UPCL	3.48	3.07	3.53	3.54	3.37

Individually all the ESCOMs were requested to provide proper reasoning behind this variation in variable cost. The reasons provided by each of the ESCOMs are as below:

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BESCOM: BESCOM has submitted that, in respect of variable charges of KPCL thermal stations, KPCL is claiming GCV on station weighted average basis i.e. GCV as fired basis. As per PPA, GCV is to be admitted "as received basis" at power stations. The same is pointed by AG Audit. As such 150 kCal/kg is added to the arrived GCV on received basis of KPCL Thermal Stations. KPCL is considering moisture correction factor only on quantity and not for cost. As per Coal Supply Agreements, the moisture correction factor is to be considered for both quantity and cost. As such, moisture correction factor is considered both for cost and quantity. Due to these factors, variable charges of KPCL Thermal Stations billed by BESCOM is on lower side compared to variable cost billed by other ESCOMs.

Regarding variable charges of Central Generating Stations, BESCOM has submitted that, it includes compensation charges, incentives, SRLDC Charges, FERV and revisions of previous months and has enclosed the Statement showing the details of variable charges considered by BESCOM and the variable cost per unit of other ESCOMs if same charges are proportioned to their share allocation. According to it, the resulting variable cost (Rs/kWh) in respect of all the thermal power plants for all other ESCOMs are in line with BESCOM.

MESCOM: MESCOM has submitted that, the variable cost indicated in the D-1 statement inadvertently includes certain other costs also. MESCOM separates these inadvertent costs and arrives at exclusive variable costs. Such separated exclusive variable costs will be subject to scrutiny by applying the energy charges of each of the generating stations to the monthly scheduled energy, wherein, monthly energy charges are arrived at based on the parameters and formula as per PPA / CERC norms. It is further submitted that, such a scrutiny endorses the correctness of variable charges being admitted by MESCOM in the monthly bills of generating stations.

CESC: The CESC has submitted that, in respect of KPCL thermal power plants except Yeramarus TPS, KPCL is raising monthly invoices on the basis of PPA's and tariff orders issued by the Commission from time to time. The Variable cost

in respect of RTPS stations 1 to 7, RTPS-8, BTPS-Unit 1 to 3 stations are worked out on the basis of Coal cost with moisture correction factor i.e. CESC is not deducting the cost related to excess moisture content of the coal received by KPCL in order to arrive at the weighted average cost of the coal in respect of thermal stations. Also, the year-end revision of the Power Purchase cost as furnished by KPCL on 23.08.2021, has been accounted by CESC.

Further as per the approval conveyed by Energy Dept., Govt. of Karnataka vide letter No. Energy/386/PSR/2019 dated 14.10.2020, joint verification of records and accounts of both KPCL and ESCOMs for the purpose of verification of bills and reconciliation of dues of KPCL is being carried out by M/s.Ramraj & Co., Chartered Accountants, Bengaluru, for the period from 2005-06 to current year. After the completion of this reconciliation work, issues relating to moisture content etc. will be resolved. It is further submitted that, in respect of Yeramaras TPS monthly invoices are raised on the basis of PPA and tariff filing.

In respect of Central Generating Stations and UPCL generating station, CESC has submitted that, the energy charges shown in the D-1 statement is inclusive of RLDC charges, Filing charges, Compensation charges, Cess and other Prior period claims received along with the invoices. It is further submitted that, while finalizing the energy and cost for the year 2020-21, the revisions pertaining to FY-21, received up to August-2021 have been included as per the observations of Statutory and AG auditors.

HESCOM: HESCOM has submitted that, Variable Charges of thermal stations includes Energy Charges Rate (ECR), Compensation Charges, SRLDC Charges, Incentive Claims, Foreign Exchange Rate Variation (FERV) charges. Hence, the rate per unit varies. Further, on not providing the variable cost in respect of Tuticorin and DVC units, HESCOM has replied that these units are not scheduling power to HESCOM, since HESCOM has not opened valid Letter of Credit (LC).



GESCOM: GESCOM has submitted that, in respect of KPCL thermal generating stations, the Variable Cost is taken into account as per KPCL Revised bill dated 23-08-21. It is further, submitted that, KPCL billing & reconciliation work has been assigned to M/s Ramraj & Co. Bengaluru.

In respect of other thermal generating stations, GESCOM has submitted that, in Format D-1, the Variable Cost is taken into account including other charges of the bill which is not part of the Variable Cost. Due to consideration of other charges in Variable Cost the per unit variable cost varies from other ESCOMs.

After examining the response from ESCOMs, the Commission is of the considered view that due to lack of proper scrutiny by ESCOMs (other than BESCOM), the variable charges payable to the generating stations tend to vary among the ESCOMs, whereas they should be uniform across all the ESCOMs, except for some specific reasons.

In view of the above, in respect of variation in variable charges among ESCOMs, the Commission directs BESCOM to convey a coordination meeting involving all the ESCOMs within Two weeks from the issuance of the tariff order. In the meeting the ESCOMs shall discuss in detail the reasons for variation of variable charges for FY21 and arrive at the following:

a) Actual variable cost to be paid in respect of each of the power plant by the respective ESCOM.

b) Deviations in payment of variable cost made by respective ESCOM as against actual variable cost in respect of each of the power plant.

Further, BESCOM shall submit the detailed minutes of the meeting involving the above details to the Commission within two weeks from the date of conduct of meeting, for further needful action.

In the circumstances explained above and in view of fact that the power purchase is un-controllable cost as per MYT Regulations, the Commission hereby decides to approve the actual power purchase cost of Rs.3,108.80 Crores towards purchase of 5,863.54 MU for FY21.



4.2.3 RPO Compliance for FY21:

MESCOM in its tariff filing has submitted the following RPO compliance:

a. Non-solar RPO (Actuals for FY21):

**TABLE – 4.7
Non Solar RPO Compliance**

Sl. No.	Particulars	Quantum In MU	Cost Rs.in Cr
1.	Total power purchase quantum from all sources excluding Hydro-energy	4690.20	2979.78
2.	Non-Solar RE purchased under PPA route at Generic Tariff including Non-Solar RE purchased from KPCL	785.08(*)	300.79(*)
3.	Non-Solar RE purchased at APPC	-	-
4.	Non-Solar RE (Green Energy) sold to consumers	-	-
5.	Non-Solar RE purchased from other ESCOMs	-	-
6.	Non-Solar RE sold to other ESCOMs	-	-
7.	Banked non-solar RE purchased @ 85% of Generic Tariff.	29.29(**)	9.72(**)
8.	Total Non-Solar RE Purchased [1+2+3-4+5-6+7]	814.37	310.51
9.	Non-Solar RPO Target (%)	13.00%	-
10.	Non-Solar RPO Complied (%)	17.36%	-

(*) Includes Mani 2.16 MU (Rs.0.38 Cr.) and Shimsha 5.01 MU (Rs.0.63 Cr.)

(**) Banked non-solar energy of 29.29 MU (Mini Hydel : 27.30 MU (Rs.9.17 Cr) and Wind Mill : 1.99 MU (Rs.0.55 Cr))

b. Solar RPO (Actuals for FY21):

**TABLE – 4.8
Solar RPO Compliance**

Sl. No.	Particulars	Quantum In MU	Cost Rs.in Crs.
1.	Total power purchase quantum from all sources excluding Hydro-energy	4690.20	2979.78
2.	Solar RE purchased under PPA route at Generic Tariff including Solar RE purchased from KPCL	830.32(***)	371.11(***)
3.	Solar RE purchased at APPC	-	-
4.	Solar RE (Green Energy) sold to consumers	1.26	0.06
5.	Solar RE purchased from other ESCOMs	-	-
6.	Solar RE sold to other ESCOMs	-	-
7.	Banked solar RE purchased @ 85% of Generic Tariff.	0.65	0.17
8.	Total Solar RE Purchased [1+2+3-4+5-6+7]	829.71	371.22
9.	Solar RPO Target (%)	8.50%	-
10.	Solar RPO Complied (%)	17.69%	-

(***) includes Solar Rooftop Energy of 7.06 MU (Rs.4.76 Crs.)

Commission's analysis and decision:

The Commission has approved the source-wise power purchase quantum and cost, as discussed above. Therefore, for the purpose of RPO compliance, the Commission has considered the power purchase quantum as per the approved APR for FY21. As per the D-1 Format submitted by MESCOM, the Commission has approved power purchase quantum of 4690.20 MU [5863.54 MU -1155.76 MU towards KPCL hydro and -19.11 MU of other hydro -5.64 MU of energy balancing+ 7.17 of Shimsha & Mani], excluding procurement from hydro sources, based on the audited accounts.

The Commission notes that as per D-1 Format/audited accounts, the Non-Solar RE purchased is as follows:

Generation	MU
Shimsha & Mani Mini-Hydel as per MESCOM submission	7.17
Mini-Hydel	393.66
Wind	261.10
Co-Generation Medium Term	152.44
*Less : Energy Sold under APPC/75% of Generic tariff	0.00
*Less: Energy Sold under Green tariff	0.00
*Less: sold to other States/ESCOs	0.00
*Less: Sold in IEX/market	10.45
Total- Non-solar	803.92

Note: Banked non-solar energy of 29.29 MU included in Mini-Hydel & Wind
*As per additional information furnished by MESCOM

Regarding the Non-Solar RPO, considering the input energy (excluding procurement from hydro sources) of 4690.20 MU, the Non-solar RPO target at 13.00% works out to 609.726 MU (609726 MWh after rounding off). MESCOM has purchased 803.92 MU (803920 MWh) of Non-solar energy. Thus, MESCOM has purchased 194.194 MU (194194 MWh) excess non-solar energy beyond the target specified. The Commission holds that MESCOM has met its Non-Solar RPO target of 13% for FY21, in terms of the prevailing Regulations.

As regards the Solar RPO, the details of solar energy purchased as per D-1 Format/audited accounts is as indicated below:

Generation	Million Units
NTPC bundled-Pavagada	98.71
NTPC-VVNL bundled	7.58
PPA**	724.67
*Less : Energy Sold under APPC/75% of Generic tariff	0.00
*Less: Energy Sold under Green tariff	1.26
*Less: sold to other States/ESCOs	38.32
*Less: Sold in IEX/market	6.36
Total-solar	785.02

**Includes banked energy of 0.65MU & Solar Rooftop Energy of 7.06 MU

*As per additional information furnished by MESCOM

Considering the input energy (excluding procurement from hydro sources) of 4690.20 MU, Solar RPO target at 8.50% works out to 398.667 MU (398667 MWh after rounding off), MESCOM has purchased 785.02 MU (785020 MWh) of Solar energy. Thus, MESCOM has purchased 386.353 MU (386353 MWh) excess Solar energy beyond the specified target. The Commission holds that MESCOM has met its Solar RPO target of 8.50% for FY21, in terms of the prevailing Regulations.

4.2.4 Distribution Loss for FY21:

MESCOM's Submission:

MESCOM, in its tariff application has submitted the distribution loss as 9.86% for FY21, as against the approved distribution loss of 10.00% for FY21 with 10.25% being the upper limit and 9.75% being the lower limit, as per tariff Order 2020. The details for the actual distribution loss for FY21 are as follows:

1	Energy at Interface Points in MU	5611.33
2	Total Sales in MU	5057.96
3	Distribution Loss (%)	9.86%

Commission's Analysis and Decisions:

The Commission notes that, as per audited accounts the actual distribution loss is 9.86% as against the revised approved loss target of 9.67% as per Tariff Order 2021.

The Commission, in its Tariff Order dated 4th November, 2020 had approved distribution loss for FY21 as shown in the table below:

Particulars	FY21
Upper Limit	10.25%
Average	10.00%
Lower Limit	9.75%

The Commission in its Tariff Order dated 9th June, 2021 based on the actual distribution losses achieved in FY20, had approved the revised distribution loss for FY21 as shown in the table below:

Particulars	FY21
Upper Limit	9.92%
Average	9.67%
Lower Limit	9.42%

The performance of MESCOM in achieving the loss target fixed by the Commission in past nine years is as follows:

Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Approved distribution Loss	12.00	11.75	11.50	11.25	11.15	11.05	10.95	11.00	9.67 (revised)
Actual Distribution Loss	11.88	11.93	11.56	11.50	11.40	11.32	13.29	10.07	9.86

The Commission notes from the above table that the MESCOM has achieved distribution loss of 9.86% with 0.21% reduction from the previous year FY20. The Commission reiterates its direction to MESCOM for putting forth continuous efforts to reduce the losses for forthcoming financial years.

In the light of the above, based on the achievement made by the MESCOM in reducing the losses during the previous years and the capex incurred so far, the Commission decides to consider and approve the actual distribution losses at 9.86% for FY21.

As the approved revised distribution losses of 9.67% was fixed in the Tariff Order 9th June, 2021 after the completion of the financial years to approve the revised

distribution losses for FY22 the Commission considered the approved distribution target of 10% as per Tariff Order dated 4th November, 2020 for allowance / levy of incentive / penalty on the reduced / increased losses in approved of APR for FY21.

The actual approved distribution losses of 9.86% by the Commission for FY21 is well within the approved upper & lower range of 9.92% & 9.42% respectively, MESCOM is not entitled for any incentive/penalty for achieving the distribution losses for FY21.

4.2.5 Capital Expenditure for the FY21:

MESCOM Submission:

The MESCOM, in its Tariff application has indicated a capital expenditure of Rs.402.83 Crores for FY21 as against the Commission approved capex of Rs.914.75 Crores for FY21. MESCOM in its filing has furnished the breakup of category-wise expenditure of Rs.402.83 Crores for FY21 is as under:

TABLE - 4.9
Break-up of category wise Capital expenditure

Amount in Rs. Crores					
Sl. No.	Particulars	KERC Approved Capex FY21	Expenditure Relating to works sanctioned prior to FY21	Expenditure Relating to Works sanctioned in FY21	Total
A	Regular works				
1	Extension & Improvement (E&I) works (Additional Transformers, Link-Lines, HT/LT Re-conductoring, HVDS , UG/AB Cable etc.)	250.00	76.00	29.09	105.09
2	DTC metering	45.00	1.40	-	1.40
3	Replacement of Electromechanical meters by Static meters	5.00	0.26	1.75	2.01
4	Replacement of faulty Distribution Transformers	5.00	0.13	1.64	1.77
5	Service Connection	55.00	10.56	18.14	28.70
6	Rural Electrification (General)				
a	Electrification of Hamlets	2.00	(0.26)	-	(0.26)
b	Energisation of IP sets under general, Ganga Kalyana schemes etc	55.00	18.99	28.70	47.69
c	Electrification of BPL Households	0.25	-	-	-
7	Tribal Sub-Plan				
a	Electrification of Tribal Colonies	1.50	0.46	0.02	0.48
b	Energisation of IP sets	0.95	0.26	0.81	1.07
c	other improvement works	0.05	0.41	0.32	0.73

8	Special Component Plan				
a	Electrification of S.C Colonies	1.00	-	0.04	0.04
b	Energisation of IP sets	1.40	0.59	1.88	2.47
c	other improvement works	0.10	1.84	0.96	2.80
9	Tools & Plants & Computers	10.00	-	4.06	4.06
10	Civil Engineering Works	60.00	32.33	1.96	34.29
11	33 KV Station and Line Works	70.00	13.87	1.58	15.45
12	Solar Roof top on Company Buildings	1.50	0.17	0.21	0.38
	Total-A:	563.75	157.01	91.16	248.17
B	GoI/GoK Scheme works				
1	Deen Dayal Upadaya Grama Jyoti Yojana (DDUGJY)	50.00	49.68	12.19	61.87
2	IPDS: System improvement & Strengthening works in R-APDRP / statutory towns	20.00	16.33	10.80	27.13
3	IPDS:Gas insulated substations	55.00	5.55	12.07	17.62
4	IPDS (Integrated Power Development Scheme) Phase II-IT	6.00	-	-	-
5	Providing Infrastructure to regularized UIPand general IP sets -Phase-III	45.00	3.56	38.79	42.35
6	Improvement works for Model Electricity Village	30.00	-	-	-
7	Improvement works for Model Sub-division	140.00	3.11	2.58	5.69
8	Saubhagya	5.00	-	-	-
	Total-B:	351.00	78.23	76.43	154.66
	GRAND TOTAL:	914.75	235.24	167.59	402.83

Commission's Analysis and Decision:

1. The Commission, in its Tariff Order dated 4th November, 2020, had recognized the expected capital expenditure of Rs.914.75 Crores for FY21 and decided to reckon Rs.667.77 Crores for the purpose of while revising the ARR and retail supply tariff determination for FY21. MESCOM was directed to carry out the capital works without seeking any additional Capex during the middle of the year by making suitable re-appropriation within the capex amount approved by the Commission. MESCOM was also informed that if any capex is incurred without approval of the Commission, the corresponding interest on loans and depreciation will not be considered for the ARR of the respective years.
2. MESCOM, in its filling has indicated a capital expenditure of Rs.402.83 Crores in the Table in Page No.60 & 61, whereas in Format D-17, the Capital expenditure is shown as Rs.445.93 Crores. In view of the inconsistency in furnishing the details the Commission, in its Preliminary Observations, had directed MESCOM to indicate the correct actual capex incurred for FY21 as against the Commission approved capex.

In reply MESCOM has submitted that during FY21, 25,942 number of works have been carried out amounting to Rs.402.83 Crores. Further, MESCOM has submitted a revised Format D-17 duly tallying the amount with the Table as additional information, sought by the Commission.

In view of the above, the Commission directs MESCOM that in future, it should furnish data duly tallied with the audited accounts, by maintaining proper records of the physical and financial progress, for the capex incurred.

3. In Preliminary Observations, Commission had directed MESCOM to furnish the details of sources of funding (like grants, debt, equity and internal sources) besides loans raised to meet the capex towards the capex incurred during the FY21, against each of the category of works.

In reply, MESCOM has submitted the details of sources of funding (besides loans raised) utilized to meet the Capex of FY21 is as below:

Source of funding other than loan	Rs. in Crores
Equity	52.24
Govt. Grants	10.46
Other internal resources	58.15
Total	120.85

The Commission notes that MESCOM has not furnished the sources of funding for each category of works. In view of this Commission directs MESCOM to maintain the details of the sources of funding for each category of works and submit the same in future filing.

4. The Commission, in its Preliminary Observations, had directed MESCOM to furnish division-wise abstract of capacity-wise replacement of faulty transformers by new transformers with reasons for having incurred amount of Rs.1.77 Crores.

In reply MESCOM has submitted that it has changed the accounting policy from September-2018, wherein the faulty transformers released in the field are not being withdrawn from asset accounts in the books of accounts. The Asset value along with applicable accumulated depreciation is being withdrawn only in respect of scrapped assets. Therefore, when repaired good

transformers are utilized in the field for replacement of faulty transformers, no assets are created again.

Further, MESCOM has submitted that transformers released before September-2018 and repaired and utilized in the field in the current year, are again taken into asset account as the original value of asset was withdrawn while transformers were released (in the old method) and instructions have been issued to the field staff to draw only released/ repaired good transformers for replacement works. However, it is very rare that the repaired good transformers are not readily available in stores and good transformers are used to restore the power supply. It is submitted by MESCOM that during the year 2020-21 only 86 new transformers are used for replacement works.

Break up details for capex incurred of Rs.1.77 Crores as submitted by MESCOM, in addition to the reply to the preliminary observations of the Commission is as under.

Amount in Rs. Crores							
Released good transformers utilized for replacement works		New transformers utilized for replacement works		New transformers utilized for enhancement works		Total	
No.	Amount	No.	Amount	No.	Amount	No.	Amount
92	0.2823	86	0.8753	49	0.6121	227	1.7697

MESCOM, in its reply to the preliminary observations has considered amount Rs.0.2823 Crores as capital expenditure towards the cost of released good transformers utilized for replacement works, with an accounting entry in the book of accounts without any outflow of cash. Therefore, the cost of such assets cannot be treated as capital expenditure for the year. Hence, the Commission by excluding this amount has considered Rs.1.4874 Crores as capital expenditure for FY21 in the respective head of accounts.

- In the Preliminary Observations, the Commission, in respect Model sub division works for FY21, had directed MESCOM to furnish an abstract of number of works sanctioned, Completed, balance number of works to be taken up, details source of funding for capex incurred for Rs.5.69 Crores. In reply MESCOM has furnish the details pertaining to Model sub-division works as indicated below:

Division	No. of works sanctioned	Amount (Rs.in Crores)
Mangaluru	1	0.01
Shivamogga	3	5.68
Total:	4	5.69

Except the above, MESCOM has not furnished any other details including the Sources of funding for the said project.

6. The Commission notes the list of works furnished by MESCOM in respect of 33KV station and line works for having incurred amount of Rs.15.45 Crores.
7. The Commission in its Preliminary Observation had directed MESCOM to furnish Division-wise abstract of number of IP sets energized and cost thereon, under GK scheme and regularized under UNIP scheme for having incurred capex of Rs.47.69 Crores and Rs.42.35 Crores respectively.

MESCOM, in its reply to the additional clarification sought by the Commission on the subject matter, has furnished the details of IP sets energized under GK & UNIP as indicated below:

Division	Amount in Rs. Crores			
	Details of energization of IP under general & GK Scheme		Details of energization of IP under Regularization of UNIP Scheme	
	No. of IP sets	Amount	No. of IP sets	Amount
Mangalore	89	0.11	-	-
Kavoor	430	0.76	-	-
Bantwal	2375	3.70	-	-
Puttur	1847	1.91	-	-
Udupi	1210	2.32	-	-
Kundapur	1498	1.32	-	-
Shimoga	868	4.91	28	0.49
Bhadravati	609	2.50	-	-
Sagar	517	4.63	752	20.18
Shikariura	498	3.66	336	7.83
Chikmagalur	1026	7.72	36	0.63
Koppa	484	3.31	28	0.71
Kadur	1341	10.84	466	12.51
Total	12792	47.69	1646	42.35

Further, in respect of UNIP Scheme, MESCOM has submitted that these numbers are already included in DCB in previous years and only the expenditure is incurred during the year for providing infrastructure.

Thus, the Commission, by considering the replies submitted by MESCOM, and in view of the fact that the actual capex incurred is within the approved Capex, decides to approve the actual capex of Rs.402.83 Crores, for the purpose of

approval of APR for FY21, subject to Prudence Check. The Capex approved by the Commission for FY21, is outside the purview of any enquiry conducted / to be conducted by the department / any agency on the capital works.

4.2.6 Review of Prudence Check of Capital Expenditure incurred by MESCOM during FY19 and FY20 as per Tariff Order dated 9th June 2021.

The Commission vide letters dated 12.07.2021, 01.09.2021 and 30.09.2021, had directed and reminded MESCOM to furnish the Compliance on the prudence check final report submitted by M/s TERI, Bengaluru in respect of prudence check of capital expenditure pertaining to completed capitalized works categorized during FY19 and FY20. Accordingly, MESCOM vide its letter dated 09.10.2021, had submitted compliance on the prudence check final report submitted by M/s. TERI. Wherein, in respect of DTC metering works, MESCOM has stated that it has taken necessary measures for replacement of faulty / non-communicating DTC meters from 19.08.2021 onwards and further submitted that the Continuous monitoring is being done to check the performance of DTC metering including predominantly feeding IP set DTCs so as to achieve the envisaged benefit of energy audit.

After analyzing MESCOM replies on the DTC metering works and justifications furnished by MESCOM, the Commission has decided that, 7 works amounting to Rs.3.44 Crores do not qualify for being treated as prudent for FY21, as the above said works are not fully functional and reply provided by MESCOM is not satisfactory. Hence, the Commission has considered disallowance of the related costs on account of 7 imprudent works, in the APR of MESCOM for FY21. Which will be again reviewed in the next Tariff Order.

Accordingly, the expenses towards depreciation and interest incurred on capital works by MESCOM, on such imprudent works have to be disallowed, in APR of FY21, as indicated below.



Sl. No.	Name of the work	Work order No and date	Actual Cost (Rs. In Crores)	Period for which amount to be disallowed	Amount to be disallowed in Rs. Crores
1	Supply, installation, Commissioning and Maintenance of Composite Thread through type meter box of class 1.0 with LT Electronic Tri - Vector Meter having AMR Complaint with associated CT, Modem and other materials for DTC metering works : BAIKAMPADY SECTION in Kavoor Division (for FY19).	R-20405/ 31.03.2016	0.06	17 th July 2016 to March 2021	0.049
2	Supply, Installation, Commissioning and Maintenance of Composite Thread through Type Meter of Class 1.0 with LT Electronic Tri-Vector meter having AMR compliant with associated CT's modem and other materials for DTC metering works under competitive bidding on Supply, Erection and 5 Years of Maintenance in Udupi Division (for FY19).	P-23502 / 31.3.2016	1.30	10 th December 2016 to March 2021	0.774
3	Supply, Installation, Commissioning and Maintenance of Composite Thread through Type Meter of Class 1.0 with LT Electronic Tri-Vector meter having AMR compliant with associated CT's modem and other materials for DTC metering works under competitive bidding on Supply, Erection and 5 Years of Maintenance in Udupi Division (for FY19).	P-23504 / 31.3.2016	1.20	21 st June 2016 to March 2021	1.031
4	Estimate for supply installation, commissioning and maintenance of composite thread through type meter of class 1.0 having AMR compliant with associated CTs, Modem and other materials for DTC metering works in Haladi section in Kundapur Division (for FY19).	E-15204 / 31.03.2016	0.33	1 st April 2017 to March 2021	0.273
5	Estimate for supply installation, commissioning and maintenance of composite thread through type meter of class 1.0 having AMR compliant with associated CTs, Modem and other materials for DTC metering works in O&M1 section in Kundapur Division (for FY19).	E-15201 / 16.03.2018	0.55	13 th Jan 2017 to March 2021	0.285
6	Supply installation Commissioning and Maintenance of Composite Thread through Type Meter of Class 1.0 having AMR complaint with associated CTs Modem and other materials for DTC metering works for a period of 5 Years in Udupi O&M Circle Katapadi Section in Udupi Division (for FY20).	P-23505 / 31.3.2016	0.09	22 nd July 2016 to March 2021	0.051
7	Supply installation Commissioning and Maintenance of Composite Thread through Type Meter of Class 1.0 having AMR complaint with associated CTs Modem and other materials for DTC metering works for a period of 5 Years in Moodubelle Section of Manipal Sub-Division in Udupi Division (for FY20).	P-23510 / 31.3.16	0.04	21 st June 2016 to March 2021	0.022
Total amount to be disallowed for FY21					2.485

While arriving at the above amounts for disallowance, the weighted average rate of interest on loans and depreciation of MESCOM as below:

FY17		FY18		FY19		FY20		FY21	
Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest	Wt. Avg. Depreciation rate	Wt. Avg. Interest
4.47%	10.43%	5.10%	7.97%	4.79%	8.41%	5.27%	9.04%	5.24%	9.07%

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In view of the above, the Commission hereby disallows Rs.2.485 Crores for FY21 towards depreciation and interest on loans allowed in respect of imprudent works. Accordingly, the same is ordered to be deducted in MESCOM's APR of FY21.

4.2.7 Operation and Maintenance Expenses:

MESCOM's Submission:

The MESCOM, in its application, has sought approval of O&M expenditure of Rs.645.99 Crores as per the audited accounts as against Rs.702.32 Crores as approved by The Commission in its Tariff Order dated 4th November, 2020 for FY21. The break-up of O&M expenses are as follows:

TABLE – 4.10
O & M Expenses - MESCOM's submission

Amount in Rs. Crores	
Particulars	FY21
Employee cost	467.61
Administrative & General Expenses	113.39
Repairs and Maintenance	64.99
Total O & M Expenses	645.99

Commission's analysis and decisions:

The Commission, in its preliminary observations, has noted that MESCOM in its filing of APR for FY21 had projected Rs.116.92 Crores towards Terminal Benefits for FY21. MESCOM was directed to furnish the basis and the computation details for having claimed the amount in respect of employees recruited prior to 31.03.2002 and those employees covered under NDCPS scheme separately. Accordingly, MESCOM in its reply to the preliminary observation, has furnished the details which is noted by the Commission.

The Commission in its Tariff Order dated 4th November, 2020 had approved O&M expenses for FY21 as under:

TABLE – 4.11
Approved O&M Expenses as per Tariff Order dated 04.11.2020

Particulars	Amount in Rs. Crores	
		FY21
No. of installations as per actuals as per Audited Accts		2521607
Weighted Inflation Index (%)		8.2604%
CGI based on 3 Year CAGR		3.36%
Base year O&M expenses (Actuals for FY19 including the P&G contribution and the additional contribution of Rs.16.07 Crores to P&G trust) Rs. Crores.		574.82
Allowable O&M expense= O&M Index= O&M (t-1) *(1+WII+CGI-X) in (Rs. Crores)		702.32

The Commission notes that MESCOM has claimed O&M expenses of Rs.645.99 Crores as per the audited accounts, for the purpose of APR for FY21. MESCOM in tariff application, has submitted that it has incurred Rs.22.37 Crores towards earned leave encashment, Rs.0.41 Crores towards payment under Workmen's compensation, Rs.3.08 Crores towards staff welfare expenses and Rs.116.92 Crores towards terminal benefits for FY21.

The Commission, in accordance with the provisions of the MYT Regulations and the methodology adopted while approving the ARR for FY21 and earlier APRs, proceeds with the determination of normative O&M expenses, based on the 12 Year data of WPI and CPI, besides considering the three year compounded annual growth rate (CAGR) of consumers. Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI) as per the data available from the Labour Bureau, Government of India and adopting the methodology followed by the CERC with CPI and WPI in a ratio of 80: 20, the allowable rate of inflation for FY21 is computed as follows:

TABLE-4.12
Allowable inflation for FY21

Year	WPI	CPI	Composite Series	Yt/Y1 =Rt	Ln Rt	Year (t-1)	Product [(t-1)* (LnRt)]
2009	81.9	54.5	59.98				
2010	89.7	61.1	66.82	1.11	0.11	1	0.11
2011	98.2	66.5	72.84	1.21	0.19	2	0.39
2012	105.7	72.7	79.30	1.32	0.28	3	0.84
2013	111.1	80.6	86.70	1.45	0.37	4	1.47
2014	114.8	85.7	91.52	1.53	0.42	5	2.11
2015	110.3	90.8	94.70	1.58	0.46	6	2.74
2016	110.3	95.3	98.30	1.64	0.49	7	3.46

2017	114.1	97.6	100.90	1.68	0.52	8	4.16
2018	118.9	102.4	105.70	1.76	0.57	9	5.10
2019	121.2	110.2	112.40	1.87	0.63	10	6.28
2020	121.8	116.3	117.40	1.96	0.67	11	7.39
A= Sum of the product column							34.05
B= 6 Times of A							204.28
C= $(n-1)*n*(2n-1)$ where n= No of years of data=12							3036.00
D=B/C							0.07
g(Exponential factor)= Exponential (D)-1							0.0696
e=Annual Escalation Rate (%)=g*100							6.9602

The Commission, while determining the normative O & M expenses for FY21, has considered the following:

- The approved normative O & M expenses for FY20, excluding contribution to Pension and Gratuity Trust.
- The three year compounded annual growth rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts up to FY21.
- The weighted inflation index (WII) at 6.9602% as computed above.
- Efficiency factor at 1% as considered during computing earlier APRs.

Thus, the normative O & M expenses for FY21 will be as follows:

TABLE - 4.13
Normative O & M Expenses

Particulars	Amount (in Crores)	
		FY21
No. Of Installations		2504859
CGI based on 3 year CAGR		3.13%
Inflation index		6.9602%
Base Year O&M Cost (FY19 as per actuals without contribution to P&G trust)-Rs. Crores		484.96
Approved O&M expenses without contribution to P&G trust for FY20- Rs. Crores		534.41
Normative O&M expenses Index= O&M (t-1) *(1+WII+CGI-X)- Rs. Crores		582.98

The above normative O & M expenses have been computed without considering the contribution to the Pension and Gratuity Trust and the pay revision arrears for FY21. Thus, for computing the allowable O&M charges for FY21, the Commission has considered normative O&M expenses of Rs.582.98 Crores along with uncontrollable additional O&M expenditure of Rs.118.17 Crores towards P&G contribution which works out to Rs.701.15 Crores.

The Commission notes that MESCOM has incurred total O & M Expenses of Rs.646.24 Crores comprising of employee expenses of Rs.467.61 Crores, Repair

and Maintenance expenses of Rs.64.99 Crores and Administrative & General expenses of Rs.113.64 Crores (excluding the expenditure incurred towards consumer relation/education expenses of Rs.0.1552 Crores) as per the audited accounts.

The Commission, in its earlier Orders, has been consistently stressing the need to control the controllable O&M expenses and opines that allowing O&M expenses, beyond the actual amount of O&M expenses incurred and accounted in the audited accounts, will be a burden to the end consumers, if the same is passed on in the retail supply tariff, to be approved for FY23. Thus, based on the above, the allowable O&M expenses for FY21 are regulated as follows:

As per the audited accounts, MESCOM has incurred actual O & M expenses of Rs.646.24 Crores for FY21. Hence, the allowable O & M expenses of Rs.701.15 Crores for FY21 as computed above is more than the actual total O&M expenses incurred by MESCOM by Rs.54.91 Crores. The Commission notes that along with the APR revenue gap of Rs.341.96 Crores for FY23, the proposed ARR of Rs.4011.33 Crores, and projected revenue gap of Rs.473.25 Crores for FY23. This has resulted in the average tariff hike of Rs.1.69 per unit in retail supply tariff for FY23, which is going to be a huge burden on the end consumers. MESCOM has not properly exercised due diligence in controlling the O&M expenses during FY21. The Commission has been consistently stressing the need to control the O&M expenses and opines that allowing controllable O&M expenses beyond the actual amount incurred and accounted in the available accounts will be a burden to the end consumers in the tariff to be approved for FY23.

TABLE – 4.14
Allowable O & M Expenses for FY21

Amount in Rs. Crores		
Sl. No.	Particulars	FY21
1	Normative O & M expenses	582.98
2	Allowable uncontrollable additional O&M cost (P&G Contribution)	118.17
3.	Allowable O & M expenses for FY21	701.15
4	Actual expenses (With P&G Contribution)	646.24
5	Approved O&M Expenses for FY21	646.24

Thus, the Commission decides to allow actual O&M Expenses of Rs. 646.24 Crores incurred by MESCOM as per its Audited Accounts for FY21.

4.2.8 Depreciation:

MESCOM's Submission:

MESCOM in its application, has claimed an amount of Rs.193.14 Crores as per the audited accounts as against Rs.153.53 Crores approved by the Commission, towards depreciation for FY21.

MESCOM has submitted that the assets created out of Govt. Grants and Consumer Contribution till 31.03.2016 amounting to Rs.515.17 Crores and the depreciation of Rs.25.38 Crores charged and accounted in the books of the accounting units have been withdrawn in the corporate office and the balance of Gross Fixed Assets and the depreciation has been accounted in the MESCOM book of accounts for FY21. MESCOM has further submitted that the Govt. Grants and Consumer Contributions received after 01.04.2016 have been accounted under deferred income and depreciation of Rs.36.15 Crores on these assets are accounted under Other Income. Depreciation computed by MESCOM for FY21 is as detailed below:

TABLE – 4.15
Depreciation for FY21- MESCOM's Submission

Particulars	Amount in Rs. Crores		
	FY20	FY21	
	Closing Balance of GFA as on 31.03.2020	Closing Balance of GFA as on 31.03.2021	Depreciation
Land and rights	6.09	7.78	0.09
Buildings	122.80	157.84	4.88
Hydraulic Works	3.31	3.69	0.18
Other Civil	0.82	1.29	0.04
Plant & Machinery & Lines & Cables	3202.71	3728.88	182.20
Vehicles	12.96	13.44	1.10
Furniture Fixtures	8.56	9.07	0.49
Office Equipment	16.53	18.05	0.93
Leasehold Assets	2.72	2.72	0.00
Released Assets cable network & Intangible Assets	26.18	23.06	3.23
Total	3400.09	3965.83	193.14

Commission's analysis and decisions:

The Commission, in its preliminary observation had noted that MESCOM, in Format D-8 had indicated Rs.193.14 Crores as depreciation for FY21, as against Rs.193.05 Crores accounted as per Audited Accounts for FY21. Further, MESCOM in its audited accounts for FY21, had indicated that the depreciation for FY21 in respect of assets created out of government grants and consumer contributions up to 31.03.2016, is Rs.25.3750 Crores, which is reduced from the total depreciation chargeable on fixed assets, besides claiming Rs.36.1488 Crores towards assets created out grants and consumer contributions received from 01.04.2016 onwards during the year. MESCOM was directed to submit the asset-wise total Gross Fixed Assets, gross depreciation charged on the assets, depreciation on the assets created out of consumer contributions and grants up to 31.03.2016 and depreciation charged from 01.04.2016 onwards on such assets for FY21 and for the projection made for FY22 to FY25. MESCOM was also directed to submit the details of assets created out of consumers' contributions and grants for having claimed the depreciation on such assets for FY21 to FY25.

Accordingly, MESCOM in its reply to the preliminary observations, has submitted the amount of depreciation of Rs.193.14 Crores for FY21 indicated in D-8 Format which is in agreement with the annual accounts. MESCOM has informed that till FY16, they were following Accounting Standard-12 issued by ICAI for recognizing the grants and consumer's contributions received towards capital expenditure wherein the value of grants and consumer contributions utilized towards the capital expenditure have been reduced from carrying amount of the fixed assets.

From FY17 onwards with implementation of Indians Accounting Standards, the grants received from government or other authorities towards capital expenditure as well as consumers' contribution for capital works, are treated initially under deferred income and taken to income every year to the extent of depreciation that is charged during that year to the class of assets for which such grants/contributions are received. However, in respect of assets created out of grants/contributions up to FY16, old method is continued with respect of charging of depreciation. Accordingly, the depreciation charged by the

accounting units during FY21 for the assets created upto FY16 amounting to Rs.25.375 Crores was withdrawn at Corporate Office as the assets were reduced to the extent of grants/contribution received and hence the depreciation was not charged in the books for assets created out of grants and contributions upto FY16. Further, the depreciation charged by the accounting units during FY21 for assets created from FY17 onwards amounting to Rs.36.149 Crores were credited to other income by debiting deferred income at corporate office as the grants and contributions are treated as deferred income. The depreciation amount included in the depreciation schedule is nullified by considering the same amount under other income schedule. MESCOM has also furnished the details of assets created out of Consumers contribution and Grants, in its reply to preliminary observations which was noted by the Commission.

The Commission has noted, the replies furnished by MESCOM. In accordance with the provisions of the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and its subsequent amendments, the Commission has determined the depreciation for FY21 based on the opening and closing balances of gross blocks of fixed assets for FY21 and the depreciation for each asset as per annual accounts. The weighted average rate of depreciation works out to 5.24%.

Further, as per the Accounting Standards (AS) – 12, an amount of Rs.36.15 Crores of depreciation on the assets created out of consumers' contribution / grants reckoned in the audited accounts, has been considered by the Commission in allowing the net depreciation of Rs.156.90 Crores for FY21.

Accordingly, the approved asset-wise depreciation for FY21 is as follows:

TABLE – 4.16
Allowable Depreciation for FY21

Particulars	Amount in Rs. Crores	
	FY21	
	Depreciation	
Buildings	4.8867	
Civil	0.1743	
Other Civil	0.0442	
Plant & M/c	182.1964	
Vehicles	1.0951	
Furniture	0.4857	
Office Equipment	0.9309	

Lease hold land	0.0000
Released assets re-used to works	0.0000
Land	0.0000
Intangible Assets	3.2364
Total GFA	193.0497
Less: Depreciation on assets created consumer contribution / Grant	36.1488
Net GFA	156.90

Thus, the Commission decides to allow the net depreciation of Rs.156.90 Crores for FY21.

4.2.9 Interest and Finance Charges:

a) Interest on Capital loan:

MESCOM's Submission:

MESCOM in its application, has claimed an amount of Rs.100.19 Crores as against Rs.109.84 Crores as approved by the Commission towards interest on capital loans drawn from Banks/Financial Institutions for FY21 and has requested the Commission to allow the same for FY21. The details are as follows:

Particulars	Amount in Rs. Crores	
		FY21
Long term secured & unsecured loans		998.81
Add new Loans		369.23
Less Repayments		158.50
Total loan at the end of the year		1209.54
Average Loan		1104.18
Interest paid on long term loans as per filing		100.179
Weighted average rate of interest based on the interest projected on average loans in %		9.07%

Commission's analysis and decisions:

The Commission has considered the status of opening and closing balances of capital, loans as per the audited accounts for FY21 and as submitted under Format D-9 of the filings, details of new loans borrowed and repayment of loans, while allowing the interest on capital loan as shown in the following Table:

TABLE – 4.17
Allowable Interest on Loans – FY21

Amount in Rs. Crores	
Particulars	FY21
Long term secured & unsecured loans	998.81
Add New Loans	369.23
Less; Repayments	158.50
Total loan at the end of the year	1209.54
Average Loan	1104.18
Interest paid on long term loans as per filing	100.19
Weighted average rate of interest based on the interest projected on average loans.	9.07%
Interest Rate allowed	9.07%
Interest Allowed	100.19

The Commission notes that as per the audited accounts, MESCOM has incurred an amount of Rs.100.19 Crores towards interest on capital loans. Considering an average loan of Rs.1104.18 Crores, the weighted average of interest rate works out to 9.07%. The Commission notes that the weighted average interest rate of 9.07% is comparable with the prevailing rate of interest for the long term loan.

Thus, the Commission decides to allow an amount of Rs.100.19 Crores towards interest on capital loans for FY21.

b) Interest on Working Capital:

MESCOM's Submission:

MESCOM in its application has claimed an expenditure of Rs.54.01 Crores as against Rs.79.80 Crores as approved by the Commission towards interest on working capital for FY21. MESCOM has submitted that the interest on working capital claimed by them is in accordance with the MYT Regulations. Interest on Working Capital computed by MESCOM is as follows:

TABLE – 4.18
Interest on Working Capital for FY21-MESCOM's Submission

Particulars	As Filed (Rs.in Crores)
1/12th of O&M Expenses	53.81
Opening GFA	3379.31
1% of opening GFA	33.79
1/6th of Revenue	608.31
Total Working Capital	695.91
Normative Interest on Working Capital @ 11%	76.55
Actual interest on working capital incurred in FY21	31.47
Interest on working capital claimed	54.01

(Signature)

Commission's analysis and decisions:

The Commission notes that the as against an approved interest on working capital of Rs.79.80 Crores, the actual interest on working capital incurred by MESCOM during FY21 is Rs.31.47 Crores. Accordingly, on the basis of the opening and closing balance of working capital balance as per the audited accounts for FY21, the weighted average rate of interest works out to Rs.9.32%. The Commission has been computing the interest on working capital considering the MCLR the Marginal Cost of fund based Lending Rates (MCLR) effective from 1st July, 2020 with the spread of certain basis points as per the provisions of the MYT Regulations. Thus, for approving the rate of interest of working capital, the Commission in accordance with the MYT Regulations has considered the applicable MCLR of one year+250 basis points which works out to 9.50%. Therefore, the Commission has computed the normative interest on working capital loans, at an interest rate of 9.50% for FY21 and has allowed actual interest on working capital + 50% of the difference between normative interest on working capital and the actual interest on WC.

Accordingly, the Commission has computed the allowable interest on working capital as per the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and amendments thereon, for FY21 as in the following Table:

TABLE – 4.19
Allowable Interest on Working Capital for FY21

Amount in Rs. Crore	
Particulars	FY21
One-twelfth of the amount of O&M Expenses	53.85
Opening GFA	3379.31
Stores, materials and supplies 1% of Opening balance of GFA	33.79
One-sixth of the Revenue	608.38
Total Working Capital	696.03
Rate of Interest (% p.a.)	9.50%
Normative working capital Interest	66.12
Actual Interest on Working Capital incurred by MESCOM as per audited accounts for FY21	31.47
50% of the difference between normative and actual Working Capital	17.33
Allowable Interest on Working Capital	48.80

Since the actual interest on working capital is less than the normative interest on working capital, the Commission, as per the provisions of the MYT Regulations, decides to allow the actual interest on working capital of Rs.31.47 Crores plus

50% of the difference between normative interest on working capital and the actual interest on working capital i.e. Rs.16.70 Crores.

Thus, the Commission decides to allow Rs.48.80 Crores, towards interest on working capital for FY21.

c) Interest on Consumers' Security Deposits:

MESCOM's Submission:

MESCOM has claimed an amount of Rs.30.15 Crores as against Rs.38.34 Crores approved by the Commission, towards payment of interest on consumers' security deposits for FY21.

Commission's analysis and decisions:

The Commission notes that, there has been an increase of 7.84% in the consumer security deposits over the previous year and the opening and closing balance of consumer security deposits is Rs.674.09 Crores and Rs.712.61 Crores for FY21. Further, as per audited accounts, the interest on consumer security deposits amounting to Rs.30.15 Crores has been accounted and claimed by MESCOM for FY21.

As per the KERC (Interest on Security Deposit) Regulations, 2005, interest on consumer deposits shall be allowed as per the bank rate prevailing on the 1st of April of the relevant year. The Commission notes that the applicable RBI bank rate as per the provisions of the Regulations was 4.65%. The Commission therefore, decides to consider the actual interest on consumer security deposit booked on the basis of consumer's security deposit held by MESCOM and payment of interest thereon for FY21.

Thus, the Commission decides to allow an amount of Rs.30.15 Crores towards interest on consumer security deposits for FY21.

d) Other Interest and Finance charges:

MESCOM, in its Petition, has not claimed any amount towards other interest and finance charges for raising the loans for FY21.



Commission's analysis and decisions:

The Commission notes that MESCOM as per its audited accounts has actually incurred Rs.1.58 Crores towards Other Interest and Finance charges, which is included in other debits.

Accordingly, the Commission decides to allow Rs.1.58 Crores towards Other Interest and Finance charges for FY21.

e) Capitalization of Interest and other expenses:

MESCOM has not claimed any amount towards capitalization of interest on capital loans used during construction for FY21.

The Commission, as per the audited accounts, decides not to allow any amount towards capitalization of Interest and other expenses for computation of APR for FY21.

As per the above discussions, the total allowable interest and finance charges for FY21 are as follows:

TABLE – 4.20
Allowable Interest and Finance Charges

Amount in Rs. Crore		
Sl. No.	Particulars	FY21
1.	Interest on Loan capital	100.19
2.	Interest on working capital	48.80
3.	Interest on consumer deposits	30.15
4.	Other interest and finance charges	1.58
5.	Less; Interest and other expenses capitalized	0.00
	Total interest and finance charges	180.72

4.2.10 Other Debits:**MESCOM's Submission:**

MESCOM, in its application has claimed Rs.6.55 Crores towards other debits for FY21.

Commission's analysis and decisions:

The Commission, in its preliminary observations had observed that MESCOM in its Format-D11 has claimed Rs.6.55 toward Other Debits for FY21. Whereas, as per audited account, MESCOM has incurred Rs.6.0541 Crores towards 'Other Debits'

for FY21. Accordingly, MESCOM was directed to submit the details of expenditure under 'Other Debits'.

MESCOM in its reply to the preliminary observations, has furnished the details of Other Debits of Rs.6.05 Crores as indicated below:

Particulars	Amount (in Crores)
Asset decommissioning Costs	1.56
Losses relating to Fixed Assets/sale of scraped assets	3.04
Sundry debit balance written off	0.44
Compensation for injuries, death and damage-staff & outsiders	1.01
Total	6.05

The Commission notes that as per the audited accounts, MESCOM has made a provision of Rs.0.50 Crores for loss on obsolescence of stores. Thus, the allowable other debits excluding the provision for bad and doubtful debts for FY21 are as detailed in the following Table:

TABLE – 4.21

Allowable Other Debits

Sl. No	Particulars	Amount	Rs. Crores
			FY21
1	Asset decommissioning Costs		1.56
2	Losses relating to Fixed Assets/sale of scraped assets		3.04
3	Sundry debit balance written off		0.44
4	Compensation for injuries, death and damage-staff & outsiders		1.01
5	Total		6.05

Thus, the Commission decides to consider Rs.6.05 Crores as other debits for FY21.

4.2.11 Return on Equity:

MESCOM's Submission:

MESCOM in its application has claimed Return on Equity at Rs.135.24 Crores as against Rs.167.04 Crores approved by the Commission for FY21, as follows:

TABLE – 4.22
Status of Debt Equity Ratio for FY21

Amount in Rs. Crore

Particulars	FY21
Opening balance of the Share capital	558.68
Share Deposit	43.48
Reserve and Surplus	280.50
Less: Re-Capitalized Security Deposits	(-)26.00
Total	856.66
Rate of RoE	15.50%
RoE on opening equity of FY21	132.78
ROE on equity infused during FY21 (*)	2.46
Total ROE considered for APR	135.24

Commission's analysis and decisions:

Debt Equity Ratio Vis-à-vis Gross Fixed Asset:

The Commission in its preliminary observation, had directed MESCOM to submit the bifurcated figures of GFA created out of consumer's contribution & grants and from internal resources & borrowings at the end of FY20 and FY21 to verify the compliance of the directive in terms of Hon'ble ATE Order in OP 46/2014.

Accordingly, MESCOM in its reply to the preliminary observation, has submitted the bifurcated figures of GFA created out of consumer's contribution & grants and from internal resources & borrowings at the end of FY20 and FY21.

The Commission notes that the actual opening and closing balances of gross fixed assets along with break-up of equity and loan component per actual data as per the audited accounts are indicated as follows:

TABLE – 4.23
Status of Debt Equity Ratio for FY21

Amount in Rs. Crores

	GFA Actuals	Debt (Actuals)	Equity (Net-worth) Actuals	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
Opening Balance	3023.78	998.81	690.52	2116.65	907.13	33.03	22.84
Closing Balance	3834.17	1209.54	807.56	2683.92	1150.25	31.55	21.06

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From the above table it is evident that the debt and equity amounts are within the normative debt equity ratio of 70: 30, on the opening and closing balances of GFA for FY21.

As per the KERC (Terms and Conditions for Determination of Tariff) Regulations, 2006 and amendments thereon, the Commission has computed the allowable Return on Equity at 15.5% on the opening balance of net-worth of MESCOM for FY 21.

The Commission, as per the provisions of Clause 3.9.1 of the KERC (Terms & conditions for Determination of Tariff for Retail Sale of Electricity) (Second Amendment), Regulations, 2015, has allowed the RoE on the opening balance of equity (net-worth) amount at 15.5% and also has allowed the additional RoE on the equity amount infused by the GoK during the year as per Clause 3.9.2 of the Regulations, for FY 21.

Accordingly, as per the provisions of MYT Regulations as being followed in the previous Tariff Orders, the Commission has considered the opening balance of share capital and share deposit plus the accumulated balance of profit/loss as per audited accounts and also after factoring in the recapitalization of security deposit of Rs.26.00 Crores in compliance with the Orders of the Hon'ble ATE in appeal No.46/2014, in allowance of RoE, without grossing up with MAT for FY21 is determined as follows:

TABLE – 4.24
Allowable Return on Equity

Particulars	Amount in Rs. Crores
	FY 21
OB: Paid Up Share Capital	558.68
OB: Share Deposit	43.48
OB; Reserves & Surplus	231.40
Less Recapitalized Security Deposit	-26.00
Total Opening Balance of Equity	807.56
RoE at 15.50 %	125.17
Additional RoE for the equity infused during the year	52.24
Allowable RoE on the additional equity infused during the year	1.79
RoE Approved by Commission for APR	126.96

Further, as reported by MESCOM, an additional equity of Rs.52.24 Crores has been received during the year from Government of Karnataka. Considering the actual date of receipt of this additional equity, the Commission as per provisions of the MYT Regulations, has determined the allowable return on additional equity as shown in the following Table:

TABLE – 4.25**Return on equity for the additional equity received during FY21**

Additional Equity received during FY21	Amount in Rs. Crores	Received on	No. of Months	RoE allowed Rs. Crores
EN321 PSR 2020 dated 29.08.2020	15.33	14.09.2020	6	1.19
EN322 PSR 2020 dated 29.08.2020	0.88	10.09.2020	6	0.07
EN353 PSR 2020 dated 29.08.2020	1.07	28.09.2020	6	0.08
EN322 PSR 2020 dated 05.01.2020	0.88	21.01.2021	2	0.02
EN322 PSR 2020 dated 05.01.2020	0.20	19.01.2021	2	0.01
EN321 PSR 2020 dated 05.01.2020	15.33	25.01.2021	2	0.40
EN353 PSR 2020 dated 05.01.2020	1.07	21.01.2021	2	0.03
EN353 PSR 2020 dated 19.03.2020	1.07	18.03.2021	0	0.00
EN8322 PSR 2020 dated 19.03.2021	0.88	17.03.2021	0	0.00
EN322 PSR 2020 dated 19.03.2021	0.20	18.03.2021	0	0.00
EN321 PSR 2020 dated 19.03.2021	15.33	17.03.2021	0	0.00
TOTAL	52.24			1.791
Return on Equity allowed on Additional Equity Infusion in FY21				

The allowable return on equity on the additional equity infused during FY21 is Rs.1.79 Crores.

Thus, the Commission decides to allow total Return on Equity of Rs.126.96 Crores for FY21.

4.2.12 Income tax:

MESCOM in its filing has not claimed any amount towards payment of income tax for FY21. (Rs. -7.95 considered in the filing towards taxes pertain to extraordinary items)

The Commission notes that, as per the audited accounts, MESCOM has not factored any amount towards Income Tax for FY21. Thus, the Commission decides not to allow any amount towards payment of income tax FY21.

4.2.13 Other Income:**MESCOM's Submission:**

MESCOM in its application has claimed an amount of Rs.143.41 Crores as against Rs.133.38 Crores as approved by the Commission towards Other Income for FY21.

MESCOM has submitted that as per its audited accounts, the income under the head 'Other Income' is Rs.186.54 Crore. MESCOM has considered Delayed Payment Charges from consumers as tariff income and 'SRTPV facilitation fees', Supervision charges collected from National High Authorities', Application fee, 'Supervision charges and other charges collected from IP set consumers using tube wells for irrigation' which are consider under the head 'Other Operating Revenues' in the annual accounts are considered under 'Other Income'. Hence, 'Other Income; reckoned for APR is as below;

Particulars	FY21
'Other Income' as per Annual Accounts for 2020-21	186.54
Less: 'Delayed Payment Charges from Consumers'	(43.55)
Add: Certain sub heads considered under 'Other Operating Revenues' head of account	0.42
'Other Income' considered for APR	143.41

Accordingly, MESCOM has requested the Commission to approve Rs.143.41 Crores towards 'Other Income' for FY21.

Commission's analysis and decisions:

The Commission notes that MESCOM as per the audited Accounts, has accounted Rs.186.54 Crores under other income account head for FY21. This includes income from sale of scrap, income from rent, rebate for collection of electricity duty, interest on Bank Fixed Deposits, Incentive received for early payment of Power purchase bills, other income relating to purchase of power, delayed payment charges from consumer depreciation on assets created out of consumer contribution / grants and miscellaneous recoveries. The Commission, while determining the Other Income, has excluded the following amounts:



- i. Rs.36.14 Crores towards depreciation on assets created out of consumer's contribution/grants;
- ii. Rs.3.25 Crores towards 10% of the incentive of Rs.32.456 Crores received on prompt payment of power purchase dues;
- iii. Rs.43.55 Crores towards delayed Payment charges for FY21.

Further, an amount of Rs.4.576 Crores being the difference of power purchase cost payable by MSEZ for FY21 is considered as other income to MESCOM.

Thus, the Commission decides to allow an amount of Rs.108.17 Crores as other income for FY21.

4.2.14 Fund towards Consumer Relations / Consumer Education:

The Commission has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education. MESCOM, in its filing has reported that an amount of Rs.0.41 Crores has been incurred towards Consumer Relations / Consumer Education and CSR for FY21. The Commission notes that, as per the audited accounts, the MESCOM has incurred an amount of Rs.0.16 Crores towards consumer relation/consumer education for FY21.:

Accordingly, the Commission decides to allow an amount of Rs.0.16 Crores as expenditure towards Consumer Relations / Consumer Education for FY21.

4.2.15 Subsidy for FY21:

The Commission in its Tariff Order dated 4th November, 2020 has approved tariff subsidy of Rs.27.34 Crores and Rs.952.55 Crores towards the sale of power to BJ/KJ installations and IP sets for FY21 respectively, by considering the issue of Tariff Order which was effective from 01.11.2020, in accordance with the prevailing Policy of the Government of Karnataka, in the matter of free power supply to BJ/KJ installations and IP sets installations of 10HP & below. MESCOM, in its application has claimed an amount of Rs.28.21 Crores and Rs.951.24 Crores towards Tariff subsidy for BJ/KJ installations and IP sets respectively, keeping in view the provisions made for unbilled revenue for FY21.

The Commission notes that, as per audited accounts and the subsidy statement attached to the audited accounts of Rs.28.22 Crores and Rs.959.01 Crores has

been factored as tariff subsidy for BJ/KJ and IP Set installations respectively for FY21. Thus, the Commission while computing the revised ARR as per APR for FY21, has considered tariff subsidy of Rs.987.23 Crores, towards sale of power to BJ/KJ installations and IP sets for FY21, to be received from the Government. **Thus, the Commission decides to approve the subsidy of Rs.987.23 Crores towards free supply of power to BJ/KJ and IP installations for FY21.**

4.2.16 Revenue for FY21:

MESCOM, in its application has considered Rs.3649.87 Crores as revenue from sale of power from consumers and miscellaneous charges after including the delayed payment charges of Rs.43.55 Crores from Consumers for FY21.

As per audited accounts the Revenue from sale of power is Rs.3606.92 Crores. After considering an amount of Rs.43.5454 Crores towards delayed payment charges as revenue, the total Revenue from sale of power is Rs.3650.46 Crores for FY21.

Thus, the Commission decides to consider Rs.3650.29 Crores as revenue from sale of power to the consumers and other operating revenue for FY21.

4.3 Abstract of Approved ARR for FY21:

As per the above item-wise decisions of the Commission, the consolidated Statement of revised ARR for FY21 is as follows:

TABLE – 4.26

Approved revised ARR for FY21 as per APR

Sl. No.	Particulars	Amount in Rs. Crores		
		APR FY21		
		As Approved 04.11.2020	As Filed on 30.11.2021	As per APR
1	Energy at Gen Bus (With MSEZ) - MU	6097.10	5863.54	5863.54
2	Transmission Losses in %	3.039%	4.30%	6.687%
3	Energy at Interface in MU	5853.92	5611.33	5611.23
4	Distribution Losses in %	10.00%	9.86%	9.86%
	Sales in MU			
5	Sales to other than IP & BJ/KJ	3540.83	3337.71	3337.71
6	Sales to BJ/KJ	37.29	35.00	35.00
7	Sales to IP	1690.41	1685.25	1685.25
	Total Sales	5268.53	5057.96	5057.96
	Revenue at existing tariff in Rs. Crores			
8	Revenue from tariff and Misc. Charges	2908.51	2670.42	2663.06

Sl. No.	Particulars	APR FY21		
		As Approved 04.11.2020	As Filed on 30.11.2021	As per APR
9	RE Subsidy to BJ/KJ	27.34	28.21	28.22
10	RE Subsidy to IP	952.55	951.24	959.01
	Total Existing Revenue	3888.40	3649.87	3650.29
	Expenditure in Rs. Crores			
11	Power Purchase Cost	2805.94	2813.79	2814.73
12	Transmission charges of KPTCL	319.224	293.01	293.01
13	SLDC Charges	1.996	2.00	1.07
	Power Purchase Cost including cost of transmission	3127.16	3108.80	3108.80
14	Employee Cost		467.61	
15	Repairs & Maintenance		64.99	
16	Admin, & General Expenses		113.39	
	Total O&M Expenses	702.32	645.99	646.24
17	Depreciation	153.53	193.14	156.90
	Interest & Finance charges			
18	Interest on Loans	109.84	100.19	100.19
19	Interest on Working capital	79.80	54.01	48.80
20	Interest on belated payment on PP Cost	0.00	0.00	0.00
21	Interest on consumer deposits	38.34	30.15	30.15
22	Other Interest & Finance charges	1.84	0.00	1.58
23	Less: interest and other expenditure capitalised	-2.10	0.00	0.00
	Total Interest & Finance charges	227.72	184.35	180.72
24	Other Debits/Extraordinary items	0.00	-1.40*	6.05
26	Net Prior Period Expenses/Income (Debit/Credit)	0.00	0.00	0.00
27	Return on Equity	167.04	135.24	126.96
28	Taxation/MAT Credit	0.00	0.00	0.00
29	Funds towards Consumer Relations/Consumer Education	0.50	0.4062	0.16
30	Other Income	-133.38	-143.41	-108.17
	Net ARR	4244.88	4123.12	4117.66
31	Surplus of FY 19 Carried forward	-233.55	0.00	0.00
32	Less: Disallowance towards Imprudent Capex for FY17 to FY20			-2.49
33	Net ARR for FY21	4011.33	4123.12	4115.18
34	DEFICIT in Revenue for FY21	0.00	-473.25	-464.89
35	Approved Regulatory assets to be recovered during FY22 & FY23 as per T.O dated 04.11.2020	-122.93	0.00	122.93
36	Net deficit to be carried forward to ARR of FY23	0.00	473.25	-341.96

4.3.1 Gap in Revenue for FY21:

The Commission after Annual Performance Review of MESCOM for FY21, decides to allow a net ARR of Rs.4115.18 Crores as against the approved ARR of Rs.4011.33 Crores, for FY21. The Commission has issued the Tariff Order, 2020 dated 4th November 2020, which is effective from 1st November,2020. Due to

total lock down declared by the GOI/GOK on account of Covid-19 pandemic, pendency of Appeal No. 97 of 2020 filed by KPTCL before the Hon'ble Tribunal against the Commission's Order dated 16.01.2020 and the disposal of the Appeal on 05.10.2020 and the applicability of the Code of Conduct on account of announcement of bye-election to the Assembly Constituencies, the Tariff Order could not be issued in time. While issuing the Tariff Order to reduce the burden on the end consumers particularly during the adverse financial situation due to the setback of economic activities during the lock down period, the Commission decided to give effect of the revision in Retail Supply Tariff with effect from 1st November, 2020 which has resulted in recovery of additional revenue only for a period of 5 months during FY25. The remaining unmet gap of 7 months of Rs.122.93 Crores has been kept as Regulatory Asset, which is allowed to be recovered during FY22 and FY23.

The Commission while carrying out the Annual Performance Review of MESCOM for FY21, based on the actual revenue and expenditure earned/incurred as per the audited accounts has arrived the net Revenue Deficit of Rs.464.89 Crores for FY21. As the Regulatory Assets of Rs.122.93 Crores created by the Commission in the Tariff Order dated 4th November, 2020 was allowed in the approved revised ARR and allowed to be recovered in the revised Retail Supply Tariff for FY22 and to be allowed even for FY23, the question of carry forward of the same amount of the Regulatory Assets once again to the approved ARR and recovery in Retail Supply Tariff for FY23 does not arise. Hence, the Commission after accounting the Regulatory Assets amount of Rs.122.93 Crores to be recovered during FY22 and FY23 the remaining gap that has to be allowed for recovery will be Rs.341.96 Crores for FY21. Thus, the Commission decides to carry forward the net revenue gap of Rs.341.96 Crores of FY21 to the ARR for FY23 as discussed in the subsequent Chapter of this Order.



CHAPTER – 5

ANNUAL REVENUE REQUIREMENT FOR FY23-25

5.0 Annual Revenue Requirement (ARR) for FY23-FY25 -MESCOM's Filing:

MESCOM in its application dated 30th November, 2021, has sought approval of the Commission for its ARR for the sixth control period of FY23-25 and the revision of retail supply tariff for FY23. The summary of the proposed ARR for FY23-25 is as follows:

TABLE – 5.1

Proposed ARR for FY23-25

Sl. No	Particulars	Amount in Rs. Crores		
		FY23 As Filed 30.11.2021	FY24 As Filed 30.11.2021	FY25 As Filed 30.11.2021
1	Energy at Generating Bus (With MSEZ) : in MU	6197.93	6421.66	6648.40
2	Transmission Losses in %	2.978%	2.978%	2.978%
3	Energy @ Interface in MU	6013.36	6230.42	6450.41
4	Distribution Losses in %	9.82%	9.80%	9.78%
5	Sales in MU			
	Sales to other than IP & BJ/KJ	3529.54	3639.22	3753.34
	Sales to BJ/KJ	35.54	35.81	36.08
	Sales to IP	1857.77	1944.81	2030.14
	Total Sales	5422.85	5619.84	5819.56
6	Revenue at existing tariff in Rs. Crores.			
	Revenue from tariff and Misc. Charges	2955.56	3044.88	3136.52
	Tariff Subsidy to BJ/KJ	28.22	28.43	28.65
	Tariff Subsidy to IP	1097.94	1149.38	1199.81
	Total Existing Revenue including Miscellaneous Revenue	4081.72	4222.69	4364.98
	Expenditure in Rs. Crores.			
7	Power Purchase Cost	2505.48	2595.22	2663.02
	Transmission charges of KPTCL	350.06	384.58	423.27
	SLDC Charges	2.90	3.25	3.64
	Power Purchase Cost including cost of transmission	2858.44	2983.05	3089.93
8	Employee Cost	556.48	607.06	662.24
	Repairs & Maintenance	77.35	84.38	92.06

Sl. No	Particulars	FY23	FY24	FY25
		As Filed 30.11.2021	As Filed 30.11.2021	As Filed 30.11.2021
	Admin & General Expenses	134.91	147.16	160.52
	Total O&M Expenses	768.74	838.60	914.82
9	Depreciation	247.95	274.67	299.03
10	Interest & Finance charges			
11	Interest on Capital Loans	155.20	165.78	163.13
12	Interest on Working capital loans	86.89	90.81	94.65
13	Interest on belated payment on PP Cost	0.00	0.00	0.00
14	Interest on consumer security deposits	50.08	52.58	55.08
15	Other Interest & Finance charges	1.58	1.58	1.58
16	Less: Interest & other expenses capitalised	0.00	0.00	0.00
	Total Interest & Finance charges	293.75	310.75	314.44
17	Other Debits	6.55	6.55	6.55
18	Net Prior Period Debit/Credit	0.00	0.00	0.00
19	Return on Equity	186.02	210.92	239.75
22	Funds towards Consumer Relations/Consumer Education	0.50	0.50	0.50
	Regulatory Assets as per T.O dated 04.11.2020	61.46	0.00	0.00
23	Other Income (Including income from MSEZ)	-96.73	-96.73	-96.73
	ARR	4326.68	4528.31	4768.29
24	Surplus/Deficit	-244.96	-305.62	-403.31
	Surplus / Deficit (-) for FY21 carried forward (APR)	473.25	0.00	0.00
27	Net ARR	4799.93	4528.31	4768.29
28	Revenue Deficit(27-6)	-718.21	-305.62	-403.31

MESCOM has requested the Commission to approve the Annual Revenue Requirement of Rs.4799.93 Crores for FY23 (including the deficit of FY21 of Rs.473.25 Crores), Rs.4528.31 Crores for FY24 and Rs.4768.29 Crores for FY25. Considering the estimated revenue of Rs.4081.72 Crores, Rs.4222.69 Crores and Rs.4364.98 Crores from sale of power to the consumers and miscellaneous revenue at the existing retail supply tariff, MESCOM has projected the revenue

gap of Rs.718.21 Crores, Rs.305.62 Crores and Rs.403.31 Crores for FY23, FY24 and FY25, respectively. In order to bridge the revenue gap of Rs.718.21 Crores for FY23, the MESCOM has proposed average increase in retail supply tariff by 132 paise per unit in respect of all categories of consumers, including BJ/KJ and IP set consumers for FY23.

5.1 Annual Performance Review for FY21 & FY22:

As discussed in the preceding chapter of this Order, the Commission has carried out Annual Performance Review for FY21 based on the audited accounts and other relevant records furnished by MESCOM. Accordingly, the net deficit of Rs.341.96 Crores of FY21, is required to be carried forward to the ARR of FY23.

As regards APR for FY22, it is noted that the audited accounts for FY22 are yet to be finalized, the Commission decides to take up the APR of FY22, while taking up the revision of ARR / Retail Tariff, if any, for FY24.

5.2 Annual Revenue Requirement for FY23-25:

5.2.1 Capital Investment Plan for FY23-25:

1. MESCOM Proposal:

MESCOM has proposed the Capex of Rs.661.92 Crores, Rs.506.42 Crores and Rs.509.69 Crores for FY23, FY24 and FY25 respectively for the control period, under MYT regime. The total capex proposed for the control period is Rs.1678.03 Crores. The details of capex proposed under various heads for FY23 to FY25 are shown below:

TABLE – 5.2
MESCOM's Proposed Capex for FY23-25

SI No	Particulars	(Amount In Rs. Crores)		
		FY23	FY24	FY25
1	E&I Works (Addl. Transformers, Link-Lines, HT/LT Re-conductoring HVDS, UG/AB cable)	250.00	250.00	250.00
2	DTC metering.	13.65	0.00	0.00
3	Replacement of MNR/DC Electromagnetic meters by Static meters and SMART metering	29.70	32.67	35.94
4	Replacement of faulty Distribution Transformers	5.00	5.00	5.00
5	Service Connection including promoter vanished layout Works	60.00	60.00	60.00

Sub-Total		358.35	347.67	350.94
6	Rural Electrification (General)			
a	Electrification of Hamlets	2.00	2.00	2.00
b	Energisation of general IP sets including Ganga Kalyana	65.00	65.00	65.00
c	Electrification of BPL Households	0.25	0.25	0.25
Sub-Total		67.25	67.25	67.25
7	Tribe Sub-Plan			
a	Electrification of Tribal Colonies	0.50	0.50	0.50
b	Energisation of IP sets	1.00	1.00	1.00
c	Improvement works in Tribal Colonies	1.00	1.00	1.00
Sub-Total		2.50	2.50	2.50
8	Special Component Plan			
a	Electrification of S.C Colonies	1.00	1.00	1.00
b	Energisation of IP sets	1.50	1.50	1.50
c	Improvement works in SC Colonies	1.50	1.50	1.50
Sub-Total		4.00	4.00	4.00
9	Tools & Plants & Computers	10.00	10.00	10.00
10	Civil Engineering Works	40.00	40.00	40.00
11	IT Infrastructure and Software, DSM	5.00	5.00	5.00
12	33 KV Station and Line Works (UG/AB Cable)	30.00	30.00	30.00
13	Solar Roof Top on Company Buildings	1.00	0.00	0.00
Total		518.10	506.42	509.69
Schemes under progress				
1	Deen Dayal Upadaya Gram Jyoti Yojana (DDUGJY)	0.00	0.00	0.00
2	IPDS: System improvement & Strengthening works in RADRP/statutory towns	0.00	0.00	0.00
3	IPDS: Gas insulated substations	0.00	0.00	0.00
4	IPDS (Integrated Power Development Scheme) Phase II-IT	7.00	0.00	0.00
5	Providing Infrastructure to regularized UIP and general IP	16.72	0.00	0.00
6	Improvement works for Model Electricity Village	33.93	0.00	0.00
7	Improvement works for Model Sub-division	86.17	0.00	0.00
Total		143.82	0.00	0.00
Grand Total		661.92	506.42	509.69

2. Preliminary Observations and Replies of MESCOM:

- a. The Commission, in its preliminary observations had directed MESCOM to provide necessary justification on the proposed the Capex of Rs.661.92 Crores, Rs.506.42 Crores and Rs.509.69 Crores for FY23, FY24 and FY25 respectively on each of the following works in terms of its purpose, requirement, physical progress, cost and timelines of completion along with

Division-wise abstract of works, no. of works proposed to be taken in each of the year for the Control Period.

- b. MESCOM, in its reply to the observations of the Commission in respect of E&I works (Addl. Transformers, Link-Lines, HT/LT Reconductoring, HVDS, UG/AB cable) has submitted the details of proposed physical targets for the proposed capex of Rs.750 Crores (250.00 Crores each) for the three-year control period is as under.

Sl. No.	Particulars	FY23	FY24	FY25
1	No. of DTC's proposed to be added	1400	1400	1400
2	New 11 KV lines & Link-Lines in RKms	600.00	600.00	600.00
3	HT lines reconductoring in RKms	400.00	400.00	400.00
4	LT line	100.00	100.00	100.00
5	LT line reconductoring in RKms	1500.00	1500.00	1500.00
6	Providing intermediate poles	8000	8000	8000

- c. The Commission notes the reply submitted by MESCOM in respect of replacement of MNR / DC, Electromagnetic meters by static meters and smart metering. Wherein, MESCOM has stated that it has planned to replace 1,82,050 no's of Single phase meters and 36,410 no's of Three phase meters for proposed capex of Rs.98.31 Crores for the control period.
- d. In preliminary observations, MESCOM was directed to furnish the details for proposed capex of Rs.13.65 Crores for FY23 in respect of DTC metering.

In reply, MESCOM has submitted that anticipated maintenance bill amounting to Rs.13.65 Crores is required for FY23.

Further, the Commission notes from the M/s TERI prudence check report that 30% to 60% of the DTC meters are not working among the samples selected by the consultants for prudence check of completed and categorized works of pertaining to FY19 and FY20. MESCOM, in its compliance letter dated 09.10.2021 to the prudence check report of M/S TERI had submitted that it has taken necessary measures for replacement

of faulty / non-communicating DTC meters from 19.08.2021 onwards and also assured the Commission for continuous monitoring.

In view of the reply, the Commission concludes that DTC metering works are not fully functional. Hence, the Commission considers all the samples of FY19 and FY20 selected by consultant as imprudent for FY21. Accordingly, disallowance has been made in this Tariff Order.

In view of the above, the Commission directs MESCOM to rectify the lacunae in the DTC metering works and to carryout 100% Energy Audit of metered DTCs. Further, the Commission directs MESCOM not to incur capex on these works, without realizing the benefits as envisaged in the DPR.

- e. The Commission notes that the reply submitted by MESCOM in respect of 33 KV stations & line works, UNIP works, model village and civil works is not satisfactory. Whereas, MESCOM has not furnished the physical progress/target year-wise breakup along with timelines for completion and to be taken up works details in respect of above works.
- f. The Commission notes the reply submitted by MESCOM in respect of Model Sub- Division works for the proposed capex of Rs.86.17 Crores FY23. Wherein, MESCOM has stated that awarded work of Mangaluru and Shivamogga sub divisions works are expected to complete within FY22. Hence, provision has been made in FY23.

Further, the Commission observes that the details furnished in APR of FY21 and in ARR of FY23 in respect of these works differs. Hence, the Commission directs MESCOM to demonstrate the benefits achieved in already completed works and also not to take any fresh proposals without the approval of the Commission from FY23 onwards.

- g. The Commission notes the reply submitted by MESCOM in respect of sources of funding (like grants, debt, equity and internal sources) for the proposed capex. The details furnished by MESCOM is as under:

Amount in Rs. Crores

Year	Created out of Consumers Contribution and Govt. grants	Created out of borrowings and internal resources	Total
FY23 (Projected)	127.29	534.61	661.90
FY24 (Projected)	119.28	387.14	506.42
FY25 (Projected)	111.79	397.90	509.69

- h. The reply submitted by MESCOM in respect of tariff impact on consumers for the proposed capex to be met from borrowing is not satisfactory. MESCOM has submitted analysis only for FY23 and not for the control period. This shows that MESCOM has not properly analyzed the Tariff impact of the proposed capex for the control period.
- i. MESCOM, in its filing has stated that the Government of India has announced the RDS scheme, which is at the preliminary stage and the financial limitation/allocations are yet to be decided for the state. Hence, the projection for budget requirement are not done.

The Commission is the view that pending approval of scheme, and working out the detailed modalities for implementation, the Commission is unable to accept the proposal, since the amount to be considered for the ARR has not been submitted in the tariff filing.

3. Commission analysis and decision:

In light of the preliminary observations and the replies thereon, the Commission concludes that MESCOM has not justified the proposed capex in terms of its purpose, requirement, benefits in terms of reduction in losses, increase in revenue sales, impact of tariff etc.,

Commission notes that GOI has launched the RDS Scheme to improve the reliability and quality of power of supply, operational efficiencies and financial sustainability of the ESCOMs. In view of this, the Commission directs MESCOM to take up only result oriented prudent projects, which have already yielded real benefits to consumers. Keeping in view of technical constraints

i.e. network issues, adaption of new technologies in large scale and its challenges MESCOM shall wisely select the projects to be taken up under the scheme.

The Commission likes to point out that MESCOM has incurred huge capex towards schemes like DTC metering etc. in the past and has not shown any perceptible benefits or advantage coming out of those investments to the consumers, and these investments have resulted in stranded assets and a burden on the consumers.

Further, on a review of Energy Audit of DTC metering works for the month of April 2021 to June 2021, it is noticed that only 41.95% to 41.38% Energy Audit has been done out of metered DTCs. Further, the Commission notes that sample selected for prudence check of completed and categorized works of FY19 and FY20 have not been proved to be prudent expenditure for FY21. And even in the areas where the energy audit is done, no action appears to be taken to address the issue of high loss making areas and to reduce the losses.

The Commission would like to inform MESCOM that the for implementing the smart meters (AMI) on a large scale, there are many challenges like network issues, integration of MDMS software, existing data migration, procurement of smart meters in large scale, geographical constraints, consumer data privacy, Consumer engagement and participation etc. These challenges are yet to be addressed in the projects where the smart metering has been taken up. The project could only be implemented only after successful completion of pilot projects in one or two sub-divisions. **In view of these issues complete rollout of smart metering was not approved in BESCOM jurisdiction.**

MESCOM shall note that any investments to be made under Smart Grid works shall be in accordance with Smart Grid Regulations, 2015. **Hence, the Commission directs MESCOM not to violate the said Regulations. Otherwise,**

the Commission will be constrained to take appropriate action as may be deemed necessary against MESCOM for violation of its Regulations.

In view of the above observations, the Commission directs MESCOM to ensure that the investments made under any of the schemes, i.e. funding through grants, internal resources or through capital borrowings, should not become waste/futile expenditure resulting in creation of stranded assets.

The MESCOM's previous years' achievement of capex is shown in the following table:

TABLE – 5.3
Approved and Actual Capex incurred –MESCOM

Particulars	Amount in Rs. Crores						
	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Capital investment filed	262.33	827.33	320.40	595.40	803.50	1091.44	914.75
Capital investment approved by the Commission	262.33	353.89	288.90	289.40	763.50	818.58	914.75
Actual capital investment incurred as per audited accounts	252.07	230.10	288.38	419.39	839.17	501.61	402.83
Percentage of actual capital investment to the approved capital investment	96.09%	65.02%	99.82%	144.92%	109.91%	61.28%	44.04%

Considering the actual capex as indicated above, the Commission notes that the average capex for the last Seven years is within Rs.419.07 Crores.

Based on the previous years' achievements and the projected works to be undertaken, as per the GoI/ GoK schemes, to be partly met by the capital grants and the available internal resources, the Commission recognizes the capital expenditure of MESCOM. However, to avoid front loading of interest on capital loan and the depreciation thereon in the retail supply tariff, the Commission decides to reckon Rs.550 Crores, Rs.400 Crores and Rs.400 Crores for FY23, FY24 and FY25 respectively for the period of determination of ARR for FY23-25, as against proposed capex of Rs.661.92 Crores, Rs.506.42 Crores and Rs.509.69 Crores for FY23 to FY25 respectively. The capital expenditure

allowed is subject to prudence check to be taken up by the Commission. Considering MESCOM's projected availability of capital grants from GoI / GoK and the internal resources and the amount of works to be carried out under self-execution and deposit contribution by MESCOM, for the execution of capex, the Commission considers Rs.400 Crores, Rs.250 Crores and Rs.250 Crores for the purpose of ARR, as capital borrowings for FY23, FY24 and FY25 respectively.

The Commission also directs MESCOM not to exceed the approved capex and carryout the capital works without seeking any additional capex during the middle of the year. If there is any excess expenditure in any head of expenditure, the same shall be met from the savings in any other head of expenditure within the capex approved by the Commission. The capex approved by the Commission to carry-out the Central / State scheme works shall not be re-appropriated to any other category of capital expenditure head.

The Commission directs MESCOM to maintain physical as well as financial progress in respect of the works carried out under the Capex indicating timelines of completion, cost to benefit ratio, etc. These details shall be furnished to the Commission as and when Commission directs.

The Commission also directs MESCOM to take concrete measures to complete and capitalize the works in the prescribed time schedule, so that, its benefits are being passed on to the consumers effectively and capitalize the works proposed as far as possible during each financial year.

The Commission directs the MESCOM to put in effective efforts towards achieving the following objectives of the proposed schemes under capex on due priority:

1. Reducing distribution losses,
2. Reducing the HT:LT Ratio
3. Reduce Transformer failures
4. Segregate the loads in the feeders.

5. Reduce Power theft
6. Bring programs for the awareness among the people on usage and conservation of energy.
7. Improve the sales to metered category and
8. Improve the Power factor of the IP set loads by installing switched capacitors of suitable capacity to the secondary of the transformers.

5.2.2 Sales Forecast for FY23-FY25:

A. Sales other than IP Sets

i. MESCOM's approach:

MESCOM, in its filing for the control period FY23 to FY25 has estimated the number of installations and energy sales as indicated below:

Year	No. of Installations	Sales-MU
FY23	2634668	5379.10
FY24	2700332	5576.09
FY25	2763453	5775.81

MESCOM has adopted the following methodology for making estimates of Number of installations and Energy Sales:

- a. The Number of installations has been projected based on trend analysis.
- b. Energy sales is estimated based on either 3-year CAGR or 5-year CAGR.
- c. Wherever the growth is negative, the estimates have been suitably modified.

ii. The Commission observations of the on sales forecast for FY23-FY25:

MESCOM was required to furnished the following clarifications on sales projections:

- a. In estimating number of installations for BJ/KJ, whether trend is applied individually for installations consuming less than or equal to 40 units/month and those consuming more than 40 units/ month? If not, it may be clarified as to how apportionment is done between installations consuming less than or equal to 40 units/month and those consuming more than 40 units/ month.

MESCOM's Reply:

MESCOM has submitted that the above two sub-categories are distinctly indicated in the DCB and that the trend forecasting is applied considering the past three year's data.

- b. Though estimate based on CAGR is higher, it is generally observed that for estimating the number of installations trend method is adopted. It would be advisable to estimate on the higher side, while making perspective plans.

MESCOM's Reply:

As the objective of forecast is to make reasonable estimate, MESCOM has adopted trend method.

- c. Working sheets for computation of sales/installations using CAGR method shall be furnished.

MESCOM's Reply:

MESCOM has furnished the details:

- d. While computing CAGR in certain cases, the data for FY20 & FY21 is considered. Since sales for FY20 & FY21 were affected by Covid-19, suitable corrections may be applied.

MESCOM's Reply:

MESCOM has observed that the growth rate in FY20 is 5.86%, whereas in FY21 it is -3.68%. Keeping in view the above extreme values of growth rate, MESCOM has considered moderately 3.50% growth rate for estimation of sales.

- e. In certain categories like HT-2b, HT-2c etc. though the Year-on-Year growth rate is considered for estimation, it is indicated as CAGR.

MESCOM's Reply:

MESCOM has clarified that for the above categories growth rate of FY20 over FY19 or that of FY19 over FY18 is considered.

- f. In case of LT-5 category though there is increase in number of installations, the sales are retained at 123.74 MU for all the years of control period. Considering the addition of new installations, there should be some increase in sales. MESCOM shall clarify.

MESCOM's Reply:

MESCOM has submitted that, during the period FY17 to FY21, even though there is increase in the number of installations, the sales remained almost same and that in FY19, there is reduction in sales in spite of increase in the number of installations. MESCOM has opined that the energy sales for this category may not be correlated with the number of installations.

- g. The number of HT-2a installations is indicated as 993 in D-2 Format for FY21, but the same is indicated as 994 at Page No.104. Similar discrepancy is observed for FY22 to FY25. Data shall be reconciled.

MESCOM's Reply:

MESCOM has clarified that the difference of one installation is attributable to MSEZ.

- h. The Commission had noted that the growth rate considered for the number of installations for the control period, by MESCOM is lower for all the categories, as compared with the CAGR. Hence, MESCOM may consider revising the same.

MESCOM's Reply:

As the forecast has to be reasonable, MESCOM has adopted trend method.

- i. The Commission had noted that the CAGR as well as growth rate in FY21 for energy sales in most of the categories is negative, due to reduction in sales during FY21 on account of Covid-19. Thus, comparing with FY20 growth rate, the Commission observations are as follows:
- Growth rate is lower for LT-2a, LT-2b, LT-5, LT-6 WS & HT-3 and
 - Growth rate is higher for LT-6 SL, HT-1 & HT-2c.

MESCOM's Reply:

MESCOM has submitted that the estimates have been made with due consideration, as it has bearing on tariff revision. As such, MESCOM has requested to consider the estimates, as filed in the tariff Petition.

- j. To validate the sales, MESCOM was directed to furnish category-wise information in the specified format.

MESCOM's Reply:

MESCOM has furnished the above details.

- k. The Commission had noted that the breakup of sales data for FY20 was not correct. MESCOM through e-mail has submitted the revised breakup for FY20, which is considered by the Commission.

- l. Sales to MSEZ as considered by MESCOM and MSEZ are as follows:

	In Million Units				
	FY21	FY22	FY23	FY24	FY24
MESCOM	60.98	43.75	43.75	43.75	43.75
MSEZ (Purchase from MESCOM)	60.98	46..21	42.50	43.15	43.56

MESCOM shall reconcile the above data and furnish the correct figures.

MESCOM's Reply:

MESCOM has submitted that it has considered 43.75MU of sales for MSEZ for FY22 as approved by the Commission and the same has been retained for the control period.

The Commission while noting the reply of MESCOM, has considered the sales to MSEZ for the control period as approved in the MSEZ current Tariff Order 2022.

iii. The Commission's approach for estimating the number of installations and sales for FY23 to FY25:

1) No. of Installations:

While estimating the number of installations for FY23 (excluding BJ/KJ and IP), the following approach is adopted generally:

- a. The Commission has validated both the number of installations and energy sales to various categories considering the actuals as on 30th November, 2021 and has estimated the number of installations and sales for the remaining period reasonably. Accordingly, the base year estimation has been revised which has an impact on the estimates on the number of installations and sales for the FY23.
- b. Wherever the number of installations estimated by the MESCOM for the FY23 is within the range of the estimates based on the CAGR for the period FY16 – FY21 and for the period FY18 – FY21, the estimates of the MESCOM are retained.
- c. Wherever the number of installations estimated by the MESCOM for the FY23 is lower than the estimates based on the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, the estimates based on the lower of the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21 are considered.
- d. Wherever the number of installations estimated by MESCOM for the FY23 is higher than the estimates based on the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, the estimates based on the higher of the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21 are considered.

- e. For LT-4b category, the number of installations is retained at FY21 level for the control period, as there is negative growth.
- f. For LT-7 and HT-5 category, the estimates of MESCOM are retained for the control period.
- g. For FY24 and FY25 (excluding LT-4b, LT-7 and HT-5 categories), the estimates are made based on the growth rate considered for FY23. For LT-7 and HT-5 categories, estimates of MESCOM is retained. As stated earlier, for LT-4b, the number of installations is retained at FY21 level.

Based on the above approach, the total number of installations (excluding BJ/KJ consuming ≤ 40 units/month and IP installations) estimated by the Commission for the FY23 to FY25 is indicated in the table below:

Approved Number of installations

FY23		FY24		FY25	
Filed	Approved	Filed	Approved	Filed	Approved
2088728	2096095	2143743	2161161	2196052	2228407

2) Energy Sales:

- (i) For LT-2a, LT-6 Water Supply, HT-1 and HT-4 categories, the sales are being estimated, considering the following approach for FY23:
- The base year sale for FY22 as estimated by the MESCOM has been validated, duly considering the actual sale upto November, 2021 and modified suitably as stated earlier.
 - Wherever the sale estimated by the MESCOM, for FY23, is within the range of the estimates based on the CAGR for the period FY16 – FY21 and for the period FY18 – FY21, the estimates of the MESCOM, are considered.
 - Wherever the sales estimated by the MESCOM for FY23 is lower than the estimates based on the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, the estimates based on the lower of the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, are considered.

- d. Wherever sale estimated by MESCOM for FY23 is higher than the estimates based on the CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, the estimates based on the higher CAGRs for the period FY16 – FY21 and for the period FY18 – FY21, are considered.
- e. In respect of LT-2b, LT-3, LT-4c and LT-6 SL, the sales are estimated based on FY21 specific consumption.
- f. For LT-4(b) category the sales of FY21 is retained, as there is negative growth.
- g. LT-5 category a nominal growth rate of 0.50% is considered as the sales growth is negative in the previous years.
- h. For HT-5 and LT-7 categories, the estimates of MESCOM are retained for the control period.
- i. In respect of HT-2(a) category, the Commission notes the sales and the growth rate from FY18 to FY21 are as follows:

Particulars	FY18	FY19	FY20	FY21
Sales in MU	596.27	624.26	635.20	550.54
% growth rate	---	4.6	1.75	-1.3

The Commission notes from the above table that, excluding FY21, the growth is positive in FY19 and FY20. The negative growth in FY21 is attributable to Covid-19 Pandemic. However, the economy is slowly picking up and therefore, the Commission has considered a nominal growth rate of 0.50% for this category for the control period.

- j. For HT-2(b), the Commission notes the sales and the growth rate from FY18 to FY21 are as follows:

Particulars	FY18	FY19	FY20	FY21
Sales in MU	193.17	200.43	205.72	140.44
% growth rate	-	3.7	2.6	-3.2

The Commission notes from the above table that, excluding FY21, the growth is positive in FY19 and FY20. The negative growth in FY21 is attributable to Covid-19 Pandemic. However, the economy is slowly picking up and therefore, the Commission has considered a nominal growth rate of 0.50% for this category for the control period.

- k. For HT 2(c) category, the Commission notes the sales and the growth rate from FY18 to FY21 are as follows:

Particulars	FY18	FY19	FY20	FY21
Sales in MU	137.07	144.58	139.87	89.81
% growth rate	-	5.4	-3.3	-35.7

In view of negative growth in last two years, the Commission has retained FY22 sales for the Control period.

- l. For HT-3 category, the Commission notes the sales and the growth rate from FY18 to FY21 are as follows:

Particulars	FY18	FY19	FY20	FY21
Sales in MU	23.61	48.86	69.68	95.59
% growth rate		6.9	43.2	37.18

The Commission notes from the above table that; the growth is positive. Therefore, the Commission has considered FY15 to FY20 CAGR of 24.58% rate for the control period.

- m. For FY24 and FY25 (excluding LT-2b, LT-4b, LT4c, LT-7 and HT-5 categories), the estimates are made based on the growth rate considered for FY23. For LT 2b & 4c estimates is based on FY21 specific consumption. For LT4b, sales are retained at FY23 estimates. For LT7 & HT5 estimates of MESCOM are retained.

Based on the above approach, the sales (excluding BJ/KJ consuming ≤ 40units/month and IP sales) estimated by the Commission, for the FY23 to FY-25, is indicated in the following table:

Approved Energy Sales

in Million Units					
FY23		FY24		FY25	
Filed	Approved	Filed	Approved	Filed	Approved
3479.22	3610.61	3588.90	3738.28	3703.02	3878.33

*Excludes KPCL sales, MSEZ sales and additional sales due to DR Scheme

(ii) Additional sales due to extension of Discounted Rate Scheme(DRS):

As the Commission has extended the DRS, the following additional sales are also considered during the control period:

Year	FY23	FY24	FY25
MU	25.00	27.50	30.25

(iii) Sales to BJ/KJ:

The break-up of sales to BJ/KJ installations considered for FY21 is as indicated below:

Particulars	No. of Installations	Consumption in MU	Specific consumption per installation per month (kWh)
Installations consuming less than or equal to 40 units	161434	35.00	18.07
Installations consuming more than 40 units and billed under LT2(a)	17784	18.91	88.61

The Commission notes that, the specific consumption works out to 18.07 units /installation/month for BJ/KJ installations consuming less than or equal to 40 units per month and 88.61 units /installation/month for BJ/KJ installations consuming more than 40 units per month.

Since, there is no GoK policy to extend the benefit of free power to any new BJ/KJ installations, the number of BJ/KJ installations consuming less than or equal to 40 units per month and more than 40

units per month is retained as existing on 30.11.2021. Further, the specific consumption for installations consuming more than 40 Units / Month is 88.61 Units which is higher than the specific consumption of LT 2a category at 78.37 Units. The Commission notes that the number of installations and consumption of BJ/KJ installations consuming more than 40 units/month varies from month to month. Therefore, considering the overall consumption and year end installations, the specific consumption would be higher. Thus, the Commission has considered the specific consumption of 78.37 units / Installation / Month for estimating the sales for the control period, for the installations consuming more than 40 Units / Month. Further, for installations consuming less than or equal to 40 Units / Month, specific consumption of 18.07 Units / Month is considered.

Accordingly, the sales approved for FY23 to FY25 is as indicated in the following Table:

Particulars	FY23		FY24		FY25	
	No. of Installations	Sales-MU	No. of Installations	Sales-MU	No. of Installations	Sales-MU
Installations consuming less than or equal to 40 units	152052	32.97	152052	32.97	152052	32.97
Installations consuming more than 40 units and billed under LT2(a)	24540	23.08	24540	23.08	24540	23.08

B. Sales to IP sets – projections for ARR FY23 to FY25;

MESCOM Proposal:

- 1) MESCOM, in its tariff application, has projected sales to IP set installations for FY23 to FY25 as follows:

Sl. No		FY23	FY24	FY25
1	No. of installations	3,98,743	4,16,413	4,34,507
2	Sales in MU	1,857.77	1,944.81	2,030.14

- 2) MESCOM, as per D-2 Format, has reported actual consumption of 1,685.25 MU against 3,61,885 number of IP set installations for FY21. MESCOM, in its current tariff filing, has considered addition of 18,045 installations for FY22, 18,813 installations for FY23, 17,670 installations for FY24 and 18,094 for FY25. MESCOM is submitting that, it has considered the trend method as appropriate for projection of the number of IP installations. MESCOM has failed to explain what is trend method in detail.
- 3) MESCOM has informed that, it has considered the specific consumption-based method as appropriate for projection of sales for FY23 to FY25 while estimating the energy sales to IP installations for FY22 and FY23 to FY25. MESCOM has not furnished method adopted in detail, how it has arrived on the value of sales to IP set installations using the method. Accordingly, the sales is projected for FY22 and FY23 to FY25 as indicated in the table above.

Commission's Analysis and Decision:

- a) While verifying the computations of IP set, it is found that, the actual sales to IP set installations for FY21 works out to 1,685.25 MU (as detailed in Chapter-4 Sales portion). Based on the actual sales to IP sets, the specific consumption works out to 4,771.59 units per installation per annum for the FY21, by considering the mid-year installations of 3,53,184 numbers.
- b) While estimating the energy sales to IP installations for FY22, MESCOM is informing that, it has considered the trend method for projection of number of IP installations without furnishing any details on the method. From the previous data, it could be seen that, the average number of installations added during the year from FY18 to FY21 is around 17,669. Since, the normal life during the FY21 was badly affected due to the pandemic Covid-19 which is continuing further, the number of IP installations considered to be added by MESCOM using an unknown method looks unscientific for projecting the energy sales for FY22 and FY23 to FY25 is not acceptable.
- c) Looking into the data of FY18, FY19 and FY20, the Commission has found an average addition of 17,669 number of IP installations and looking into the



circumstances, considers the addition of 17,500 number of installations during FY22 and FY23 to FY25. With the addition of this number, the projections of number of IP installations are 3,79,385 (3,61,885 + 17,500) for FY22, and 3,96,885 (3,79,385 + 17,500) for FY23, 4,14,385 for FY24 (3,96,885 + 17,500) and 4,31,885 for FY25 (4,14,385 + 17,500).

d) The Commission has considered the specific consumption-based method as appropriate for projection of sales for FY23 to FY25 while estimating the energy sales to IP installations for FY22 and FY23 to FY25. As per the data of assessment of sales to IP installations submitted by MESCOM, the specific consumption for FY21 is 4,771.59. The Commission by considering the actual data of assessment of sales to IP installations for the period from April 2021 to September 2021, estimated the sales to IP installations for the remaining 6 months i.e., October 2021 to March 2022. The specific consumption for revised sales works out to 4,411.83 units per IP installation per annum. The Commission by considering this specific consumption and based on the revised sales worked out for FY22 projected the energy sales to IP sets for FY23 to FY25. The Commission has decided to consider the data of actual sales to IP sets for FY22, till September 2021 as furnished by MESCOM in its replies to preliminary observations, only provisionally for making the estimates for FY22 and FY23 to FY25.

e) Based on the estimated number of installations and consumption for FY22, the details of energy sales projections to IP set consumers for FY23 to FY25, are as indicated below:

Particulars	FY23		FY24		FY25	
	As submitted by MESCOM In Its Tariff Application	As approved by the Commission	As submitted by MESCOM In Its Tariff Application	As approved by the Commission	As submitted by MESCOM In Its Tariff Application	As approved by the Commission
No. of Installations	3,98,743	3,96,885	4,16,413	4,14,385	4,34,507	4,31,885
Mid-year number of Installations	-	3,88,135	-	4,05,635	-	4,23,135
Specific consumption in units/installation/annum	-	4,411.83	-	4,411.83	-	4,411.83
Sales in MU	1,857.77	1,712.39	1,944.81	1,789.59	2,030.14	1,866.80

- f) Accordingly, the Commission approves 1,712.39 MU, 1,789.59 MU and 1,866.80 MU as energy sales to IP-sets for FY23, FY24 and FY25 respectively as against the MESCOM's projections of 1,857.77 MU, 1,944.81 MU and 2,030.14 MU for the FY23, FY24 and FY25 respectively. The number of installations approved are 3,96,885, 4,14,385, and 4,31,885 for FY23, FY24 and FY25 respectively.
- g) This approved IP set consumption for FY23 to FY25 is with the assumption that the Government of Karnataka would release full subsidy to cover the approved quantum of IP-sales. However, if there is any reduction in the subsidy allocation by the GoK, the quantum of sales to IP sets of 10 HP and below, shall be proportionately regulated. The MESCOM shall therefore, regulate the number of hours of power supply to exclusive agricultural feeders accordingly.
- h) The Commission, in its preliminary observations had directed MESCOM to furnish the data of GPS as on 31.03.2020 and 31.03.2021 by reconciling survey data with the number of installations in the DCB. As per the data furnished by MESCOM in its replies to preliminary observations, it has completed 78.19% of survey as on 31.03.2020 and it is 98.47% as on 31.03.2021 and 100% as on 30.09.2021. From the data submitted, it is observed that, out of 3,61,885 numbers of installations as on 31.03.2021, 15,348 are defunct / dried up and 5,526 are not surveyed at all. Though the survey is said to be completed as on, 30.09.2021, MESCOM has reported 1,610 numbers as defunct / dried up. MESCOM has not reported the details of un-authorized IP installations in its area and the action taken to regularize such IP installations. In the previous tariff filings, the number of IP installations identified by MESCOM in GPS survey was more (authorized and unauthorized) than the number of installations in the DCB.
- i) Thus, the Commission observes that the data of GPS survey made available is incomplete, as well observes inconsistency in the GPS survey data furnished by MESCOM and hence the Commission is unable to accept the same.

- j) In view of fact that the GPS survey of IP-sets is incomplete, the number of installations reckoned for FY21 and estimates for FY23 to FY25 are subject to change based on the GPS survey results. Accordingly, after completion of the survey and finalization of the report, MESCOM shall furnish the correct number of IP set installations duly deducting the number of dried up / defunct IP sets from the total number. Thereafter, any variation in the sales due to change in the number of installations would be trued up during the Annual Performance Review for the FY22.
- k) While assessing the sales to IP sets for FY20, the Commission observes that the assessment is based on energy meters provided to the pilot DTCs. Though, MESCOM has taken up the work of bifurcation of agricultural feeders in its area, has not taken up stringent measures to complete the work early. In the preliminary observations, the Commission had directed MESCOM to furnish the status of segregation the agricultural feeders to assess the sales to IP set installations based on the energy meter readings provided to such agricultural feeders. MESCOM in its replies to preliminary observations, has informed that it has commissioned 120 numbers of NJY feeders and commissioning of 4 feeders are pending due to few statutory issues viz., railway crossing clearances etc., MESCOM also has taken action to align 252 more numbers of rural mixed load feeders as exclusive IP set feeders. MESCOM has contemplated to submit the data of assessment of sales to IP installations in respect of 372 feeders (120 + 252), as per the format prescribed by the Commission will be covered from FY23.
- l) The Commission directs MESCOM shall make arrangements and start assessing the sales to IP set installations on the basis of the energy meters provided to the bifurcated feeders from FY23 as contemplated by MESCOM. In view of the above, the Commission would consider revision of the same, based on the GPS survey data. **Hence, MESCOM is directed to submit the final survey Report within 3 (three) months from the date of this Order reconciling with the DCB Statement data and thereafter report the total IP-set consumption**

to the Commission, month-on month regularly, as per the format prescribed in the previous tariff orders of the Commission.

Based on the above discussions, the category-wise approved number of installations for the FY23 to FY25 vis-à-vis the estimates made by the MESCOM is indicated below:

TABLE – 5.4
Category wise approved number of installations

	Category	Nos.					
		MESCOM FY23	MESCOM FY24	MESCOM FY25	KERC FY23	KERC FY24	KERC FY25
LT-1 (a)	Bhagya Jyoti < =40 units	147197	140176	132894	152052	152052	152052
LT-1 (a)	Bhagya Jyoti>40	23094	25745	28407	24540	24540	24540
LT-2a	Domestic AEH	1705005	1744920	1782754	1708608	1759180	1811248
LT-2b	Pvt. Institutions	3737	3795	3842	3746	3808	3871
LT-3	Commercial - Applicable to areas coming under VPs	243699	251472	259185	244476	253538	262936
LT-4 (a)	IP sets - Less than 10 HP - General	398743	416413	434507	396885	414385	431885
LT-4 (b)	Irrigation Pump sets - More than 10 HP	161	161	161	161	161	161
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	5208	5373	5538	5655	6060	6494
LT-5	Lt Industries	36328	37732	39094	36602	38038	39531
LT-6	Water Supply	18211	18976	19719	18550	19339	20162
LT-6	Street Lights	30085	32248	33909	30556	33126	35913
LT-7	Temporary Power Supply	20572	20572	20572	20572	20572	20572
	LT Total	2632040	2697583	2760582	2642403	2724800	2809365
HT-1	HT Water Supply	135	143	151	136	145	154
HT-2 (a)	HT Industries	1109	1161	1214	1103	1174	1250
HT-2 (b)	HT Commercial	904	945	985	900	962	1028
HT-2(c)		355	370	387	355	374	394
HT-3(a) & (b)	HT Irrigation & LI Societies	34	34	34	41	44	48
HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	72	77	81	75	80	86
HT-5	Temporary	19	19	19	19	19	19
	HT Total	2628	2749	2871	2629	2798	2979
	Grand Total	2634668	2700332	2763453	2645032	2727598	2812344

	IP sets and BJ/KJ consuming less than or equal to 40 units/month/installation	2088728	2143743	2196052	2096095	2161161	2228407
	IP sets and BJ/KJ consuming less than or equal to 40 units/month/installation	545940	556589	567401	548937	566437	583937

Accordingly, the category-wise approved energy sales for the FY23 to FY25 vis-à-vis the estimates made by MESCOM is indicated in the following Table:

TABLE – 5.5
Category wise approved energy sales

	Category	MUs					
		MESCOM FY23	MESCOM FY24	MESCOM FY25	KERC FY23	KERC FY24	KERC FY25
LT-1 (a)	Bhagya Jyoti <=40 units	35.54	35.81	36.08	32.97	32.97	32.97
LT-1 (a)	Bhagya Jyoti>40	21.47	22.87	24.36	23.08	23.08	23.08
LT-2a	Domestic AEH	1651.39	1715.93	1783.09	1651.39	1715.83	1782.78
LT-2b	Pvt. Institutions	8.99	9.50	10.04	8.28	8.42	8.56
LT-3	Commercial - Applicable to areas coming under VPs	374.34	387.16	400.41	374.90	377.93	380.98
LT-4 (a)	IP sets - Less than 10 HP - General	1857.77	1944.81	2030.14	1712.39	1789.59	1866.80
LT-4 (b)	Irrigation Pump sets - More than 10 HP	0.89	0.89	0.89	0.89	0.89	0.89
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	9.30	9.60	9.90	10.09	10.81	11.58
LT-5	Lt Industries	123.74	123.74	123.74	129.57	130.22	130.87
LT-6	Water Supply	157.85	163.95	170.60	159.82	168.27	177.16
LT-6	Street Lights	67.95	68.54	69.13	76.80	84.94	93.94
LT-7	Temporary Power Supply	18.32	18.32	18.32	18.32	18.32	18.32
	LT Total	4327.55	4501.12	4676.70	4198.51	4361.27	4527.94
HT-1	HT Water Supply	108.26	112.20	116.28	109.62	113.42	117.34
HT-2 (a)	HT Industries	569.09	578.59	588.25	595.83	598.81	601.81
HT-2 (b)	HT Commercial	147.95	151.86	155.87	173.95	174.82	175.69
HT-2(c)		99.89	105.35	111.11	114.84	114.84	114.84
HT-3(a) & (b)	HT Irrigation & LI Societies	95.59	95.59	95.59	137.59	171.41	213.53

HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	21.91	22.52	23.15	23.34	23.99	24.66
HT-5	Temporary	2.29	2.29	2.29	2.29	2.29	2.29
HT Total		1044.98	1068.40	1092.54	1157.47	1199.58	1250.17
LT + HT Total		5372.53	5569.52	5769.24	5355.97	5560.84	5778.10
KPCL		6.57	6.57	6.57	6.57	6.57	6.57
Additional sales		0.00	0.00	0.00	25.00	27.50	30.25
Grand Total[excluding MSEZ]		5379.10	5576.09	5775.81	5387.54	5594.91	5814.92
	*Categories other than IP sets and BJ/KJ consuming less than or equal to 40 units/ month/installation	3479.22	3588.90	3703.02	3610.61	3738.28	3878.33
	IP sets and BJ/KJ consuming less than or equal to 40 units/ month/installation	1893.31	1980.62	2066.22	1745.36	1822.56	1899.77

* Excludes sales to KPCL, MSEZ & Additional sales

The above sales exclude sales to MSEZL. The sales to MSEZL is discussed in the relevant Chapter of the MSEZL Tariff Order.

5.2.3 Distribution Loss FY23-25

MESCOM's Submission:

As per the audited accounts for FY21, the MESCOM has reported distribution loss of 9.86% as against the approved revised loss level of 9.67%, as discussed in the previous chapter. MESCOM in its filing has proposed to achieve the following loss levels during FY23-25 with a meagre reduction of 0.02% every year:

Projected Distribution Loss-FY23-25 – MESCOM's Submission

Particulars	FY23	FY24	FY25
Projected Distribution Loss	9.82	9.80	9.78

Commission's Analysis and Decisions:

The performance of MESCOM in achieving the loss targets set by the Commission in the past nine years is as follows.

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Approved Distribution losses in %	12.00	11.25	11.50	11.25	11.15	11.05	10.95	11.00	9.67	9.27
Actual Distribution losses in %	11.88	11.93	11.56	11.50	11.40	11.32	13.29	10.07	9.86	-

The Commission in its preliminary observation has directed MESCOM to revisit to propose the reasonable/justifiable distribution target taking into consideration the capex plan proposed and to submit the revised projected distribution losses for FY 23 to FY25. The reply submitted by MESCOM in this regard is not satisfactory.

The MESCOM has requested the Commission to approve the distribution losses as proposed for FY23 to FY25.

The Commission notes that, in FY21, the distribution loss has come down by 0.21 percentage point over FY20. Overall, in the past years (with base year as FY13), MESCOM has been able to achieve distribution loss reduction of 2.02 percentage point. The Commission notes that MESCOM has proposed the Distribution loss of 9.82% for FY23, when the target for FY22 itself is 9.27% which is not acceptable. It is observed that, the Commission has been allowing capital expenditure as incurred by the MESCOM and it has also allowed substantial capex along with the RRDS scheme of the GoI for the ensuing control period for strengthening of its distribution network along with the RRDS scheme of the GoI aimed at further reduction of loss levels. Most of the capex spent on the works like E&I works such and Strengthening of HT and LT Line, should enable the MESCOM, not only to strengthen its infrastructure for improved reliability and quality of power supply but also to reduce the distribution loss considerably. Hence, in view of such substantial investment, the loss reduction of meagre 0.02% every year, proposed for the control period by MESCOM is not acceptable

as compared to the current loss levels. In the light of the above discussion and based on the achievement made by the MESCOM in the reduction of losses during the previous years and the capex incurred so far along with the proposed capex for FY23-FY25, the Commission decides to fix the following distribution loss targets for FY23-FY25:

Particulars	FY23	FY24	FY25
Upper Limit	9.35	9.10	8.85
Approved Distribution Loss level	9.10	8.85	8.60
Lower Limit	8.85	8.60	8.35

5.2.4 Power Purchase for FY23-25:

Total Power purchase requirement of the ESCOMs:

The ESCOMs in their Tariff applications, have submitted the D-1 statement indicating the requirement of power purchase for the control period FY23-25.

The consolidated statement showing the energy requirement, year-wise is shown hereunder:

TABLE - 5.6
Requirement of Energy as filed ESCOMs

ESCOMs	Energy (MU)	Energy (MU)	Energy (MU)
	FY23	FY24	FY25
BESCOM	33688.73	34579.58	35505.05
MESCOM	6197.93	6421.66	6648.40
CESC	7902.39	8067.25	8237.87
HESCOM	14718.62	15402.06	16137.35
GESCOM	8899.01	9233.60	9592.52

MESCOM's submission:

The MESCOM has submitted its power purchase requirement for the control period FY23-25 based on the projected sales as follows:

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TABLE - 5.7

Energy Requirement as filed by MESCOM

Particulars	FY23	FY24	FY25
Projected Sales (MU)	5422.85	5619.84	5819.56
Distribution losses (%)	9.82	9.80	9.78
Energy at IF point (MU)	6013.36	6230.42	6450.41
Transmission Losses (%)	2.978	2.978	2.978
Energy Required to meet the sales of MESCOM (MU)	6197.93	6421.66	6648.40

5.2.5 Sources of Procurement of Power:

MESCOM's submission:

MESCOM has furnished the sources of power available to meet the energy, for the control period FY23-25. The details of the sources of procurement of Power and the basis for the energy availability is indicated below:

- (i) From KPCL stations including RPCL energy is considered, as furnished by the Generating Company.
- (ii) Availability of power from the Central Generating Stations (ex-Bus generation) is based on the details of LGBR in respect of CGS Generating Stations.
- (iii) In respect of major IPPs (UPCL), RE and other sources such as Jurala Power & TB Dam Power, the availability is as per the contracted capacity, Energy actual supply during FY20-21 has been considered for FY23, FY24, FY25.

The Power Purchase requirement for FY23 to FY25 as filed by MESCOM is shown in the following table.

TABLE - 5.8
Power Purchase requirement of MESCOM for FY23 to FY25

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost In Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost In Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.
KPCL Hydel Energy	1817.06	180.14	0.99	1817.06	182.8	1.01	1817.06	175.58	0.97
KPCL Thermal Energy	1461.11	849.63	5.81	1658.32	908.5	5.48	1859.38	963.48	5.18
CGS Energy + Bundled Power	1883.04	900.38	4.78	1883.04	913.71	4.85	1883.04	917.12	4.87
UPCL	-	58.43	-	-	58.43	-	-	58.43	-
Renewable Energy	1342.43	534.73	3.98	1342.43	534.73	3.98	1342.43	534.73	3.98
Other State Hydel	19.11	5.23	2.74	19.11	5.23	2.74	19.11	5.23	2.74
PGCIL & POSOCO Charges	-	205.42	-	-	210.55	-	-	215.68	-
KPTCL Transmission & SLDC Charges	-	352.96	-	-	387.83	-	-	426.91	-
Other Charges	-324.82	-228.48	4.19	-298.30	-218.73	4.19	-272.62	-207.23	4.15
TOTAL	6197.93	2858.44	4.78	6421.66	2983.05	4.81	6648.40	3089.93	4.81

Commission's analysis and decisions:

The energy requirement of the ESCOMs, including MESCOM, is being met by the following sources through long-term power purchase agreement:

1. Karnataka Power Corporation Limited (KPCL) Hydro & Thermal Generating stations,
2. Central Generating Stations (CGS),
3. Major Independent Power Producers (IPPs) and
4. RE sources.

The availability of energy has been considered by the Commission as per:

- i. In respect of KPCL Generating Station, energy as furnished by the KPCL
- ii. In respect of Central Government Stations (CGS) energy as furnished by the SRPC based on the Load Generation Balance Report (LGBR) prepared by the CEA. The availability of CGS stations is based on the share of Karnataka, as notified from time to time.
- iii. In the case of RE sources, the actual generation capacity contracted by the ESCOMs, as indicated in D-1 Format, as per the PPAs executed by them,

has been considered by comparing the actual energy supplied during FY21.

- iv. In respect of major IPPs the energy is considered based on the energy contracted by the ESCOMs in terms of the PPAs executed with the generators.
- v. The availability from the other sources such as Jurala Hydel Station and TB dam Power Stations of Telangana State is based on the share of the state in the installed capacity of the inter-state projects.
- vi. In respect of Yelahanka Combined Cycle Power Plant (YCCPP) having a capacity of 350 MW, the availability as furnished by the KPCL, has not been considered, as the said generating station is yet to be synchronized with the grid and the CoD is yet to be declared.

Based on the above availability criteria, the energy allowed for the State to achieve the sales target of the respective years, is given in the following Table:

TABLE - 5.9

**Abstract of Power Purchase Approved for ESCOMs
for the Control Period FY23 to FY25**

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)	Energy in MU	Cost in Rs. Crores	Average cost Per Unit (Rs.)
KPCL Hydel Energy	11588.54	1310.26	1.13	11588.54	1336.46	1.15	11588.54	1363.19	1.18
KPCL Thermal Energy	17145.05	10263.35	5.983	18928.04	10971.03	5.80	19645.18	11302.29	5.75
CGS Energy	21187.50	9844.79	4.65	21187.50	10068.52	4.75	21187.43	10194.71	4.81
UPCL	1870.70	1892.14	10.11	2000.00	1965.48	9.83	3500.00	2651.57	7.58
Renewable Energy/Bundled Power	19626.62	8242.65	4.65	19808.91	8320.74	4.75	19812.704	8321.93	4.81
Other State Hydel	227.465	60.79	2.67	227.457	62.14	2.73	227.47	63.80	2.80
PGCIL & POSOCO Charges		2492.14			2554.33			2618.08	
KPTCL Transmission & SLDC		5126.755			5447.77			5838.41	
TOTAL	71645.875	39232.87	5.48	73740.447	40726.47	5.52	75961.324	42353.98	5.58

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5.2.6 Power Purchase Cost & Transmission charges:

MESCOM's Submission:

MESCOM has submitted the Power Purchase requirement along with the cost including the transmission charges and SLDC charges, in the D-1 Format. The MESCOM has sought approval of the Commission for purchase of power as indicated below:

TABLE - 5.10

Power Purchase Quantum & Cost Proposed by MESCOM

FY23		FY24		FY25	
Quantum In MU	Cost in Rs. Crores	Quantum in MU	Cost in Rs. Crores	Quantum In MU	Cost in Rs. Crores
6197.93	2858.44	6421.66	2983.05	6648.40	3089.93

As regards the cost of power, the MESCOM has submitted that, same is considered as per the norms defined in contracts (PPAs)/ Regulations and based on the tariff indicated by KPCL for its Stations and the tariff determined by the CERC in respect of Central Generating Stations, DVC Stations and UPCL stations.

Commission's analysis and decisions

The Commission has arrived at the power purchase quantum and cost to be allowed in the ARR for the control period, after considering various aspects such as Sales, transmission and distribution losses, tariff rates claimed by the MESCOM etc.

The basis for computation of power purchase quantum for the control period FY23 to FY25 is indicated below:

1. Considering the approved sales and the allowable transmission and distribution losses, the requirement of Power for the MESCOM, for the control period FY23 to FY25, is worked out as under:

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TABLE - 5.11

**Power Purchase Requirement approved for the
MESCOM for the Control Period FY23 to FY25**

Particulars	FY23	FY24	FY25
Sales (MU)	5387.54	5594.91	5814.92
Approved Distribution losses (%)	9.10	8.85	8.60
Energy at IF point (MU)	5926.89	6138.13	6362.06
Transmission Losses (%)	2.864	2.764	2.664
Energy Required to meet the sales of MESCOM (MU) including MSEZ	6151.477	6360.517	6586.425

2. While approving the cost of power purchase, the Commission has arrived at the quantum of power from various sources in accordance with the principles of merit order schedule and dispatch, based on the ranking of all approved sources of supply according to the merit order of the variable cost.
3. The rates considered in respect of the KPCL stations are based on the Commission's Order dated 03.08.2009 approving the PPAs in respect of hydel stations except for Shivasamudram, Shimsha, Munirabad & MGHE.
4. The variable costs of State thermal stations and UPCL, have been considered based on the recent power purchase bills passed by the MESCOM duly considering the recent landed cost of fuel and other variable components.
5. The Tariff in respect of YTPS station Unit-1 & 2 the tariff has been considered as per the Commission's order dated 17.01.2022.
6. The fixed charges and the variable charges for the Central Generating Stations, UPCL Stations and the DVC Stations have been considered based on the Tariff determined by the CERC as per the CERC norms. However, the energy has been considered from these units by limiting the quantum of energy as per the requirement of ESCOMs, to meet the sales target on the basis of merit order dispatch. It is expected that any surplus energy available from tied up sources of energy would be traded by the ESCOMs through PCKL on commercial principles. Similarly, any requirement over and above the



quantum approved in this Tariff Order shall be procured from the tied up/ approved sources only.

7. The variations, if any, in the costs allowed, will be considered during the FAC determination exercise / Annual Performance Review of FY23.
8. The Commission has also allowed the KPTCL Transmission charges/PGCIL charges and SLDC charges to be paid by the ESCOMs for FY23-25, in the Power Purchase Cost.
9. Based on the approved requirement of energy and the power allocation given by the Government of Karnataka, the Power Purchase quantum and costs thereon are approved in the ARR of MESCOM for the control period FY23 to FY25, as shown in Annexure- 1 (i to iii) and 2 (i to iii).
10. The consolidated power purchase cost allowed by the Commission visa-vis the power purchase costs, as filed by the MESCOM for the control period FY23 to FY25 is shown in the following Table:

TABLE - 5.12
Transmission & SLDC Charges

Name of ESCOMs	KPTCL Transmission charges in Rs. Crores			SLDC charges in Rs. Crores		
	FY23	FY24	FY25	FY23	FY24	FY25
BESCOM	2576.672	2774.577	3013.159	17.480	16.404	17.974
MESCOM	383.258	401.466	423.502	2.458	2.374	2.526
CESC	559.129	580.933	608.051	3.668	3.435	3.627
HESCOM	960.686	1011.446	1072.090	6.073	5.980	6.395
GESCOM	614.026	647.325	686.991	3.300	3.827	4.098
Total	5093.771	5415.747	5803.792	32.984	32.020	34.620

The CERC (Sharing of inter State Transmission charges and loss) Regulations, 2020 have come into force with effect from 01.11.2020 with change in the methodology of calculation. The PoC charges payable by ESCOMs has been computed by considering amounts claimed by PGCIL from the month of April 2021 onwards.



TABLE - 5.13

**Abstract of Power Purchase Approved for
MESCOM for the Control Period FY23 to FY25**

Sources	Financial Year FY 23			Financial Year FY 24			Financial Year FY 25		
	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.	Energy in MU	Cost in Rs. Crores	Average cost Per Unit Cost in Rs.
KPCL Hydel Energy	2209.48	248.94	1.13	2317.71	267.29	1.15	2425.32	285.297	1.18
KPCL Thermal Energy	843.40	504.874	5.99	768.56	445.47	5.80	929.78	534.922	5.75
CGS Energy	1466.00	681.18	4.65	1461.90	694.71	4.75	1459.01	702.028	4.81
UPCL	92.02	93.08	10.12	251.22	246.88	9.83	241.02	182.59	7.58
Renewable Energy/Bundled Power	1497.54	606.12	4.04	1515.64	612.87	4.04	1515.65	612.84	4.04
Other State Hydel	43.03	11.50	2.67	45.49	12.43	2.73	15.66	4.39	2.80
PGCIL & POSOCO Charges		184.193			126.54			168.50	
KPTCL Transmission & SLDC		385.716			403.84			426.032	
TOTAL	6151.477	2714.599	4.41	6360.517	2810.04	4.42	6586.425	2916.59	4.43

The Commission directs MESCOM to regulate the quantum and cost of power as approved above by the Commission.

Since, as per the MYT Regulations the power purchase costs are uncontrollable, any excess quantum or cost will be tried up in Annual Performance Review of the respective years.

In the light of the above discussion, the Commission hereby approves power purchase quantum and costs as follows:

TABLE - 5.14

Approved Power Purchase for FY23-25

Year	Approved Quantum-MU	Approved Cost-Rs. Crores
FY23	6151.477	2714.599
FY24	6360.517	2810.042
FY25	6586.425	2916.591

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5.2.7 O & M Expenses for FY23-25:

MESCOM's Proposal:

The MESCOM in its application has requested the Commission to consider the projected O&M expenses based on the employee cost, R&M Expenses and A&G Expenses made on the assumptions detailed below:

- Actual O&M expenses in the year FY21 as the base;
- Consumer growth index of 3.13% (3 years CAGR);
- Weighted average inflation index of 6.96%;
- Efficiency factor of 1%;

MESCOM has considered the WPI and CPI figures from 2009 to 2020 as per the CERC Notification in the ratio of 80:20 using the formula adopted by CERC. MESCOM has projected the O&M expenses by applying the normative growth rate of 9.09% by considering the inflation rate over FY21 for FY22 to FY25.

Based on the above assumptions, MESCOM has sought O&M expenses for FY23-25 as detailed below:

TABLE - 5.15
O&M Expenses for FY23-25-MESCOM's Proposal
Amount In Rs. Crores

Particulars	FY23	FY24	FY25
Employee Costs	556.48	607.06	662.24
R&M Expenses	77.35	84.38	92.06
A&G Expenses	134.91	147.16	160.52
Total O&M Expenses	768.74	838.60	914.82

Commission's analysis & decision:

The Commission in its preliminary observation, had observed that MESCOM in its filing of ARR for FY23 to FY25, had projected Rs.139.14 Crores, Rs.155.79 Crores and Rs.165.59 Crores respectively towards Terminal Benefits for FY23 to FY25. Accordingly, MESCOM was directed to furnish the basis and the computation details for having claimed the amount in respect of employees recruited prior to 31.03.2002 and those employees covered under NDCPS scheme separately.

MESCOM in its reply to the preliminary observation, has submitted that for FY23 to FY25 normative inflation rate applicable to O&M Expenses i.e., 9.09% have been applied in projecting the terminal benefits as indicated below:

	Terminal Benefits in respect of Employees recruited prior to 31.03.2002 (Rs.in Crs.)	Terminal Benefits in respect of employees covered under NDCPS (Rs.in Crs.)	Total (Rs.in Cr)	Inflation Rate (%)	Projection (Rs.in Cr)
FY21 (Actual)	91.77	25.15	116.92	-	-
FY22 (Projected)	-	-	-	9.09%	127.55
FY23 (Projected)	-	-	-	9.09%	139.14
(Projected)	-	-	-	9.09%	151.79
(Projected)	-	-	-	9.09%	165.59

As per the norms specified under the MYT Regulations, the O&M expenses are controllable expenses and the distribution licensee is required to regulate these expenses within the approved values.

The Commission notes that the actual O&M expenses of Rs.646.24 Crores for FY21 also includes the contribution towards P&G Trust along with the other employee cost, Repair & Maintenance expenses and A&G expenses. Hence, the Commission decides to consider the actual O&M expenses of Rs.646.24 Crores, as per the audited accounts (all inclusive) for FY21 as the base data (being the latest data available as per the audited accounts) to arrive at the O&M expenses for the base year in FY22.

The Commission as per the norms specified under the provisions of MYT Regulations, for computation of O&M expenses, has considered the consumer growth rate (CPI) 3 year CAGR and inflation rate index based on the methodology followed by the CERC.

Considering the Wholesale Price Index (WPI) as per the data available from the Ministry of Commerce & Industry, Government of India and Consumer Price Index (CPI) as per the data available from the Labour Bureau, Government of

India and adopting the methodology followed by the CERC, with CPI and WPI in a ratio of 80:20, in line with the methodology followed by the Commission, in its earlier Tariff Orders, the allowable annual escalation rate for FY23 is computed as follows:

TABLE - 5.16
Computation of Inflation Index for FY23

Year	WPI	CPI	Composite Series	Yt/Y1=Rt	Ln Rt	Year (t-1)	Product [(t-1)* (LnRt)]
2009	81.9	54.5	59.98				
2010	89.7	61.1	66.82	1.11	0.11	1	0.11
2011	98.2	66.5	72.84	1.21	0.19	2	0.39
2012	105.7	72.7	79.3	1.32	0.28	3	0.84
2013	111.1	80.6	86.7	1.45	0.37	4	1.47
2014	114.8	85.7	91.52	1.53	0.42	5	2.11
2015	110.3	90.8	94.7	1.58	0.46	6	2.74
2016	110.3	95.3	98.3	1.64	0.49	7	3.46
2017	114.1	97.6	100.9	1.68	0.52	8	4.16
2018	118.9	102.4	105.7	1.76	0.57	9	5.10
2019	121.2	110.2	112.4	1.87	0.63	10	6.28
2020	121.8	116.3	117.4	1.96	0.67	11	7.39
A= Sum of the product column							34.05
B= 6 Times of A							204.28
C= (n-1)*n*(2n-1) where n= No of years of data=12							3036.00
D=B/C							0.07
g(Exponential factor)= Exponential (D)-1							0.0696
e=Annual Escalation Rate (%)=g*100							6.9602
As per CERC Notification No.Eco T I / 2021-CERC dated 23.04.2021 with weightage of 80% on CPI and 20% on WPI							

For the purpose of determining the normative O&M expenses for FY23-25, the Commission has considered the following:

- The actual O & M expenses incurred as per the audited accounts for FY21 inclusive of contribution to the Pension and Gratuity Trust and pay revision arrears to determine the O & M expenses for the base year.
- The three year Compounded Annual Growth Rate (CAGR) of the number of installations considering the actual number of installations as per the audited accounts upto FY21 and as projected by the Commission for FY22-FY25.
- The weighted inflation index (WII) at 6.9602% as computed above.
- Efficiency factor at 1% as considered in the earlier two control periods.

Accordingly, the normative O & M expenses for FY23-25 are as follows:

TABLE - 5.17
Approved O & M expenses for FY23-25

Particulars	FY22	FY23	FY24	FY25
No. of Installations	2564568	2645032	2727598	2812344
CGI based on 3 year CAGR in %	2.68%	2.69%	2.88%	3.12%
Inflation index in %	6.9602%	6.9602%	6.9602%	6.9602%
Base year O&M expenses (Projected as per actuals of Rs. 646.24 Crores for FY21) Rs. Crores	646.24			
O&M Index= O&M (t-1) *(1+WII+CGI-X) in (Rs. Crores)	702.05	762.76	830.19	905.59
Allowable Total O&M cost in Rs. Cores	702.05	762.76	830.19	905.59

Since, the base year data of O & M expense for FY21 also includes the contribution to the P & G Trust, the Commission has not considered allowing the above items separately for the control period for FY23-25. As the O&M expenses are controllable expenses as per the provisions of MYT Regulations, the Commission directs the MESCOM to exercise due diligence and limit the expenses within the approved level during FY23 to FY25.

Thus, the Commission decides to approve O&M expenses of Rs.762.76 Crores for FY23, Rs.830.19 Crores for FY24 and Rs.905.59 Crores for FY25.

5.2.8 Depreciation:

MESCOM's Proposal:

The MESCOM, in its filing has claimed amount of Rs.247.95 Crores, Rs.274.67 Crores and Rs.299.03 Crores respectively towards depreciation for the control period for FY23-25, as per the norms specified under the MYT Regulations based on the following assumptions:

The MESCOM, in its application has submitted that, it has considered a CAPEX of Rs.661.92 Crores, Rs.506.42 Crores and Rs.509.69 Crores for the years FY23, FY24 & FY25 respectively and has factored the depreciation on the asset likely to be added during FY23 to FY25 also. MESCOM has informed that it has categorized assets amounting to Rs.402.83 Crores during FY21. MESCOM has submitted that the net weighted average rate of depreciation in the year FY21 is 5.186% on the

average of the opening & closing balances of assets, which has been considered to project the depreciation for the years FY22 to FY25.

Accordingly, MESCOM has claimed the depreciation for FY23-25 as detailed below:

Depreciation-FY23-25- MESCOM's Submission

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Depreciation	247.95	274.67	299.03

Commission's analysis and decision:

The Commission, in its preliminary observations had directed MESCOM to submit the asset-wise total Gross Fixed Assets, gross depreciation charged on the assets, depreciation on the assets created out of consumer contributions and grants up to 31.03.2016 and depreciation charged from 01.04.2016 onwards on such assets for FY21 and for the projection made for FY22 to FY25. MESCOM was also directed to submit the details of assets created out of consumers' contributions and grants for having claimed the depreciation on such assets for FY21 to FY25.

MESCOM, in its reply to the preliminary observation, has submitted that till FY16 Company was following Accounting Standard-12 issued by the Institute of Chartered Accountants of India for recognizing the Grants and Contributions received towards Capital expenditure wherein the value of grants and consumer contributions utilized towards the capital expenditure has been reduced from carrying amount of the fixed assets. With implementation of Indian Accounting Standards from FY17, the grants received from Government or other authorities towards capital expenditure as well as consumers' contributions to capital works are treated initially under deferred income and taken to income every year to the extent of depreciation that is charged during that year to the class of assets for which such grants/ contributions are received. However, with respect to charging of depreciation on assets created out of grants / contributions up to FY16, old method is being continued. Accordingly, the depreciation charged by the accounting units during the year FY21 for the assets created upto FY16 amounting to Rs.25.38 Crores has been withdrawn at

Corporate Office as the assets were reduced to the extent of grants/ contributions received and accordingly the depreciation was not charged in the books for the assets created upto FY16 out of Grants and Contributions.

Further, the depreciation charged by the accounting units during the year FY21 for the assets created from FY17 amounting to Rs.36.15 Crores has been credited to other income by debiting deferred income at Corporate Office as the Grants and Contributions are treated as deferred income. The depreciation amount included in the depreciation schedule is nullified by considering the same amount in income schedule.

MESCOM has submitted the details of total gross fixed assets created and the assets created out of 'Consumers' Contributions and Grants' and related depreciation in the replies to the preliminary observations, which is indicated below;

Amount in Rs. Crores

Year	Opening Balance Of GFA	Additions	Retirement / Deductions	Net Additions	Closing Balance of GFA	Value of assets created out of 'Consumers' Contributions and Grants' Included
*FY21	3379.31	586.08	21.35	564.73	3944.04	740.11
**FY22	3944.04	521.89	24.82	497.07	4441.11	875.95
**FY23	4441.11	661.90	27.87	634.03	5075.14	1003.24
**FY24	5075.14	506.42	31.77	474.65	5549.79	1122.52
**FY25	5549.79	509.69	34.68	475.01	6024.80	1234.31

The Assets created out of 'Consumers' Contributions and Grants' before FY17 has been not included in the Gross Assets and the depreciation of Rs.25.38 Crores charged on such assets in accounting units is withdrawn in Corporate Office for FY21. Assets created out of 'Consumers' Contributions and Grants' from FY17 to FY21 included in the gross assets is Rs.740.11 Crores and the depreciation of Rs.36.15 Crores charged on such assets is also included in expenses in the P&L account but considered as reduction out of 'Deferred Income' and included under 'Other Income'.

The Commission has noted the replies furnished by MESCOM. In accordance with the provisions of the MYT Regulations and amendments issued thereon, the Commission has determined the depreciation for FY23-25 considering the following:

- a) The actual rate of depreciation of category-wise assets is determined considering the depreciation and gross block of opening and closing balances of fixed assets as per the audited accounts for FY21.
- b) The actual rate of depreciation, so arrived at, is considered to allow the depreciation on gross block of average of opening and closing balance of fixed assets projections, made on the approved capex and categorization of asset thereon approved by the Commission for FY21 to FY25.
- c) The depreciation on account of assets created out of consumers contribution and grants are considered based on the average balance of fixed assets and the depreciation amount as considered by MESCOM for Rs.48.73 Crores, Rs.55.12 Crores and Rs.61.11 Crores has been considered and deducted to arrive at the net depreciation for FY23 to FY25.

Accordingly, the depreciation for FY23-25 are as follows:

TABLE - 5.18
Approved Net Depreciation for FY23-25

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Buildings	6.64	7.37	8.01
Civil	0.22	0.25	0.27
Other Civil	0.07	0.07	0.08
Plant & M/c	236.63	262.97	285.61
Line, Cable Network	0.00	0.00	0.00
Vehicles	1.35	1.50	1.62
Furniture	0.60	0.67	0.73
Office Equipment	1.17	1.30	1.42
Lease hold assets	0.00	0.00	0.00
Released assets reused	0.00	0.00	0.00
Intangible Assets	4.00	4.44	4.83
Gross Fixed Assets	250.67	278.58	302.56
Less: Depreciation on GFA created out of Consumers contributions / grants	-48.73	-55.12	-61.11
Depreciation	201.94	223.46	241.45

Thus, the Commission decides to approve an amount of Rs.201.94 Crores, Rs.223.46 Crores and Rs.241.45 Crores towards net depreciation for FY23, FY24 and FY25 respectively.

5.2.9 Interest on Capital Loans:

MESCOM's proposal:

MESCOM in its application, has projected an Interest on Capital Loans of Rs.155.20 Crores, Rs.165.78 Crores and Rs.163.13 Crores for FY23, FY24 and FY25, respectively. MESCOM has submitted that they have planned a CAPEX program of Rs.661.92 Crores, Rs.506.42 Crores and Rs.509.69 Crores for FY23, FY24 & FY25, respectively. MESCOM has informed that during FY21, it has categorized assets amounting to Rs.402.83 Crores and as such expected to incur the CAPEX as proposed for the years FY23 to FY25. Accordingly, MESCOM has considered the amount equal to the proposed CAPEX and new capital loan of Rs.430 Crores, Rs.250 Crores and Rs.250 Crores for projection of Interest on Capital loan for the years FY23 to FY25.

Based on the above assumptions, MESCOM has requested the Commission to approve interest on loans for FY23 to FY25 as follows:

TABLE – 5.19
Interest on Capital Loans– MESCOM's Proposal

Amount In Rs. Crores

Particulars	FY23	FY24	FY25
Opening Balance of loans	1310.54	1511.54	1502.54
Add: New Loans	430.00	250.00	250.00
Less: Repayments	229.00	259.00	289.00
Closing Balance of loans	1511.54	1502.54	1463.54
Average Loan	1411.04	1507.04	1483.04
Rate of Interest	11.00%	11.00%	11.00%
Interest on Capital Loan	155.20	165.78	163.13

Commission's analysis and decision:

The Commission has taken note of the capex requirement and the capital loan proposals of the MESCOM for FY23-25. As discussed earlier, considering the approved capex, and the availability of capital grant, internal resources and

works to be carried out under DCW / self-execution, the Commission has considered an addition of loan of Rs.400 Crores, Rs.250 Crores and Rs.250 Crores and repayment of loan at Rs.214.00 Crores, Rs.239.00 Crores and Rs.264.00 Crores respectively for FY23, FY24 and FY25.

As per the audited accounts and as per the APR of FY21, the MESCOM had incurred interest on capital loan at a weighted average rate of interest of 9.07% per annum. This weighted average rate of interest is considered for the existing loan balances for which interest has to be factored during FY22. For the years FY23 to FY25, the weighted average rate of interest of the preceding year has been considered on the existing loan balances. Further, the Commission has considered the new capital loan duly factoring the availability of capital grants from GOI / GoK works to be carried out under self-execution / DCW and the internal resources on the proposed works as made out by MESCOM for FY23-25. As discussed in pre para, the Commission to meet the approved capex has considered the new loans of Rs.400.00 Crores, Rs.250.00 Crores and Rs.250.00 Crores for FY23, FY24 and FY25 respectively to factor the interest on new borrowings.

The Commission notes that, MESCOM in its filing has proposed an interest rate of 11% per annum on the average loans considering both the existing and the new loan. The Commission notes that, the interest rates of 11% as proposed by MESCOM on the existing loans amount is comparatively on a higher side, when the actual weighted average rate of 9.04% for FY20 and 9.07% for FY21. As such, MESCOM is once again directed to take up financial prudence measures, so as to avail loans at comparatively lower interest rates and thereby reduce the interest burden on the consumers. The Commission further notes that, the present interest rate being charged by the commercial banks and financial institutions is on the basis marginal cost of fund based Lending Rates (MCLR) and there is a downward trend in the MCLR rates. As such, these rates are comparatively lower than the rates considered by the MESCOM. Hence, the Commission is of the view that, MESCOM should avail capital loan at a competitive interest rates which would be lesser than the interest rate proposed by it.



The Commission notes that, as per the provisions of MYT Regulations has considered the present SBI MCLR rate for capital loan for more than 3 years as on 15.01.2022 is 7.30%. Considering 200 basis point over the MCLR rate of 7.30%, the Commission decides to allow an interest rate of 9.30% for the control period FY23-25 for new capital loan borrowings. It shall be noted that, the rate of interest now considered by the Commission, on the new capital loans for the control period, is subject to review during APR and revision of ARR of the relevant years of the control period.

Accordingly, the approved interest on capital loan for FY23-25 are as follows:

TABLE – 5.20
Approved Interest on capital loan for FY23-25

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Opening Balances of Capital Loans	1320.54	1506.54	1517.54
Add: New Loans borrowed	400.00	250.00	250.00
Less: Repayments of loan	214.00	239.00	264.00
Total loan at the end of the year	1506.54	1517.54	1503.54
Average Loan	1413.54	1512.04	1510.54
Interest paid on long term loans	129.04	138.24	138.30
Weighted average rate of interest allowed on existing loans	9.13%	9.14%	9.16%
Interest Rate allowed on new loans in %	9.30%	9.30%	9.30%
Allowable Interest on Capital Loan	129.04	138.24	138.30

Thus, the Commission decides to approve interest on capital loans of Rs.129.04 Crores, Rs.138.24 Crores and Rs.138.30 Crores for FY23, FY24 and FY25 respectively.

5.2.10 Interest on Working Capital Loan:

MESCOM's proposal:

MESCOM in its application has claimed the interest on working capital based on the norms specified in the MYT Regulations as follows:

TABLE – 5.21

**Interest on Working Capital Loan for FY23-25
MESCOM's Submission**

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
1/12th of O&M Expenses	64.06	69.88	76.24
Opening GFA	4,441.11	5,075.14	5,549.79
1% on opening GFA	44.41	50.75	55.50
1/6th of Revenue	681.46	704.95	728.67
Total Working Capital	789.93	825.58	860.41
Rate of Interest (%) [*]	11.00%	11.00%	11.00%
Interest on Working Capital	86.89	90.81	94.65

Commission's analysis and decision:

The Commission in its preliminary observations had observed that MESCOM while projecting the interest on working capital, has considered interest at 11.00% for FY22 to FY25. MESCOM was directed to consider reduction in the interest rates while projecting the interest on working capital and to submit the revised estimated interest on working capital for FY21 to FY25.

MESCOM in its reply to the Commission's observation, has submitted that considering the risk involved in borrowing working capital, the financial institutions charge varied interest rates. Hence, in accordance with the interest rate of 11% as considered by the Commission in its earlier Tariff Orders, MESCOM has maintained the same working capital interest rates for FY23 to FY25.

As per the norms specified under the MYT Regulations, the Commission has computed the interest on working capital which consists of one month's O & M expenses, 1% of Opening GFA and two month's revenue.

The Commission notes that MESCOM has claimed the working capital interest at 11% per annum. The commercial banks and financial institutions are charging the interest rates mainly on the basis of MCLR declared from time to time. Hence, the Commission would consider MCLR, depending upon the tenure of the loan.

The Commission directs MESCOM to take financial prudence measures while availing short term loans, working capital loans so that the interest burden on its end consumers is reduced. As per the audited accounts for FY21, MESCOM has

availed the working capital loan at an interest rate of 7.20% to 7.80% from Commercial banks.

As discussed earlier, the MCLR for loan with a tenure of one year is 7%. Therefore, the Commission, considering the downward trend in the interest rates, and also considering the present MCLR with an appropriate spread of basis points and as per the provisions of the MYT Regulations, decides to consider interest on working capital at 9.50% per annum for FY23-25.

Accordingly, the approved interest on working capital for FY23-25 are as follows:

TABLE – 5.22
Approved Interest on Working Capital Loan for FY23-25

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
One-twelfth of the amount of O&M Exp.	63.56	69.18	75.47
Opening GFA	4462.58	5059.28	5522.72
Stores, materials and supplies- 1% of Opening balance of GFA	44.63	50.59	55.23
One-sixth of the Revenue	698.25	725.12	753.64
Total Working Capital	806.44	844.90	884.33
Rate of Interest (% p.a.)	9.50%	9.50%	9.50%
Interest on Working Capital	76.61	80.27	84.01

Thus, the Commission decides to approve interest on working capital loan of **Rs.76.61 Crores, Rs.80.27 Crores and Rs.84.01 Crores for FY23, FY24 and FY25 respectively.**

5.2.11 Interest on Consumer Security Deposit:

MESCOM's proposal:

MESCOM, in its Petition, has projected Rs.50.08 Crores, Rs.52.58 Crores and Rs.55.08 Crores for FY23 to FY25. MESCOM has considered bank rate of 6.50% per annum for estimating interest on consumer deposits for FY23-25.

MESCOM has claimed interest on consumer security deposit as follows:

CLM/g

TABLE – 5.23
Interest on Consumer Security Deposits for FY23-FY25
-MESCOM's Proposal

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Opening balance of Consumer Security Deposit	751.13	789.65	828.17
Proposed addition during the year	38.52	38.52	38.52
Closing Balance of the Consumer security deposits	789.65	828.17	866.69
Average of deposit	770.39	808.91	847.43
Rate of Interest per annum.	6.50%	6.50%	6.50%
Interest on Consumer Security Deposit	50.08	52.58	55.08

Commission's analysis and decision:

The Commission, in its preliminary observations, had observed that MESCOM while claiming the interest on consumer security deposit had considered the interest rates of 6.50% for FY22 to FY25 which is contrary to the Regulations issued by the Commission. MESCOM was directed to re-compute and submit the revised amount of interest on consumer security deposit, duly considering the applicable Bank Rate as per the provisions of the Regulations, for FY23 to FY25. MESCOM has not replied to this observation raised by the Commission.

In accordance with the KERC (Interest on Security Deposit) Regulations 2005, the interest rate to be allowed is the Bank Rate prevailing on the 1st of April of the financial year for which interest is due. As per Reserve Bank of India Notification dated 04.10.2021, the bank rate is 4.25%. This being the latest available bank rate, the Commission has considered the same, for computation of interest on consumer deposits for FY23-25.

The Commission has noted the consumer security deposits as per the audited accounts of FY21 and half yearly accounts of FY22 and noted the additional amount of deposit collected from the consumers during the previous years. Based on the additional security deposits collected during previous years, the Commission has decided to factor Rs.50 Crores, Rs.60 Crores and Rs.70 Crores as the additional security deposit likely to be collected for the projection of the

security deposit for the Control period FY23-25. Thus the allowable interest on consumer deposits for FY23-25 is computed in the following Table:

TABLE – 5.24
Approved Interest on Consumer Security Deposits for FY23-25

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Opening balance of consumer deposits	762.61	822.61	892.61
Closing balance of consumer deposits	822.61	892.61	962.61
Average consumer deposits	792.61	857.61	927.61
Rate of Interest allowed	4.25%	4.25%	4.25%
Allowable Interest on Consumer Security Deposit	33.69	36.45	39.42

Thus, the Commission decides to approve interest on consumer security deposits at Rs.33.69 Crores, Rs.36.45 Crores and Rs.39.42 Crores for FY23, FY24 and FY25, respectively.

5.2.12 Other Interest and Finance Charges:

MESCOM in its filing has submitted that it has incurred an expense of Rs.1.58 Crores towards cost of raising finance for capital loans during FY21. As such, MESCOM has claimed the same amount towards 'other interest and finance charges' for FY23 to FY25:

Cost of raising finance- MESCOM submission

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Cost of raising finance	1.58	1.58	1.58

Commission's analysis and decision:

The Commission as per the audited accounts notes the actual other interest and finance charges incurred by MESCOM during the previous years in raising the loans. Considering this, the Commission decides to allow an amount of Rs.1.58 Crores as proposed by MESCOM towards interest and finance charges for each of the years, during the control period FY23-25.

5.2.13 Interest and other expenses capitalised:

MESCOM has not claimed any amount towards capitalization of interest and other expenses for the sixth control period.

Considering, the capital expenditure incurred and capitalized during the previous years, the Commission decides to allow capitalization of interest and other expenses of Rs.2.10 Crores for each of the year for FY23, FY24 and FY25.

5.2.14 Interest and finance charges:

The abstract of approved interest and finance charges for FY23-25 are as follows:

TABLE – 5.25
Approved Interest and finance charges for FY23-25

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Interest on Capital Loan	129.04	138.24	138.30
Interest on Working Capital Loan	76.61	80.27	84.01
Interest on Consumers Security Deposit	33.69	36.45	39.42
Other Interest & Finance Charges	1.58	1.58	1.58
Less: Interest & other expenses capitalized	-2.10	-2.10	-2.10
Total Interest & Finance Charges	238.82	254.44	261.22

5.2.15 Return on Equity:**MESCOM's proposal:**

MESCOM, in its application, has claimed the RoE at 15.50% based on the opening balances of share capital, share deposit, reserves and surplus, and recapitalized security deposit grossed up with MAT of 17.472% which works out to 18.7815% for the control period FY23-25, as indicated in the following Table:

TABLE – 5.26
Return on Equity – MESCOM's Proposal

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Opening balance of Paid up Share capital	619.44	619.44	619.44
Share deposit	34.96	34.96	34.96
Reserves and surplus	362.04	494.60	648.12
Less: Recapitalized Security Deposit	-26.00	-26.00	-26.00
Total	990.44	1123.00	1276.52
RoE grossed up with MAT	18.7815%	18.7815%	18.7815%
Return on Equity	186.02	210.92	239.75

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Commission's analysis and decision:

The Commission in its preliminary observations, had noted that MESCOM has projected the opening and closing balance of GFA for FY21 to FY25 and was directed to submit the bifurcated figures of GFA created out of consumer's contribution & grants and from internal resources & borrowings included in the projected closing balances of GFA for FY23 to FY25 to verify the compliance of the directive in terms of Hon'ble ATE Order in OP 46/2014. The Commission notes the reply furnished by MESCOM.

The Commission also notes that, status of debt equity ratio with reference to this projected gross fixed assets for each year of the control period FY23-25. The Commission has considered the actual amount of share capital, share deposits and the accumulated surplus / deficit under reserves & surplus as per the audited accounts for FY21 and the additional equity report received from the Gok during FY22 for arriving at the allowable equity base for the control period FY23-25.

The Commission, in accordance with the provisions of the MYT Regulations, has considered RoE Grossed up with MAT at 17.472% from FY23 to FY25 which works out to be 18.7815% on Equity allowed. Further, as per the decision of the Commission in the Review Petition No.6/2013 and Review Petition 5/2014, and the amended provisions of the MYT Regulations, the Return on Equity is to be computed based on the opening balances of share capital, share deposits and the accumulated balances of surplus / deficit under reserves and surplus account. Further an amount of Rs.26.00 Crores of recapitalized consumer deposit as net worth is also considered as per the Orders of the Hon'ble ATE in Appeal No.46/2014. The Commission by considering the actual profit/loss earned by MESCOM during the previous years as per the audited account, in order to avoid front-loading of the allowable RoE in the retail supply tariff, has not carried forward the allowable RoE of each year from FY22 to FY25 as the additional equity infused during the year for computation of RoE for the subsequent year.

Further, in compliance with the Orders of the Hon'ble ATE in Appeal No.46/2014, wherein it is directed to indicate the opening and closing balances of gross fixed

assets along with break-up of equity and loan component in the Tariff Order henceforth, the details of GFA, debt and equity (net worth) for FY23-25 are as follows:

TABLE – 5.27
Status of Debt Equity Ratio for FY23-25

Amount in Rs. Crores

Year	Particulars	GFA (excluding GFA out of CC/Grant)	Debt	Equity (Net worth)	Normative Debt @ 70% of GFA	Normative Equity @ 30% of GFA	%age of actual debt on GFA	%age of actual equity on GFA
FY23	Opening Balance	3586.63	1320.54	806.03	2510.64	1075.99	36.82	22.47
	Closing Balance	4056.04	1506.54	806.03	2839.23	1216.81	37.14	19.87
FY24	Opening Balance	4056.04	1506.54	806.03	2839.23	1216.81	34.49	19.87
	Closing Balance	4400.20	1517.54	806.03	3080.14	1320.06	34.49	18.32
FY25	Opening Balance	4400.20	1517.54	806.03	3080.14	1320.06	34.49	18.32
	Closing Balance	4735.94	1503.54	806.03	3315.16	1420.78	31.75	17.02

From the above table, it is evident that the projected debt equity for the control period amount lies within the normative debt equity ratio of 70:30 on the opening and the closing balances of projected GFA for each year of the control period. Further, the Commission will review the same during the Annual Performance Review for each year based on the actual data as per the audited accounts.

Accordingly, the allowable Return on Equity for FY23-25 as follows:

TABLE – 5.28
Approved Return on Equity for FY23-25

Amount in Rs. Crores

Particulars	FY23	FY24	FY25
OB: Paid Up Share Capital	619.44	619.44	619.44
OB: Share Deposit	34.96	34.96	34.96
OB; Reserves & Surplus	178.43	178.43	178.43
Less: Recapitalized Security Deposit	-26.00	-26.00	-26.00
Opening Balance of Equity for the year	806.83	806.83	806.83
RoE Grossed up with MAT @ 18.7815 (MAT 17.472%)	151.53	151.53	151.53

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Thus, the Commission decides to approve Return on Equity grossed up with MAT (17.472%) at 18.7815% at Rs.151.53 for each year of the control period for FY23-25. The RoE and the MAT now allowed is subject to truing up as per the actual equity and tax paid by the MESCOM for the relevant year, as per the audited accounts for FY23-25.

5.2.16 Other Income:

MESCOM's proposal:

MESCOM in its filing as per the D-4 Format has claimed other income for the control period as detailed below:

TABLE – 5.29

Other Income - MESCOM's Proposal

Particulars	Amount in Rs. Crores		
	FY23	FY24	FY25
Interest on Staff Loan and advances	0.02	0.02	0.02
Interest on Bank Deposits	0.09	0.09	0.09
Income on Other Investments	1.40	1.40	1.40
Interest from banks	19.89	19.89	19.89
Profit from sale of fixed assets	1.26	1.26	1.26
Profit from sale of Stores	0.03	0.03	0.03
Sale of Scrap	2.94	2.94	2.94
Rental from Staff quarters	2.01	2.01	2.01
Rental from Others	0.47	0.47	0.47
Value of materials found excess during physical verification	0.08	0.08	0.08
Rebate for collection of Electricity duty	2.01	2.01	2.01
Incentives received	39.91	39.91	39.91
Miscellaneous recoveries	26.62	26.62	26.62
Total	96.73	96.73	96.73

Commission's analysis and decision:

The Commission notes that the other income received by the MESCOM mainly includes income from miscellaneous recoveries, interest on bank deposits, rent from staff quarters and sale of scrap, profit on sale of stores, rebate on collection of electricity duty besides incentives for timely payment of power purchase bills etc.

Based on the actual 'other income' earned by the MESCOM in the previous year, with the reasonable income for each year along with the amount of revenue earned on sale of energy to MSEZ, during FY23 to FY25, the Commission decides to consider Rs.95.53 Crores, Rs.105.08 Crores and Rs.115.59 Crores respectively as the other income for the FY23, FY24 and FY25.

Thus, the Commission decides to approve 'other income' of Rs.95.53 Crores, Rs.105.08 Crores and Rs.115.59 Crores for the FY23, FY24 and FY25, respectively.

5.2.17 Regulatory Assets:

MESCOM in its filing has submitted that the Commission in its Tariff Order 2020, dated 04.11.2020 had carried the unrecovered portion of the revenue gap of seven months amounting to Rs.122.93 Crores of FY21 as Regulatory Asset to be recovered in the tariff over the next two years i.e. FY22 and FY23. Further, the Commission has also allowed carrying cost at 10% per annum on the amount of Regulatory Asset. MESCOM has already considered Rs.61.46 Crores as Regulatory Asset for FY22 without 10% carrying cost. Similarly, MESCOM is considering the unrecovered regulatory asset without carrying cost of Rs.61.46 Crores for FY23.

The Commission notes that, out of the Regulatory Asset of Rs.122.93 Crores created as per Tariff Order dated 04.11.2020, Rs.61.47 Crores has been included in the ARR of FY22 for being recovered in the retail supply tariff of FY22. The remaining Regulatory Asset of Rs.61.47 Crores recoverable in the ARR/Retail supply tariff for FY23 is now considered in the ARR of FY23. As regards to carrying cost FY22 and FY23 on the Regulatory Asset, the Commission will consider the same during the APR of FY22 and FY23 based on the actual revenue gap as per audited accounts for these years.

5.2.18 Fund towards Consumer Relations / Consumer Education:

MESCOM in its filing, has submitted that the Commission has been allowing an amount of Rs.50 lakhs towards Consumer Education / Relations activities over

the years. As such, the same amount has been projected for the years FY23 to FY25

Commission's analysis and decision:

The Commission has been allowing an amount of Rs.0.50 Crore per year towards consumer relations / consumer education. This amount is earmarked to conduct consumer awareness and grievance redressal meetings periodically and institutionalize a mechanism for addressing common problems of the consumers. The Commission has already issued guidelines for consumer education and grievance redressal activities. **Accordingly, the Commission decides to continue providing an amount of Rs.0.50 Crore for each year of the control period FY23-25 towards meeting the expenditure on consumer relations / consumer education.**

5.2.19 Other Debits:

MESCOM has claimed Rs.6.55 Crores as other debits for the entire control period. The Commission has not considered the same, as 'other debits' cannot be estimated before hand.

5.3 Abstract of ARR for FY23-25:

In the light of the above analysis and decisions of the Commission, the following is the approved ARR for the control period FY23-25:

TABLE – 5.30
Approved ARR for FY23-25

Sl. No	Particulars	Amount In Rs. Crores					
		FY23		FY24		FY25	
		As Filed	As Approved	As Filed	As Approved	As Filed	As Approved
1	Energy at Gen Bus (With MSEZ) in MU	6197.93	6151.48	6421.66	6360.52	6648.40	6586.43
2	Transmission Losses in %	2.978%	2.864%	2.978%	2.764%	2.978%	2.664%
3	Energy at Interface in MU	6013.36	5926.89	6230.42	6138.13	6450.41	6362.06
4	Distribution Losses in %	9.82%	9.10%	9.80%	8.85%	9.78%	8.60%
	Sales in MU						

Sl. No	Particulars	FY23		FY24		FY25	
		As Filed	As Approved	As Filed	As Approved	As Filed	As Approved
5	Sales to other than IP & BJ/KJ	3529.54	3642.18	3639.22	3772.35	3753.34	3915.15
6	Sales to BJ/KJ	35.54	32.97	35.81	32.97	36.08	32.97
7	Sales to IP	1857.77	1712.39	1944.81	1789.59	2030.14	1866.80
	Total Sales	5422.85	5387.54	5619.84	5594.91	5819.56	5814.92
	Revenue at existing tariff in Rs. Crores.						
8	Revenue from tariff and Misc. Charges	2955.56	3151.29	3044.88		3136.52	
9	Tariff Subsidy to BJ/KJ	28.22	26.18	28.43		28.65	
10	Tariff Subsidy to IP	1097.94	1012.02	1149.38		1199.81	
	Total Existing Revenue	4081.72	4189.49	4222.69	4350.75	4364.98	4521.83
	Expenditure in Rs. Crores.						
11	Power Purchase Cost	2505.48	2328.88	2595.22	2406.20	2663.02	2490.56
12	Transmission charges of KPTCL	350.06	383.26	384.58	401.47	423.27	423.50
13	SLDC Charges	2.90	2.46	3.25	2.37	3.64	2.530
	Power Purchase Cost including cost of transmission	2858.44	2714.60	2983.05	2810.04	3089.93	2916.59
14	Employee Cost	556.48		607.06		662.24	
15	Repairs & Maintenance	77.35		84.38		92.06	
16	Admin & General Expenses	134.91		147.16		160.52	
	Total O&M Expenses	768.74	762.76	838.60	830.19	914.82	905.59
17	Depreciation	247.95	201.94	274.67	223.46	299.03	241.45
	Interest & Finance charges						
18	Interest on Capital Loans	155.20	129.04	165.78	138.24	163.13	138.30
19	Interest on Working capital loans	86.89	76.61	90.81	80.27	94.65	84.01
20	Interest on belated payment on PP Cost	0.00	0.00	0.00	0.00	0.00	0.00
14	Interest on consumer security deposits	50.08	33.69	52.58	36.45	55.08	39.42

Sl. No	Particulars	FY23		FY24		FY25	
		As Filed	As Approved	As Filed	As Approved	As Filed	As Approved
15	Other Interest & Finance charges	1.58	1.58	1.58	1.58	1.58	1.58
16	Less: interest & other expenses capitalised	0.00	-2.10	0.00	-2.10	0.00	-2.10
	Total Interest & Finance charges	293.75	238.82	310.75	254.44	314.44	261.22
17	Other Debits	6.55	0.00	6.55	0.00	6.55	0.00
18	Net Prior Period Debit/Credit	0.00	0.00	0.00	0.00	0.00	0.00
19	Return on Equity	186.02	151.53	210.92	151.53	239.75	151.53
20	Funds towards Consumer Relations/Consumer Education	0.50	0.50	0.50	0.50	0.50	0.50
	Regulatory Assets as per T.O dated 04.11.2020	61.46	61.47	0.00	0.00	0.00	0.00
21	Less: Other Income (Including income from MSEZ)	-96.73	-95.53	-96.73	-105.08	-96.73	-115.59
	ARR	4326.68	4036.09	4528.31	4165.08	4768.29	4361.30
	Surplus/Deficit (-) for FY22	-244.96	153.40	-305.62	185.67	-403.31	160.53
22	Add :Deficit for FY21 carried forward (As per APR)	(-)473.25	(-)341.96	0.00	0.00	0.00	0.00
23	Net ARR	4799.93	4378.05	4528.31	4165.08	4768.29	4361.30
24	Net surplus/deficit (-)	-718.21	-188.56	-305.62	185.67	-403.31	160.53

5.4 Segregation of ARR into ARR for Distribution Business and ARR for Retail Supply Business:

MESCOM in its application has not proposed any new ratio for segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply Business.

Commission's Analysis and Decisions:

Since no new proposal has been furnished by MESCOM, the Commission decides to continue with the existing ratio of segregation of ARR as detailed below:

TABLE – 5.31
Approved Segregation of ARR – FY23

Particulars	Distribution Business	Retail Supply Business
O&M	39%	61%
Depreciation	84%	16%
Interest on Loans	100%	0%
Interest on Consumer Deposits	0%	100%
RoE	78%	22%
GFA	84%	16%
Non-Tariff Income	7%	93%

Accordingly, the following is the approved ARR for Distribution Business and Retail supply business:

TABLE – 5.32
APPROVED REVISED ARR FOR DISTRIBUTION BUSINESS – FY23

Amount in Rs. Crores		
Sl. No	Particulars	FY23
1	R&M Expenses	297.48
2	Employee Expenses	
3	A&G Expenses	
4	Depreciation	169.63
	Interest & Finance Charges	
5	Interest on Capital Loans	129.04
6	Interest on Working capital loans	11.46
7	Interest on consumer security deposits	0.00
8	Other Interest & Finance charges	1.58
9	Less: interest & other expenses capitalised	-2.10
	Total	607.08
10	RoE	118.20
11	Less: Other Income	-6.69
12	Provision for taxes	0.00
	Regulatory assets	51.6306
	NET ARR	770.22

TABLE – 5.33
APPROVED ARR FOR RETAIL SUPPLY BUSINESS – FY23

Amount in Rs. Crores		
Sl. No	Particulars	FY23
1	Power Purchase	2331.34
2	Transmission Charges & SLDC Charges	383.26
3	O&M Expenses	465.28
4	Depreciation	32.31
	Interest & Finance Charges	
5	Interest on Working capital loans	65.15
6	Interest on consumer security deposits	33.69
7	Other Interest & Finance charges	0.00
8	Less interest & other expenses capitalised	0.00
	Total	3311.03

9	ROE	33.34
10	Less: Other Income	-88.84
11	Provision for taxes	0.00
12	Fund towards Consumer Relations / Consumer Education	0.50
	Regulatory assets	9.83
	NET ARR	3265.86

5.5 Gap in Revenue for FY23:

As discussed above, the Commission decides to approve the Annual Revenue Requirement (ARR) of Rs.4378.05 Crores as against MESCOM's proposal for approving ARR of Rs.4799.93 Crores for FY23. The approved ARR includes an amount of Rs.341.96 Crores, which is approved as the revenue deficit as per APR for FY21, as discussed in Chapter-4 of this Order. The revenue gap for FY23 is as indicated below:

TABLE – 5.34
Revenue gap for FY23

Particulars	FY23
Net ARR including carry forward gap of FY21 (in Rs. Crores)	4378.05
Approved sales (in MU)	5387.54
Average cost of supply for FY23 (in Rs./unit)	8.126
Revenue at existing tariff (in Rs. Crores)	4189.49
Deficit in revenue for FY23 (in Rs. Crores)	188.56

The details of revised retail tariff on the basis of the above ARR is discussed and approved in Chapter-6 of this Order.

Annual Revenue Requirement for FY24 and FY25

As discussed above, the Commission also decides to approve the Annual Revenue Requirement (ARR) of Rs.4165.08 Crores and Rs.4361.30 Crores as against MESCOM's proposal for approving ARR of Rs.4528.31 Crores and Rs.4768.29 Crores for FY24 and FY25 respectively.

CHAPTER – 6

DETERMINATION OF RETAIL SUPPLY TARIFF FOR FY23

6.0 Revision of Retail Supply Tariff for FY23-MESCOM's Proposals and Commission's Decisions:

6.1 Tariff Application:

As per the Tariff application filed by the MESCOM, it has projected ARR of Rs.4799.93 crores with a deficit of deficit of Rs.718.21. Crores for FY23 which also includes the revenue deficit of Rs.473.25 Crores for FY21. In order to bridge this gap in revenue, MESCOM has proposed to increase both the fixed and energy charges with an average tariff increase of 132 paise per unit, in respect of all the categories of consumers.

In the previous chapters of this Order, the Annual Performance Review (APR) for FY21 and the approval of ARR for FY23 has been discussed. The various aspects of determination of tariff for FY23 are discussed in this Chapter.

6.2 Statutory Provisions guiding determination of Tariff

In terms of Section 61 of the Electricity Act, 2003, the Commission is guided inter-alia, by the National Electricity Policy, the Tariff Policy and the following factors, while, determining the tariff so that:

- ✓ the distribution and supply of electricity is conducted on commercial basis;
- ✓ competition, efficiency, economical use of resources, good performance, and optimum investment are encouraged;
- ✓ the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross subsidies in the manner specified by the Commission;
- ✓ efficiency in performance shall be rewarded; and
- ✓ a multi-year tariff framework is adopted.



As per Section 62(5) of the Electricity Act, 2003, read with Section 27(1) of the Karnataka Electricity Reform Act, 1999, the Commission is empowered to specify, from time to time, the methodologies and the procedure to be observed by the licensees in computing the Expected Revenue from Charges (ERC). In pursuance of these statutory provisions and in accordance with the Regulations and Orders issued from time to time, the Commission has determined the Tariff for the year FY23.

6.3 Factors Considered for Tariff setting:

The Commission has kept in view the following factors relevant for determination of retail supply tariff:

a) Tariff Philosophy:

As discussed in the earlier Tariff Orders, in respect of consumers whose ability to pay is considered inadequate, the Commission has continued to fix tariff below the average cost of supply and in respect of certain categories of consumers whose ability to pay is considered to be higher has fixed the tariff at or above the average cost of supply. Thus, the system of cross subsidy has been continued. However, the Commission has taken due care to progressively bring down the cross subsidy levels, as envisaged in the Tariff Policy, 2016 issued by the Government of India.

a) Average Cost of Supply:

The Commission has been determining the retail supply tariff on the basis of the average cost of supply. The KERC (Tariff) Regulations, 2000, as amended from time to time, require the licensees to provide the details of embedded cost of electricity voltage / consumer category-wise. The distribution network of Karnataka is such that, it is difficult to segregate the common cost between voltage levels. Therefore, the Commission has decided to continue the average cost of supply approach for recovery of the ARR. With regard to the indication of voltage-wise cross subsidy with reference to the voltage-wise cost of supply, the same is indicated in the Annexure -3 to this Order.



b) Differential Tariff:

The Commission has been determining differential retail supply tariff for consumers in urban and rural areas, beginning with its Tariff Order, dated 25th November, 2009. The Commission decides to continue the same approach in the present order also.

6.4 Government's Directions to the Commission under Section 108 of the Electricity Act, 2003.

The Government of Karnataka, in its letter dated 14th March, 2022 has issued the following directions under Section 108 of the Electricity Act, 2003, as per the request of the ESCOMs. The Directions issued by the Government pertain to the following issues:

1. Increase the fixed charges/ demand charges and correspondingly reduce the energy charges for all HT consumers;
2. Allow full transmission charges of PGCIL (towards ISTS charges) in the Annual Revenue Requirement;
3. Allow Fuel and Power Purchase Price Adjustment to as a pass through every quarter of the year instead of present system of Fuel Adjustment Cost(FAC) allowing only variable cost of thermal stations.

Commission's Observations:

As per Section 86(1) (a) of the Electricity Act, 2003(EA, 2003), one of the main functions of the State Electricity Regulatory Commissions is to determine tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail as the case may be, with in the State.

While discharging its functions, the SERCs are guided by the provisions of Section 61 and of Section-62 of the EA, 2003. In terms of these provisions, the Karnataka Electricity Regulatory Commission has issued necessary Regulations to determine the tariff of generation, transmission and distribution companies. Thus the tariff determination by the Commission is being done as per the provisions of Section 61 & 62 of the EA. 2003 and the Regulations framed thereunder by this Commission.



In this context, a reference may be made to the Statement of Objects and Reasons of Electricity Act, 2003 for the purpose of appreciating the legislative intent. The same is as follows:

"1.3 Over a period of time, however, the performance of the State Electricity Boards has deteriorated substantially on account of various factors. For instance, powers to fix tariffs vest with such Electricity Boards, they have generally been unable to take decisions on tariff in a professional and independent manner and tariff determination in practice has been done by the State Governments. Cross subsidies have reached unsustainable levels. To address this issue and to provide for distancing of Government from determination of tariffs, the Electricity Regulatory Commission Act was enacted in 1998. It created the Central Electricity Regulatory Commission and has an enabling provision through which State Governments can create a State Electricity Regulatory Commission...."

In the backdrop of the above regulatory framework, a question would arise as to whether the State Government can issue directions to the State Commission under Section 108 to determine the tariff and whether such a direction is binding on the State Commission. This question is well answered in the following judgements of the Hon'ble ATE and the Hon'ble Supreme Court.

In the Order in Appeal No. Appeal No. 41, 42 and 43 of 2010 Dated: 31st January, 2011 (Polyplex Corporation Limited Vs Uttarakhand Electricity Regulatory Commission & Uttarakhand Power Corporation Ltd.), the Hon'ble ATE has analysed this issue and gave the following findings:

"The State Commission is independent statutory body. Therefore, the policy directions issued by the State Government are not binding on the State Commission, as those directions cannot curtail the power of the State Commission in the matter of determination of tariff. The State Government may give any such policy direction in order to cater to the popular demand made by the public but while determining tariff the State Commission may take those

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directions or suggestions for consideration but it is for the State Commission which has statutory duty to perform either to accept the suggestion or reject those directions taking note of the various circumstances. It is purely discretionary on the part of the State Commission on acceptability of the directions issued by the State Government in the matter of determination of tariff.

(The case in the above Appeal pertains to a Governments directive to allocate cheaper power to the subsidized consumers and to allocate costly power to Industrial Consumer. The State Commission had accordingly determined tariff based on the directions of the State Government under Section 108 of the EA, 2003. The tariff order issued by the State Commission was challenged before the Hon'ble ATE and the same was set aside with the above observations).

The Hon'ble ATE has relied on several judgements of Hon'ble Supreme Court and its own judgements while disposing the above Appeal. The extract of some of the said decisions is brought out as under:

1. In the Order of the Hon'ble ATE, in its judgment dated 18.08.2010 in Appeal No. 5/09 has analysed this issue and gave the following findings:

"It is settled law as laid down by this Tribunal as well as by the Hon'ble Supreme Court, that all the policy directions are not binding on the State Commission since the State Government cannot curtail the powers of State Commission in the matter of determination of tariff ". xxxxxxxx

xxxxxxxxxxxx.

2. The Hon'ble Supreme Court in case No. (1995) 3 SCC 295 in Real Food Products Limited Vs. A.P. State Electricity Board, has held as follows:

"Where the direction of the State Government, as in the present case, was to fix a concessional tariff for agricultural pump-sets at a flat rate per H.P., it does relate to a question of policy which the Board must follow. However, in indicating the specific rate in a given case the action of the State Government, may be in excess of the power of giving a direction on the question of policy which the Board, if its conclusion be different, may not be obliged to be bound by."

3. The Hon'ble ATE in Appeal No. 4, etc. Of 2005 (SIEL Limited Vs. Punjab State Commission) has analysed this issue and held that: "

State Commission is an independent authority and its finding is binding on the State Government and not vice versa. "The Appropriate Commission while determining tariff under section 61 of the Act is required to be guided by the factor and parameters enshrined therein. One of the factors on the basis of which tariff is to be determined is the consumer interest. Sub-clause (d) of Section 61 requires the Commission to safeguard the interest of the consumers and ensure that the recovery of the cost of electricity is effected in a reasonable manner. This was also one of the requirements under Section 2(2) of the Act of 1998. The aforesaid provisions of the Act of 2003 and the Act of 1998 are not hedged in with the limitation that in case the State Government or any other authority has allocated an unwarranted cost to the generator or a licensee, it cannot be interfered with, even when such a cost may be imprudent and unjust and not in the interest of the consumers. Otherwise the cost loaded by the State Government on the Board will have to be allowed by the Commission for the purposes of tariff and the ARR of the Board. In case such a limitation is read into the aforesaid provisions, the purpose of the Act including section 63 will be frustrated. Since the Commission has the power to determine the tariff and the ARR of a utility, it has all the incidental and ancillary powers to effectuate the purpose for which the power is vested in it. Consequently, the directions or orders of the Regulatory Commission made for the purpose of determination of tariff and ARR in consonance with the provisions of the Act are binding on all the concerned parties including the State and the Board. There is nothing in section 61 and 62 of the Act of 2003 to show that orders relating to tariff will not bind the State Government. The State is not above law and it is bound to respect the mandate of the legislature. Otherwise tariff determination will not be in consonance with the various factors and parameters specified in section 61. The Commission is an independent statutory body and its directions being in terms of the Act are definitely binding on the Board whose

de jure owner is the State. The ultimate end effect shall be on de jure owner viz. the State of Punjab."

4. The Hon'ble Supreme Court in a case No. 2001 (3) SCC 396 (*Chittor Zilla Vyavasayadarula Sangham Vs. A.P. State Electricity Board & Ors.*) has held as follows:

"It is clear that the Board would not be bound to follow every policy direction. It is for this and other reasons that the statute maintain this Board to maintain the surplus in every year. If it has to perform this statutory obligation, how can it do so, if it follows any such direction which takes it away from it. It is true the Government has to cater to the popular demand in order to earn its legitimate favour, give any such policy direction, but it should have to be within a permissible limit."

From the foregoing decisions of the Hon'ble Supreme Court and the Hon'ble ATE, it is amply clear that the policy directions of the State Government are not binding, in so far as determination of tariff by this Commission is concerned. However, the policy directions by the State Government issued vide its letter dated 14.03.2022 have been considered as suggestions from the stakeholder. The Commission by considering the various issues involved in it and with the object of safeguarding the interest of ESCOMs and the consumers while passing this tariff Order.

While determining the tariff, one of the important guiding factors as per the Section 61 of the EA-2003 is that the Commissions have to balance the interest of consumers and at the same time recovery of the cost of electricity in a reasonable manner.

In the backdrop of the above discussion, the Commission's observation on each of the above issues is as under:



1. Increase in Fixed cost & reduction of Variable Costs:

This is a matter concerning determination of tariff covered under the provisions of Section 61 & Section 62 of the EA and the Regulations framed thereunder, the Commission is mandated to comply with the said provisions.

Historically, the recovery of fixed charges was never given any importance by the then SEB and the ESCOMs when they were constituted.

The Commission, in its earlier Orders, has emphasized the need to recover the fixed costs in the tariff by increasing the monthly rate of fixed / demand charges gradually. It was emphasized that as long as the consumers are drawing the power from the ESCOMs, they are assured of the full cost recovery, in the form of fixed charges and energy charges. However, at present the unrecovered fixed cost are being paid by the consumers in the form of energy charges, and thus, the ESCOMs are allowed recovery of full cost of supply. The question of under recovery of fixed charges would arise only when the consumers opt for Open Access(OA). Hence, it is upto the ESCOMs to retain the HT consumers by supplying quality and uninterrupted power and also by proposing schemes to sell energy at reasonable rates to encourage sales. Instead, the Commission has observed that, even the schemes approved by the Commission are not being implemented fully, in its letter and spirit as pointed out by the consumers during the public hearing.

The proposal to increase the Fixed cost and to reduce the energy charges, has been vehemently opposed by the consumers in the written objections and also during the public hearing. They have contended that the decision to opt for open access is taken based on the total cash outgo towards electricity bill and not based on the rate of energy charges per unit or the fixed charges per KVA. In one of the written objections the Chamber of Commerce & Industries has stated that:

The Chamber wants to bring to the kind notice of the Commission that any increase in fixed charges or increase in tariff will incentivize the consumers of the industrial sector to go for migration to captive options. There are a

large number of industrial consumers who have not reduced the contract demand even after installation of solar generation system and have paid the demand charges for that demand which is not used by them during the period of solar generation.

There are many industries which are operating in single shift and increase in fixed charges will impose additional financial burden although power will be consumed for 8-12 hours a day. It will result into nearly 60% increase into electricity bills.

It is also stated in the objections that:

In order to prevent HT consumers leaving the Grid, tariff of HT consumers should be reduced by at least 100 paise per unit. There is a clear indication that HT consumers are leaving the grid due to high HT tariff. If HT tariff is not reduced many more HT Consumers may leave. This is a serious matter.

Thus, the consumers have indicated that in case the proposed increase in fixed charges is accepted, they may migrate to captive generation, leave the grid supply and may even reduce the contract demand to save the bill in the form of increased fixed charges. In that case, the ESCOMs may lose even the existing consumers.

The comparison of the fixed charges being levied by other States would not be relevant, as the tariff structure, consumers mix, cost of supply and the finances of those States are not comparable. To address the issue of under-recovery of fixed cost from the consumers availing OA, the Commission introduced new schemes to be implemented which need to be marketed effectively and implemented. Also the Commission has determined the additional surcharge and cross subsidy surcharge in terms of tariff policy, to be recovered from OA consumers, which would partly compensate the loss of ESCOMs.

The Commission notes that until the year 2014, the ESCOMS were not seeking any increase in Fixed charges in the Tariff application. In all the previous tariff

applications, increase in energy charges was only sought. Hence, the Commission, in its Tariff Orders dated 30th March, 2016 and 11th April, 2017, in order to ensure the financial viability of the ESCOMs in the State, had considered the request of the BESCO to a certain extent in raising the fixed / demand charges as per the provisions of new Tariff Policy dated 28th January, 2016 issued by the Ministry of Power, GOI. The Commission, duly considering the fixed cost in the ARR and the recovery of the same through fixed / demand charges from the consumer in retail supply tariff, has decided to increase the fixed / demand charges gradually to bridge the gap in recovery of fixed cost. Hence, the Commission reiterated its stand that the full cost recovery towards fixed cost shall be achieved by gradual increase in Fixed costs.

In the present proceedings also the ESCOM's request for increase in Fixed cost has been considered and the major portion of the increase in tariff is allowed by increasing the Fixed Charges. Only a very small portion of the revenue gap is considered towards increase in 'Energy Charges'. This has been done with a view to balance the interest of consumers and the ESCOMs in terms of Section 61 of the Electricity Act.

2. Allowing Full Transmission Charges of PGCIL:

The CERC has notified the CERC (Sharing of Inter State Transmission charges & Losses) Regulations, 2020 on 04.05.2020, modifying the methodology for sharing of Inter-State Transmission Charges & Losses. The Commission in its Tariff Order 2021 dated, 09.06.2021, while approving the ARR for FY22, in terms of the above Regulations of CERC has considered the amount claimed by ESCOMs in respect of PGCIL cost as per above CERC norms from the month of November, 2020 onwards, and allowed the reasonable transmission charges payable to PGCIL. In the present MYT Order, in terms of the CERC Regulations. The Commission has estimated and allowed full transmission charges for the transmission lines commissioned as on the date of filing of Tariff application, which is subject to truing up while carrying out the Annual Performance Review for the relevant year.



3. Allowing full power purchase Price Adjustments instead of allowing only the difference in Variable Cost:

The Commission has notified the KERC (Fuel Cost Adjustment Charges) Regulations, 2013 and is determining the FAC in terms of the above Regulations, which provides for Recovery of variation in variable charges (Fuel cost). Meanwhile, BESCOM has filed an Appeal before the Hon'ble ATE in Appeal No: 80 of 2016 for allowing full difference in power purchase cost. Subsequently, without making any reference to the pendency of the Appeal filed before the Hon'ble Tribunal on the said issue, BESCOM has filed a petition before this Commission in OP No: 13 of 2020-21. The decisions in the said cases are awaited. As soon as the pending cases are disposed of, the matter will be considered by the Commission in terms of the orders and regulations.

6.5 New Tariff Proposals by MESCOM:

1. Proposal to increase Demand charges for HT consumers:

MESCOM in its filing has submitted that, Commission with the introduction of open access, it is successful in promoting competition, with the distribution licensee by providing consumer to access for alternative source of power.

The prime issues that are coming up in the course of operationalization of Open Access / wheeling & banking transactions as below;

- a. Frequent shifting of Open Access consumers: Due to this it is unable to manage power procurement efficiently.
- b. Cross Subsidy Surcharge: CSS determined by the Hon'ble Commission is insufficient to recover the entire loss of cross subsidy.
- c. Group captive consumers: The number of group captive consumers is increased over the years. The group captive consumers are exempted from paying cross subsidy surcharge and additional surcharge. The actual consumption by each of the captive user is only calculated at the end of the year. Even if the captive user does not comply with the conditions of group captive they enjoy the benefit till the end of year. This results in financial loss to the Company.



d. Under the two-part tariff mechanism, the total expenditure of distribution company can be divided into two parts viz., Fixed Cost and Variable Cost. The Marginal Costing principles which envisage two-part cost bifurcation envisages recovery of fixed cost in full at the first instance (which is termed as contribution) followed by recovery of variable cost. Accordingly, the loss area, break-even point, profit area and margin of safety are computed to ascertain the performance and its impact.

The Fixed expenses of MESCOM is 57% and variable expenditure is 43% of the total cost. The revenue realization through retail power tariff should have been in the same proportion.

The Fixed/demand charges and energy charges recovered during FY21 is 13% and 87% respectively. Since the contribution towards fixed charges is only 13% of average realization rate, balance 44%(57%-13%) is recovered from variable cost. Hence the energy charges seem to be on the higher side. This is the foremost reason for tapping of HT consumer by private generators. This composition of cost recovery also has an impact on cross subsidy amount. If there is any reduction in sales under HT category the loss on account of fixed charges is to a large extent i.e. 44% and this will further worsen the cross subsidy levels.

In order to reflect the actual share of fixed cost in the revenue requirement of Distribution licensees, there is need to enhance recovery through fixed charges. The fixed charge shall be so set that it leads to recovery of 100% of the fixed costs of Distribution Licensees.

Hence MESCOM has requested for increasing the fixed charges for HT consumer per month per KVA to charge reflective proportion of fixed cost and helps in developing competence to participation in open market to attract consumers.

MESCOM in its application has submitted that the proposed revised demand charges and energy charges, to avoid consumer opt for open access, as under:



Tariff	No. of Consumers	Load in KVA/HP	Consumption in MU	Demand charges	Energy Charges	Total	ARR	Per kVA	Energy Charges Rs./Unit
HT2A	993	393686	550.54	285.69	215.52	501.21	9.10	605	3.91
HT2B	806	131498	140.44	92.36	69.68	162.04	11.54	585	4.96
HT2C	323	72287	89.81	51.36	38.75	90.11	10.03	592	4.31

To substantiate the proposed change in structure of tariff, **MESCOM** has collected the details of demand charges prevailing in other States. (**Madhya Pradesh Kerala, Andhra Pradesh, Tamil Nadu, Maharashtra (Mahadiscom), Telangana, Gujrat (Dakshin Gujrat Vij Company Limited)**)

The MESCOM has requested the Commission to increase the demand charges at least for HT consumer this in turn helps MESCOM **to increase the demand charges for HT consumers as proposed which will help MESCOM to charge reflective proportion of fixed cost in the tariff and also retain HT consumers with the Company.**

Commission's Analysis and Decision:

The Commission, in its earlier Orders, has been emphasizing the need to recover the fixed costs in the tariff by increasing the monthly rate of fixed costs gradually. As long as the consumer is drawing the power from the MESCOM, the MESCOM is assured of the full cost recovery, in the form of demand charges and energy charges. The question of under-recovery of fixed charges would arise only when the consumer opts for Open Access(OA).

To address the issue of under-recovery of fixed cost from the consumer availing the OA, the Commission has extended the scheme of Special Incentive Scheme and Discounted Energy Rate scheme for consumers who are willing to buy / use energy from MESCOM over and above their normal requirement or during non-peak night hours. The rate of energy being offered under these schemes is likely to ensure that the consumer who opts for open access, will come back to MESCOM grid supply, as availing power from Open Access will be comparatively costlier than the energy being offered under these schemes. Besides, to

discourage the consumers from opting for Open Access, the Commission has specified payment of Additional Surcharge, to be recovered from OA consumers, towards under-recovery of fixed costs for the portion of energy not sold by the ESCOM, due to the consumers availing the OA. Further the decision to avail OA by the consumers is dependent on the total cash outgo towards electricity bills and not necessarily on the basis of variable/energy charges of energy supplied by MESCOM. Hence, the Commission would like reiterate its stand that the full cost recover towards fixed cost shall be achieved over a period of time by gradual increase in the fixed costs and not immediately.

In order to retain the HT Consumers, MESCOM shall make wide publicity of the schemes approved by the Commission and promote sales by encouraging the consumers who come forward to avail the schemes approved by the Commission.

Further, as per the provisions of the Electricity Act 2003 the ESCOMs should realise the cost of supply from all the category of consumers and should not confine themselves with the recovery of increased fixed cost only to specific categories of consumers. Mere increasing fixed charges/demand charges and reducing energy charges to HT consumers does not appears to be a proper approach to retain HT/EHT/Open Access consumers.

During the public hearing, the industrial consumers have opposed the proposal of MESCOM to substantially increase the fixed cost. They have expressed their dissatisfaction over ESCOM's lacklustre attitude in promoting the incentive schemes to the consumers.

The Comparison of the recovery of Fixed costs in other States is also not appropriate, since the cost components in other States will vary accordingly to generation mix, geographical considerations, subsidy commitment from Government and the overall economic conditions prevailing in the States. In Karnataka historically, the thrust was more on recovery of energy charges rather than the fixed charges. The Commission has been taking initiative in increasing



the rate of recovery of fixed cost so as to ensure its full recovery over a period of time rather than increasing them substantially in one go.

The Commission notes that one of the major reasons for consumers opting for open access is the frequent interruptions in power and the poor reliability in supply of power to consumers. MESCOM is advised to improve the power reliability by reducing interruptions and by reducing distribution losses, It should maximise its revenues. The Commission also directs MESCOM to minimise / avoid the O&M expenses, (Employee Cost, R&M expenses and A&G expenses) as expenses under this is on the increasing trend every year besides controlling the unwarranted capital expenditure. By exercising proper control over these expenditure, MESCOM can reduce its ARR requirement and gap in revenue and ultimately results in reduction in cost of supply and retail supply tariff to the consumers.

In view of the above, the Commission has is not in favour of substantially increasing the fixed cost and reduce the energy cost. The Commission has considered appropriate increase of fixed charges to all the consumers, so as to ensure gradual increase in the fixed costs as envisaged in the Tariff Policy of the Gol.

2. Special Incentive scheme:

BESCOM and other ESCOM's in their filing has submitted that, the Commission in it Tariff Order 2021 dated 09.06.2021 has approved to continue the HT special Incentive Scheme for the FY22 as an attempt to bring back Open Access HT & EHT consumers. As the BESCOM and other ESCOMs has proposed to increase the demand charges for HT consumer by simultaneously reducing the energy charges which are very competitive. ESCOMs have requested the Commission for increase in Fixed Charges and decrease in energy charges for HT consumers **and to discontinue special incentive scheme.** Subsequently, MESCOM during the public hearing on the tariff application has requested for continuation of the scheme for one more year.



Commission's Analysis and Decision:

The Commission has considered the request of BESCO and other ESCOMs to increase the Fixed charges to all the consumers in order to ensure recovery of fixed costs being incurred by BESCO and other ESCOMs. The key factor for introducing the Special Incentive Scheme, is to increase the metered sales of ESCOMs and at the same to provide additional quantum of power to the EHT/HT consumers at an incentivised rates particularly when there is a surplus power situation in the State.

BESCO and other ESCOMs have not substantiated the reasons as to why it wants to discontinue the Special Incentive Scheme, which is basically meant to retain the HT consumers by encouraging additional sales with an incentive.

In view of the surplus power situation, the Commission has decided to continue the Special Incentive Scheme for FY23 at the existing terms and conditions.

3. Discounted Energy Rate Scheme:

The Commission, in its Tariff Order 2021, in order to bring back HT/EHT consumers who are availing power through Open Access, has approved Discounted Energy Rate Scheme from July 21 to March 22 for FY22 for the energy consumed over and above the average /base consumption, as the State was having surplus power.

The said scheme is beneficial to HT consumer who are consuming their energy from private generation rather than procuring from ESCOMs. For computing base/average consumption, ESCOM energy only is considered. Since, BESCO and other ESCOMs has proposed for increasing the demand charges for HT consumers by simultaneously reducing the energy charges and the proposed charges are very competitive, other ESCOMs have requested to discontinue the DERS Scheme. Subsequently, ESCOMs including MESCOM during the public hearing on the tariff application has requested the Commission for continuation of the scheme for another year.



Commission's Analysis and Decision:

The Commission has initially introduced the DERS in order to enable the ESCOMs to sell surplus energy available during monsoon months, in view of the fact that during monsoon, the demand for energy comes down drastically besides availability of abundant renewable energy from hydro and wind sources. The scheme was further extended upto the end of March, 2022, as per the request of ESCOMs. This has resulted in increased sale of energy which other-wise would have either been not utilized or would have been sold through power exchanges at much lower rates.

The Commission notes that, ESCOMs have not properly marketed the Discounted Energy Scheme. In order to increase the sales, ESCOMs shall resort to aggressive marketing of its scheme and shall make use of every opportunity to improve its sales.

The Commission notes that, number of HT consumers have availed this scheme and the ESCOMs in the State have been able to sell sizable power and earned additional revenue. The Commission also notes that, during the public hearing on the tariff application filed by the ESCOMs, many HT consumer / Association / Federation have requested for continuation of the scheme throughout year during the FY23.

ESCOMs have not substantiated its request for discontinuation of the DERS and has not made any analysis to justify the discontinuation of the scheme inspite of sizable number of HT consumers opting for this scheme in ESCOMs. Due to good monsoon during the previous calendar year, the surplus situation is likely to continue for FY23 as well. Hence, in order to utilize the surplus energy during FY23, the Commission decides to continue the DERS for the entire period during FY23 in all the ESCOMs, as per the existing terms and conditions.

3. Incentive for prompt payment of power purchase bills:

MESCOM, in its filing has submitted that, in respect of Incentive/rebate availed for prompt payment to generators, the Commission is allowing MESCOM to



retain only 10% of the rebate amount and the balance amount is passed on to the consumers in the retail tariff.

As MESCOM is making prompt payment of bills to earn rebate in spite of severe cash crunch, the Commission is requested to allow the incentive/rebate in full to be retained by MESCOM. This would encourage making prompt payment in all cases and avail the benefit of incentive. Further this would avoid late payment surcharge to the extent possible. Such incentive would be considered as internal resources and utilized appropriately. Hence, MESCOM has requested the Commission to allow incentive to be retained by ESCOMs in full.

Commission's Analysis and Decision:

The Commission, in its earlier Tariff Orders has considered 10% of the rebate amount received towards prompt payment from the generator to be retained by the ESCOMs. This is being allowed in addition to interest on working capital borrowed for making payment towards power purchase bills.

It is to be pointed out that, as per the audited accounts for FY21, it is observed that MESCOM has not availed full working capital in order to meet the day to day cash flow requirement. Had it availed the working capital as per the norms, it would have enabled MESCOM to pay much of its current liabilities and earned more incentive. In the absence of raising the required working capital, MESCOM has met the current liabilities from the revenue realised from the consumers. Hence, there is no merit in claiming retention of the 100% incentive earned by paying the power purchase bills from revenue realised from consumers and therefore, the Commission decides to continue to share 10% of rebate amount with MESCOM and the balance to consumer in retail tariff.

4. Interest on delay in payment of electricity bills by Consumers:

MESCOM, in its filing has submitted that, during FY20-21, due to Covid-19 Pandemic, the recovery of electricity bills from consumers was not normal and instructions were there not to levy interest for the delayed payment. Further,



Instalment facility for payment of bills by consumers was also extended during the pandemic period.

MESCOM has extracted the decision of the Commission as under:

"In view of the prevailing lockdown situation due to Covid Pandemic, the arrears towards revision of Tariff for the energy consumed during the month of April and May, 2021, is ordered to be recovered during the month of October and November, 2021 respectively, without charging any interest."

The delayed payment of electricity bills will attract interest of 1% p.m or 12% p.a. as per the prevailing norms. On the other hand, ESCOMs have to pay late payment charges to Power Generators at the rate of 1.5% to 2% p.m or 18% to 24% p.a.

MESCOM has further submitted that on one side, there was steep decrease in revenue collections and the delayed payment of bills by consumers attract 1% p.m interest but on the other hand, ESCOMs were forced to pay 2% interest as late payment charges to Power Generators for delayed payment. This difference in rate of interest also affected the cash flow of ESCOMs. Further there is loss of interest on additional revenue due to tariff revision for the months of April and May 2021 deferred to October and November, 2021.

Hence, MESCOM has requested the Commission to approve levying of 2% interest on delayed payment of electricity bills by consumers during FY23 as a special case to mitigate the loss to some extent.

Commission's Analysis and Decision:

GoK Energy Department in its order dated 08.05.2020, in order to mitigate the impact of Covid in respect of MSME/Non MSME/ industrial sector and to the other categories of consumers had issued various reliefs and one of them is relief on interest for belated payment. **Hence, the financial implication of the concessions extended by the Government may be worked out and claimed as subsidy from the Government. MESCOM shall also pursue recover of the same from the Government.**



As regards payment of the interest at 1% on revenue arrears, the same is being charged as per the provisions of the Conditions of Supply(CoS). If the same is found to be inadequate, MESCOM shall have to seek amendments to the relevant clauses of the Conditions of Supply by filing suitable Petition before the Commission.

5. Removal of ToD Tariff for usage of Power during Evening Peaks:

During the course of Public hearing held by the Commission to hear the stakeholders on the tariff application filed by the ESCOMs, the representatives of the Industries and Commerce and KASSIA have requested the Commission to examine the removal of the evening peak ToD tariff, in view of the surplus power situation in the State.

It may be noted here that the evening peak ToD was introduced to reduce the demand from HT consumers and other consumers and other consumers during the evening peak hours between 18.00 Hrs. to 22.00 Hrs., in view of the power shortage situation which was existing till financial year 2016-17. Consequent on commissioning of new thermal stations by KPCL & NTPC and large scale penetration of wind and solar power generation, the state is in a power surplus situation. Due to adequate solar and wind power availability, the supply to IP sets has been partially scheduled during the day time between 9.00 Hrs. to 17.00 Hrs. This has resulted in the shifting of evening peak to morning/afternoon peak between 10.00 Hrs. to 17.00 Hrs.

During the tariff exercise for revision of Tariff for FY22, the Commission had examined the request for removal of evening peak ToD in view of the surplus power situation and to encourage increased power consumption by HT consumers.

In order to ascertain the feasibility of doing away with evening peak ToD tariff, the KPTCL/SLDC and the ESCOMs were requested to analyze the system constraints in supplying unrestricted power during evening peak hours besides furnishing necessary data for taking a view in the matter.



During the previous tariff exercise, before taking a decision on the relaxation of ToD tariff for usage of power in the evening, the Commission had consulted the KPTCL, SLDC and ESCOMs. The KPTCL had stated that during the evening peak between 18.00Hrs to 22.00 Hrs., the State can meet the peak demand upto 12000 MW with the available hydel, RE and thermal generation capacity and if it exceeds 12000 MW there will be power deficit situation.

The SLDC had also furnished projection of availability and demand for the period from March, 2021 to January, 2022, wherein the maximum demand during 18.00 Hrs to 22.00 Hrs was projected between 7200 MW to 11000 MW.

On an analysis of the data furnished by the SLDC, it was found that during the period from October, 2019 to January, 2021, the maximum demand during 18.00 Hrs to 22.00 Hrs was ranging between 7100 MW to 10,000 MW and that it had never exceeded 12000 MW during the said period.

Based on the above analysis of the data furnished by KPTCL, SLDC and other ESCOMs, the Commission had found that there was no system constraint to relax the power consumption during evening peak (ToD period) to the HT Consumers between 18.00 Hrs. to 22.00 Hrs., with the condition that there will be reduced supply of power to IP sets during the monsoon period from July to November. However, the ToD tariff approved by the Commission, in that Order was made applicable from December to June.

With a view to consider the Consumers' request to relax the ToD tariff during FY23 as well, the Commission desired to review the matter considering the latest position of demand and supply after interactions with KPTCL, SLDC and BESCO. Hence a meeting of these stakeholders was convened on 11.03.2022 and the issue was discussed in detail.

KPTCL informed the Commission that the maximum demand recorded on 1st of March, 2022 was 14759 MW. Further, it is anticipated the peak demand during the summer months may reach over 15500 MW.



The SLDC informed the Commission that the peak load is being observed during 10.00 hours to 12.00 hours of the day, due to usage of power during the morning hours by IP sets. The availability of generation is 11,457MW and the maximum demand met during 18.00 hours to 22.00 hours from April, 2021 to March, 2022 is 11,149 MW, which is restricted demand.

As regards managing the peak in the evening peak, the State requires additional firm power of around 500 MW capacity in order to avoid over drawal between 18.00 hours to 22.00 hours to meet the demand. In case the ToD tariff for usage during evening peak hours is relaxed, it is likely that the industrial consumers/ OA consumers will use more of grid power, since the power from the power market will be very high during the summer months. The usage by the industrial / OA consumers will affect the grid frequency and the state may face paying penalty for overdrawal / frequency variation. Hence, it may not be advisable to relax the evening peak usage during non-monsoon months. However, the existing relaxation during monsoon months (July to November) could be continued.

The Commission notes that the peak demand from mid-January, 2022 onwards has exceeded 13500 MW and on 4th March, 2022 the peak demand was 14759MW. Consequently, it is likely that there will be peak shortages during the months from January to July, 2022 in view of ensuing summer. As there is no additional capacity is expected in either hydro or thermal generation capacity during this year, the peak demand has to be met with the existing capacities only. Hence, removal of TOD tariff with penalty for usage of power during peak hours of January, 2022 to July 2022 may not be advisable in the interest of Grid Management.

Hence, the Commission decides to continue the existing ToD Tariff by levy of penalty for usage of power during evening peak hours from December, 2022 to June, 2023 and to continue the relaxation of ToD Tariff during the monsoon months i.e. from July, 2022 to November, 2022.



Other Issues:**Reduction of Fixed Charges / Demand Charges and Energy Charges to Ice manufacturing units / Cold storage plants used for Fisheries purpose during Off-Season:**

During the course of public hearing, the consumers using power for Ice manufacturing unit / Cold storage plant for the purpose of fisheries have represented that the retail supply tariff for the power supply to Ice manufacturing units / fisheries' cold storage plants are quite high making the fishing industry unsustainable, when compared with the electricity tariff of the neighbouring States. Further, these industries are not operational throughout the year. As these industries are a seasonal industry and during non-seasonal period they are using the power only for maintenance of the plants and for watch and ward.

The Commission takes note of the energy consumption and numbers of such installations in the State. As these industries have been accorded with the status of 'Seasonal Industry', the Commission has extended benefits of seasonal industry during the off season period by reducing the fixed charges by 25% of the normal fixed charges under LT-5 Tariff category and reducing the billing demand by 50% under HT tariff category. However, these consumers have requested the Commission to extend further concession through reduction in the retail supply tariff / concessional fixed / demand charges during Off-Season period.

After examining the issue in detail and considering the plight of these seasonal industrial consumers, the Commission has decided to charge at the following rates subject to fulfilment of the seasonal industry condition stipulated in this Tariff Order (Specified under Para No.24 of the General Terms and Conditions of tariff (applicable to both LT and HT):

(i) LT-5 Category:

- a. 25% of normal applicable fixed charges during the off-season period.
- b. Energy charges at the approved rates for the energy consumed during the month off season period.



(ii) HT Category:

- a. The monthly charge during off season period shall be Demand charges on the maximum demand recorded during the month or 85% of the CD, whichever is higher at 50% of the approved demand charges.
- b. Energy charges at approved rates for the energy consumed during month.

(iii) For both LT and HT Category

In addition to the above concession in the Fixed charges/demand charges, the Commission decides to extend further concession in the energy charge by Re.1 per unit for the energy consumption made during the year.

The above concession extended under (ii) and (iii) is applicable to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.

For other industries under both LT and HT category the seasonal industry concession as per the General Condition applicable to both LT/HT at Sl.No.26 and the conditions applicable to billing of LT at Sl. No.26 and HT at Sl.No.9 (a) (b) and (c) shall be applicable.

6.6 Revenue at existing tariff and deficit for FY23:

The Commission, in the preceding Chapters, has decided to carry forward the deficit in revenue of Rs.341.96 Crores of FY21 to the ARR of FY23. The net revenue gap by including the revenue gap of FY21 is Rs.188.56 Crores for FY23. This gap in revenue is proposed to be filled up by revision of Retail Supply Tariff as discussed in the following paragraphs of this Chapter.

Considering the approved ARR for FY23 and the revenue as per the existing tariff, the resultant gap in revenue for FY23 is as follows:



Revenue Deficit for FY23

Particulars	Amount in Crores
	Amount
Approved Net ARR for FY23 including gap of FY21	4378.05
Revenue at existing tariff	4189.49
Deficit	-188.56
Additional Revenue to be realised by Revision of Tariff	188.56

Accordingly, the Commission now proceeded to determine the Retail Supply Tariff for FY23. The category-wise tariff as existing, as proposed by MESCOM and as approved by the Commission are as follows:

6.7 Category wise Existing, Proposed and Approved Tariffs:**1. LT-1 Bhagya Jyothi:**

The existing tariff and the tariff proposed by MESCOM are as given below:

Sl. No.	Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
1	Energy charges (including recovery towards service main charges)	794 paise per unit, subject to a monthly minimum of Rs.60 per installation per month.	886 Paise / Unit Subject to a monthly minimum of Rs.75 per installation per month.

Commission's Views/ Decision:

The Government of Karnataka has continued its policy of providing free power to all BJ/KJ consumers with a single outlet, whose consumption is not more than 40 units per month, vide Government Order No. EN12 PSR 2017 dated 20th March, 2017 (instead of the earlier limit of 18 units per month). Based on the present average cost of supply, the tariff payable by this BJ/KJ consumer is revised to Rs.8.13 per unit.

Further, the ESCOMs shall claim subsidy for only those consumers who consume 40 units or less per month per installation. If the consumption exceeds 40 units per month or if any BJ/KJ consumer is found to have more than one out-let, it shall be billed as per the Tariff Schedule LT 2(a).

Accordingly, the Commission Determines the tariff (CDT) in respect of BJ / KJ installations as follows:

LT – 1 Approved Tariff for BJ / KJ installations:

Commission determined Tariff	Retail Supply Tariff determined by the Commission
813 paise per unit, subject to a monthly minimum of Rs.70 per installation per month.	-Nil- Fully subsidized by GoK

**Since GOK is meeting the full cost of supply to BJ / KJ installations, the Tariff payable by these consumers is shown as nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.13 per unit subject to a monthly minimum of Rs.70 per installation per month, shall be demanded and collected from these consumers by MESCOM.*

2. LT2 - Domestic Consumers:

MESCOM's Proposal:

The details of the existing and proposed tariff under this category are given in the following Table:

Proposed Tariff for LT-2 (a)

LT-2 a (i) Domestic Consumers Category

Applicable to areas coming under City Municipal Corporations and all other Urban Local Bodies

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	For the first KW: Rs.85	For the first KW: Rs.85
	Rs.95 for every additional KW upto and inclusive of 50 KW	Rs.200 for every additional KW upto and inclusive of 50 KW
	Rs.150 for every additional KW above 50 KW	Rs.250 for every additional KW above 50 KW
Energy Charges up to 50 units per month (Lifeline Consumption)	Up to 50 units: 405 paise/unit	0 to 50 units: 525 paise /unit(Lifeline consumption)
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units: 555 paise/unit	51 to 100 units: 675 paise / unit
	101 to 200 units:710 paise/unit	101 to 200 units:825 paise/unit
	Above 200 units: 815 paise/unit	Above 200 units: 975 paise /unit

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**LT-2(a)(ii) Domestic Consumers Category
Applicable to Areas under Village Panchayats**

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	For the first KW: Rs.70	For the first KW: Rs.75
	Rs.85 for every additional KW up to and inclusive of 50 KW	Rs.175 for every additional KW up to and inclusive of 50 KW
	Rs.140 for every additional KW above 50 KW	Rs.225 for every additional KW above 50 KW
Energy Charges up to 50 units per month (Lifeline Consumption)	Up to 50 units: 395 paise/unit	0 to 50 units:500 paise /unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units:525 paise / unit	51 to 100 units:650 paise / unit
	101 to 200 units: 680 paise /unit	101 to 200 units: 800 paise /unit
	Above 200 units: 765 paise /unit	Above 200 units:950 paise /unit

Commission's Decision:

The Commission decides to continue with the existing slab system of billing the energy consumption and fixed charges and continue with the two-tier tariff structure in respect of domestic consumers as detailed below:

- (i) Areas coming under Municipal Corporations and all other Urban Local Bodies.
- (ii) Areas under Village Panchayats.

The Commission approves the tariff for this category as follows:



**Approved Tariff for LT 2 (a) (i) Domestic Consumers Category:
Applicable to Areas coming under City Municipal Corporations and all
other Urban Local Bodies**

Details	Tariff approved by the Commission
Fixed charges per Month	For the first KW: Rs.100
	Rs.110 for every additional KW upto and inclusive of 50 KW
	Rs.175 for every additional KW above 50 KW
Energy Charges up to 50 units per month (upto-30 units)-life line consumption.	Up to 50 units: 410 paise/unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units: 560 paise/unit
	101 to 200 units:715 paise/unit
	Above 200 units: 820 paise/unit

Approved Tariff for LT-2(a) (ii) Domestic Consumers Category:

Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	For the first KW: Rs.85
	Rs.100 for every additional KW up to and inclusive of 50 KW
	Rs.160 for every additional KW above 50 KW
Energy Charges up to 50 units per month (upto-50 Units)-Lifeline Consumption	Up to 50 units: 400 paise/unit
Energy Charges in case the consumption exceeds 50 units per month	51 to 100 units: 530 paise/unit
	101 to 200 units: 685 paise/unit
	Above 200 units: 770 paise/unit

LT2 (b) Private and Professional Educational Institutions, Private Hospitals and Nursing Homes:

MESCOM's Proposal:

The details of the existing and the proposed tariff under this category are given in the Table below:



LT 2 (b) (i) Applicable to areas under City Municipal Corporations Areas and all urban Local Bodies

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.100 Per KW subject to a minimum of Rs.125 per month up to and inclusive of 50 kw	Rs.175Per KW subject to a minimum of Rs.225 per month up to and inclusive of 50 kw
	Rs.155 per KW for every additional KW above 50 KW	Rs.225 per KW for every additional KW above 50 KW
Energy Charges	For the first 200 units: 725 paise per unit	For the first 200 units: 850 paise per unit
	Above 200 units: 850 paise per unit	For the balance units: 1000 paise per unit

LT 2 (b)(ii) Applicable to Areas under Village Panchayats

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.90 per KW subject to a minimum of Rs.110 per Month up to and inclusive of 50 KW	Rs.150 per KW subject to a minimum of Rs.200 per Month up to and inclusive of 50 KW
	Rs.145 per KW for every additional KW above 50 KW	Rs.200 per KW for every additional KW above 50 KW
Energy Charges	For the first 200 units: 670 paise per unit	For the first 200 units:825 paise per unit
	Above 200 units: 795 paise per unit	For the balance units:975 paise per unit

Commission's decision:

The Commission decides to continue with existing slab system of billing the energy consumption and the fixed charges and continue with the two-tier tariff structure as follows:

- (i) Areas coming under City Municipal Corporation and all other urban local bodies.
- (ii) Areas under Village Panchayats



Approved Tariff for LT 2 (b) (i)
Private Professional and other private Educational Institutions, Private Hospitals
and Nursing Homes
Applicable to areas under City Municipal Corporations and all other urban
Local Bodies.

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.120 per KW subject to a minimum of Rs.150 per Month up to and inclusive of 50 KW
	Rs.175 per KW for every additional KW above 50 KW
Energy Charges	Up to 200 units: 730 paise/unit
	Above 200 units: 855 paise/unit

Approved Tariff for LT 2 (b) (ii)

Private Professional and other private Educational Institutions, Private Hospitals
and Nursing Homes

Applicable to Areas under Village Panchayats

Details	Tariff approved by the Commission
Fixed Charges per Month	Rs.110 per KW subject to a minimum of Rs.135 per Month up to and inclusive of 50 KW
	Rs.165 per KW for every additional KW above 50 KW
Energy Charges	Up to 200 units: 675 paise/unit
	Above 200 units: 800 paise/unit

3. LT3- Commercial Lighting, Heating & Motive Power:

MESCOM's Proposal:

The existing and proposed tariff by MESCOM as shown in the following Table:

LT- 3 (i) Commercial Lighting, Heating & Motive Power
Applicable to Areas coming under City Municipal Corporation and all other
urban local bodies

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.105 per KW up to and inclusive of 50 KW	Rs.175 per KW up to and inclusive of 50 KW
	Rs.205 per KW for every additional KW above 50 KW	Rs.275 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:835 paise per unit	For the first 50 units:925 paise per unit
	For the balance units:935 paise per unit	For the balance units: 1025 paise per unit

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Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW.

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges	Rs.120 per KW up to and inclusive of 50 KW	Rs.200 per KW up to and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW	Rs.300 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:835 paise per unit	For the first 50 units:925 paise per unit
	For the balance units:935 paise per unit	For the balance units:1025 paise per unit

LT-3 (ii) Commercial Lighting, Heating & Motive

Applicable to areas under Village Panchayats

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.95 per KW up to and inclusive of 50 KW	Rs.150 per KW up to and inclusive of 50 KW
	Rs.195 per KW for every additional KW above 50 KW	Rs.250 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:785 paise per unit	For the first 50 units:900 paise per unit
	For the balance units:885 paise per unit	For the balance units:1000 paise per unit

Demand Based Tariff (optional) where sanctioned load is above 5 KW but below 150 KW

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Rs.110 per KW up to and inclusive of 50 KW	Rs.175 per KW up to and inclusive of 50 KW
	Rs.210 per KW for every additional KW above 50 KW	Rs.275 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:785 paise per unit	For the first 50 units:900 paise per unit
	For the balance units:885 paise per unit	For the balance units:1000 paise per unit

Commission's Decision

As decided in the previous Tariff Order, the Commission decides to continue with existing slab system of billing the energy consumption and the fixed charges and continue with the two-tier tariff structure as follows:

- (i) Areas coming under City Municipal Corporations and all other urban local bodies.
- (ii) Areas under Village Panchayats.

**Approved Tariff for LT- 3 (i) Commercial Lighting, Heating & Motive
Applicable to areas under City Municipal Corporations and all other Urban
Local Bodies**

Details	Approved by the Commission
Fixed Charges per Month	Rs.125 per KW up to and inclusive of 50 KW
	Rs.230 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 840 paise/ unit
	For the balance units: 940 paise/unit

**Approved Tariff for Demand based tariff (Optional) where sanctioned
load is above 5 kW but below 150 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.140 per KW up to and inclusive of 50 KW
	Rs.245 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:840 paise /unit
	For the balance units: 940 paise/unit

**Approved Tariff for LT-3 (ii) Commercial Lighting, Heating and Motive
Applicable to areas under Village Panchayats**

Details	Approved by the Commission
Fixed charges per Month	Rs.115 per KW up to and inclusive of 50 KW
	Rs.220 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units:790 paise per unit
	For the balance units: 890 paise per unit

**Approved Tariff for Demand based tariff (Optional) where sanctioned
load is above 5 kW but below 150 kW**

Details	Approved by the Commission
Fixed Charges per Month	Rs.130 per KW up to and inclusive of 50 KW
	Rs.235 per KW for every additional KW above 50 KW
Energy Charges	For the first 50 units: 790 paise per unit
	For the balance units: 890 paise per unit

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4. LT4-Irrigation Pump Sets:**MESCOM's Proposal:**

The existing and proposed tariff for LT4 (a) as shown in the following Table:

**LT-4 (a) Irrigation Pump Sets
Applicable to IP sets up to and inclusive of 10 HP**

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Nil	Nil
Energy charges	CDT 591 paise per unit	CDT of 650 paise per unit

Commission's Decision

The Government of Karnataka has extended free supply of power to farmers as per the Government Order No. EN 55 PSR 2008 dated 04.09.2008. As per this policy of GoK, **the entire cost of supply** to IP sets upto and inclusive of 10 HP is being borne by the GoK through tariff subsidy. In view of this, all the consumers under the existing LT-4(a) tariff are covered under fully subsidised supply of power.

Considering the cross subsidy contribution from categories other than IP Sets and BJ/KJ Categories, the Commission determines the tariff for IP Sets under LT4(a) category as follows:

Approved CDT for IP Sets for FY23

Sl. No.	Particulars	MESCOM
1	Approved ARR in Rs. Crores	4378.05
2	Sales to BJ/KJ installations – MU	32.97
3	Sales to IP set installations – MU	1712.39
4	Sales to other than BJ/KJ and IP set installations in MU	3642.18
5	Total Sales in MU (2 + 3 + 4)	5387.54
6	Average Cost of supply in Rs. Per unit (1 / 5 *10) without Regulatory Assets	8.12625
7	Cost of supply – other than IP sets / BJ/KJ sales (6 * 8 / 10)	2959.73
8	Revenue from other than IP & BJ/KJ installations in Rs. Crores	3296.43

9	Cross subsidy from other than IP & BJ/KJ installations in Rs.Crores (8 - 7)	336.70
10	Cost of supply to BJ/KJ installations in Rs.Crores (2 * 6 /10)	26.80
11	Revenue from sales to BJ/KJ installations in Rs.Crores	26.80
12	Cost of supply to IP sets sales in Rs.Crores (3 * 6 /10)	1391.53
13	Revenue to be collected from IP set installations (12 - 9)	1054.83
14	Approved sales to IP set in MU	1712.39
15	Commission determined tariff (CDT) for IP set category for FY23 in Rs. Per unit (15 / 14 * 10)	6.16

Accordingly, the Commission decides to approve tariff of Rs.6.16 per unit as CDT for FY23 for IP Set category under LT4 (a). In case the GoK does not release the subsidy in advance, the tariff of Rs.6.16 per unit shall be demanded and collected from these consumers.

Approved by the Commission

LT-4 (a) Irrigation Pump Sets

Applicable to IP sets up to and inclusive of 10 HP

Details	Approved by the Commission
Fixed charges per Month Energy charges	Nil*
CDT (Commission Determined Tariff):	
616 paise per unit	

***In Case the GoK does not release the subsidy in advance, in the manner specified by the Commission in clause 6.1 of the KERC (Manner of Payment of Subsidy) Regulations, 2008, CDT of Rs.6.16 per unit shall be demanded from these consumers.**

The Commission has been issuing directives to ESCOMs for conducting Energy Audit at the Distribution Transformer Centre (DTC)/feeder level for proper assessment of distribution losses and to enable detection and prevention of commercial loss. In view of undertaking feeder segregation under NJY scheme, Deen Dayal Upadhyaya Gramma Jyothi Yojana, the ESCOMs including MESCOM were also directed to submit IP set consumption on the basis of the meter readings of the 11 kV feeders at the sub-station level duly deducting the energy losses in 11 kV lines, distribution transformers & LT lines, in order to compute the consumption of power by IP sets accurately. Further, in the Tariff Order 2016, the ESCOMs including MESCOM were also directed to take up enumeration of IP sets, 11 KV feeder-wise by capturing the GPS co-ordinates of each live IP set

in their jurisdiction. In this regard, the Commission has noted that the ESCOMs have not fully complied with these directions and have initiated measures to achieve full compliance. The MESCOM need to ensure full compliance as this has direct impact on their revenues and tariff payable by other categories of consumers.

The Government of Karnataka in its budget for the financial year 2022-23 has allocated an amount of Rs.12,000 Crores for the subsidized supply to BJ/KJ and IP sets installations in accordance with the Policy of the Government in the matter of free supply to BJ/KJ consumers (consuming up to 40 Units) and IP sets consumers with a sanctioned load of 10 HP and below. Accordingly, the Commission is of the view that, to tide over the present financial condition, the ESCOMs need to minimise their subsidy requirement to the extent of amount of subsidy provided in the budget, by restricting the power supply to IP installations.

The Commission notes that, as per the provisions of the Electricity Act, 2003 and the Policy of the State Government to supply free power to BJ/KJ installations (consuming up to 40 Units per month) and IP Sets installations having sanctioned load of 10 HP and below, the Government has to fully meet the cost of such subsidized supply. The Commission makes it clear that any short fall in subsidy on account of increase in the IP sales beyond the sales approved by the Commission will not be passed on to the GoK unless there is any commitment / consent from the GoK and also on to the other consumers, who are already paying tariffs with high level of cross subsidies. Any increase on such higher tariff of other consumers would correspondingly increase the cross subsidy levels, which would be against the provisions of the Electricity Act and the Tariff Policy, that emphasize gradual reduction in cross subsidy at a level not exceeding plus or minus 20% of the cost of supply.

Under the circumstances, the Commission directs the ESCOMs as follows:

The ESCOMs including MESCOM shall manage supply of power to the IP sets for the FY23, to ensure that it is within the quantum of subsidy committed by the GoK. While doing so, they shall procure power proportionate to such supply. In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved

by the Commission as per the written consent /commitment from the GOK or to the quantum of amount of subsidy made available by the GoK for FY23, the difference in the amount of subsidy relating to such supply shall be claimed from the GoK. If the difference in subsidy is not paid by the GoK, the same shall be collected from the IP set consumers.

In case the ESCOMs choose to supply power to the IP sets in excess of IP Sales approved by the Commission without obtaining the consent /commitment from the GoK, the consequential short fall in subsidy will not be passed on to the GoK and also the short fall in revenue will not be passed on to the other consumers.

LT4 (b) Irrigation Pump Sets above 10 HP:

MESCOM's Proposal

The Existing and proposed tariff for LT-4(b) is as follows:

LT-4 (b) Irrigation Pump Sets: Applicable to IP Sets above 10 HP

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.90 per HP	Rs.150 per HP
Energy charges for the entire consumption	385 paise per unit	450 paise per unit

The existing and proposed tariff for LT4(c) is as follows:

LT-4 (c) - Applicable to Private Horticultural Nurseries, Coffee, Tea & Rubber plantations

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.80 per HP	Rs.175 per HP
Energy charges for the entire consumption	385 paise per unit	450 paise per unit

Approved Tariff:

The Commission decides to revise the tariff in respect of these categories as shown below:

**LT-4 (b) Irrigation Pump Sets:
Applicable to IP Sets above 10 HP**

Fixed charges per Month	Rs.110 per HP
Energy charges for the entire consumption	390 paise/unit

LT-4(c)- Applicable to private Horticultural of Nurseries, coffee, Tea and Rubber Plantations.

Approved Tariff:

The Commission decides to revise the tariff in respect of LT4(c) category as under:

**LT4(c)- Applicable to Horticultural Nurseries,
Coffee, Tea & Rubber plantations**

Fixed charges per Month	Rs.100 per HP
Energy charges	390 paise / unit

5. LT5 Installations-LT Industries:

MESCOM's Proposal:

The existing and proposed tariffs are given in following Table:

LT-5 (a) LT Industries:

Applicable to arrears under City Municipal Corporation

i) Fixed charges

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	i) Rs. 75 per HP for 5 HP & below ii) Rs.85 per HP for above 5 HP & below 40 HP iii) Rs.105 per HP for 40 HP & above but below 67 HP iv)Rs.170 per HP for 67 HP & above but below 100 HP v) Rs.200 per HP for 100 HP and above	i) Rs. 125 per HP for 5 HP & below ii) Rs.150 per HP for above 5 HP & below 40 HP iii) Rs.175 per HP for 40 HP & above but below 67 HP iv)Rs.225 per HP for 67 HP & above but below 100 HP v) Rs.275 per HP for 100 HP and above

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Demand based Tariff (Optional)

Details	Description	Existing Tariff as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.100 per KW of billing demand	Rs.175 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.130 per KW of billing demand	Rs.200 per KW of billing demand
	67 HP and above but below 100 HP	Rs.220 per KW of billing demand	Rs.250 per KW of billing demand
	100 HP and above	Rs.230 per KW of billing demand	Rs.300 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
For the first 500 units	580 paise per unit	725 paise/ unit
For next 500 units	680 paise per unit	825 paise /unit
For the balance unit	710 paise per unit	875 paise /unit

LT-5 (b) LT Industries:**Applicable to all areas other than those covered under LT-5(a)****(i) Fixed charges**

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	i)Rs.65 per HP for 5 HP & below ii) Rs.80 per HP for above 5 HP & below 40 HP iii) Rs.100 per HP for 40 HP & above but below 67 HP iv)Rs.155 per HP for 67 HP & above but below 100 HP v) Rs.185 per HP for 100 HP and above	i)Rs.100 per HP for 5 HP & below ii) Rs.125 per HP for above 5 HP & below 40 HP iii) Rs.150 per HP for 40 HP & above but below 67 HP iv)Rs.200 per HP for 67 HP & above but below 100 HP v) Rs.250 per HP for 100 HP and above

Demand based Tariff (optional)

Details	Description	Existing Tariff as per 2021 Tariff Order	Proposed by MESCOM
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.95 per KW of billing demand	Rs.150 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.125 per KW of billing demand	Rs.175 per KW of billing demand
	67 HP and above but below 100 HP	Rs.210 per KW of billing demand	Rs.225 per KW of billing demand
	100 HP and above	Rs.220 per KW of billing demand	Rs.275 per KW of billing demand

ii) Energy Charges

Details	Existing as per 2020 Tariff Order	Proposed by MESCOM
For the first 500 units	570 paise per unit	700 paise/ unit
For the next 500 units	665 paise per unit	800 paise/ unit
For the balance units	695 paise per unit	850 paise/ unit

**Existing ToD Tariff for LT5 (a) & (b):
At the option of the consumers:**

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for LT5 (a) & (b):

At the option of the consumers

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

1. Time of Day Tariff

The decision of the Commission in its earlier Tariff Orders, providing for mandatory Time of Day Tariff for HT2(a), HT2(b) and HT2(c) consumers with a contract demand of 500 KVA and above, is continued. The existing optional ToD will continue for HT2(a), HT2(b) and HT2(c) consumers with contract demand of less than 500 KVA. Further, for LT5 and HT1 consumers, the existing optional ToD is continued.

During the public hearing on the ESCOMs tariff application, many of the micro and small scale industrial consumer and the representative of the Association

/ Federation have expressed the difficulties faced by the industries due to various measures and restriction imposed during lockdown period by the GOI / GOK on account of Pandemic Covid-19 during last two years and requested the Commission to extend some concession in the tariff to survive in the industrial business particularly during the present economic slowdown period.

The Commission, by considering the submission made by various stakeholders, in order to mitigate the financial difficulties faced by the Micro and Small Scale industries particularly during the present economic slowdown period on account of Covid-19 pandemic and with the hope that the economic conditions would gradually pick up, decides to allow a Rebate of 50 Paise per unit in the approved Energy Charges for the electricity consumed from the first metering date falling on or after 1st April,2022 for a period of 12 months **only to Micro and Small Scale Industries covered under LT-5(a) and LT-5(b) category as certified by the Government of Karnataka.**

The Commission also decides to continue with the existing two tier tariff structure as follows:

- i) LT5 (a): For areas falling under Municipal Corporations
- ii) LT5 (b): For areas other than those covered under LT5 (a) above.

Approved Tariff:

The Commission approves the tariff under LT 5 (a) and LT 5 (b) as given below:

Approved Tariff for LT 5 (a):

Applicable to areas under City Municipal Corporations

i) Fixed charges

Details	Approved by the Commission
Fixed Charges per Month	i) Rs.90 per HP for 5 HP & below ii) Rs.100 per HP for above 5 HP & below 40 HP iii)Rs.125 per HP for 40 HP & above but below 67 HP iv)Rs.190 per HP for 67 HP & above but below 100 HP v) Rs.225 per HP for 100 HP and above

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.120 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.155 per KW of billing demand
	67 HP and above but below 100 HP	Rs.240 per KW of billing demand
	100 HP and above	Rs.255 per KW of billing demand

Energy Charges

Details	Approved by the Commission
For the first 500 units	585 paise/unit
For the next 500 units	685 paise/ unit
For the balance units	715 paise/ unit

Approved Tariff for LT 5 (b):

Applicable to all areas other than those covered under LT-5(a)

i) Fixed charges

Details	Approved Tariff
Fixed Charges per Month	i) Rs.80 per HP for 5 HP & below. ii) Rs.95 per HP for above 5 HP & below 40 HP. iii) Rs.120 per HP for 40 HP & above but below 67 HP. iv) Rs.175 per HP for 67 HP & above but below 100 HP v) Rs.210 per HP for 100 HP and above

ii) Demand Based Tariff (optional)

Details	Description	Approved Tariff
Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.110 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.145 per KW of billing demand
	67 HP and above but below 100 HP	Rs.230 per KW of billing demand
	100 HP and above	Rs.245 per KW of billing demand



iii) Energy Charges:

Details	Approved tariff
For the first 500 units	575 paise/ unit
For the next 500 units	670 paise/ unit
For the balance units	700 paise/unit

Note: The Commission in order to mitigate the financial crisis faced due to present economic slowdown in the State on account of pandemic Covid-19, decides to allow a Rebate of 50 Paise per unit in Energy Charges for the electricity consumed from the first metering date falling on or after 1st April, 2022 for a period of 12 months only to Micro and Small Scale Industries as Certified by the Government of Karnataka falling, under LT-5(a) and LT-5(b) tariff category.

As discussed earlier in this chapter the approved ToD Tariff for LT5 (a) & (b): At the option of the consumers is as under:

for LT5 (a) & (b): At the option of the consumers

Time of Day	Increase (+) / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

6. LT6 Water Supply Installations and Street Lights:**MESCOM's Proposal:**

The existing and the proposed tariffs are given in the following Table:

LT-6(a): Water Supply

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.95/HP/month up to 67 HP Rs.195/HP/Month for every additional HP above 67 HP	Rs.150/HP/month up to 67 HP Rs.250/HP/Month for every additional HP above 67 HP
Energy charges	495 paise/unit	675 paise/unit

LT-6 (b): Public Lighting

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed charges per Month	Rs.110/KW/month	Rs.150/KW/month
Energy charges	660 paise/unit	775 paise/unit
Energy charges for LED / Induction	555 paise/unit	555 paise/unit

**LT-6(c)- Electric Vehicle Charging Stations/ Battery Swapping Stations
(For Both LT & HT)**

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
Fixed /Demand charges per KW /KVA	For LT - Rs.70 /KW/month up to 50 KW For LT- Rs.170 / KW / Month for every additional KW above 50 KW For HT –Rs.200/KVA / month	For LT - Rs.70 /KW/month up to 50 KW For LT- Rs.170/ KW / Month for every additional KW above 50 KW For HT –Rs.200/KVA / month
Energy charges (for both LT & HT)	500 paise/unit	500 paise/unit

Existing ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

The Commission decides to continue with the existing system of billing the energy consumption and the fixed charges and approves the tariff for these categories as follows:

Tariff Approved by the Commission for LT-6 (a): Water supply

Details	Approved Tariff
Fixed Charges per Month	Rs.110/HP/month up to 67 HP Rs.215/HP/Month for every additional HP above 67 HP
Energy charges	500 paise/unit

Tariff Approved by the Commission for LT-6 (b): Public Lighting

Details	Approved Tariff
Fixed charges per Month	Rs.125 /KW/month
Energy charges	665 paise/unit
Energy charges for LED / Induction Lighting	560 paise/unit

Approved Tariff by the Commission for LT-6 (c)**Electric Vehicle Charging Stations* and
Battery Swapping Stations* (For Both LT & HT)****Tariff Approved by the Commission for LT-6(c)- Electric Vehicle Charging
Stations* / Battery Swapping Stations***

Details	Approved Tariff
LT- (Low Tension) Fixed charges per KW	Rs.70 /KW/month up to 50 KW Rs.170 / KW / Month for every additional KW above 50 KW
HT (High Tension): Demand Charge per KVA	For HT - Rs.200 /KVA/month
Energy charges (for both LT & HT)	500 paise/unit

* Defined as per MoP's Guidelines & Standards on "Charging Infrastructure for Electric Vehicles"

As decided in the earlier Tariff Order, the Commission decides to continue, the approved ToD Tariff for LT6 (c) tariff schedule applicable for the power supply availed under HT supply for charging Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC / NEKRTC / NWKRTC.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

7. **LT 7- Temporary Supply & Permanent supply to Advertising Hoardings:**
MESCOM's Proposal:

The existing rate and the proposed rate are given below:

Tariff Schedule LT-7(a)
Applicable to Temporary Power Supply for all purposes.

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
a) Less than 67 HP:	Energy charge at 1110 paise per unit subject to a weekly minimum of Rs.250 per KW of the sanctioned load.	Energy charge at 1200 paise per unit subject to a weekly minimum of Rs.400 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)
Applicable to power supply to Hoardings & Advertisement boards on Permanent connection basis.

Details	Existing as per 2021 Tariff Order	Proposed by MESCOM
a) Less than 67 HP;	Fixed Charge Rs.125 per KW/ month.	Fixed Charge Rs.300 per KW/ month of the sanctioned load.
	Energy charge at 1110 paise per unit	Energy charge at 1200 paise per unit

Commission's decision:

As decided in the previous Tariff Order, the tariff specified for installations with sanctioned load / contract demand above 67 HP shall continue to be covered under the HT temporary tariff category under HT5.

With this, the Commission decides to approve the tariff for LT-7 category as follows:

TARIFF SCHEDULE LT-7(a)

Tariff Approved to Temporary Power Supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power Supply for all purposes.	Less than 67 HP:	Energy charges at 1120 paise / unit subject to a weekly minimum of Rs. 275 per KW of the sanctioned load.

cel/g

TARIFF SCHEDULE LT-7(b)

Approved Tariff to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.150 per KW / month
		Energy charges at 1120 paise / unit

H.T. Categories:**Time of Day Tariff (ToD)**

The Commission decides to continue with the mandatory Time of Day Tariff for HT2 (a), HT-2(b) and HT2(c) consumers with a contract demand of 500 KVA and above. Further, the optional ToD will continue as existing for HT2 (a), HT-2(b) and HT2 (c) consumers with contract demand of less than 500 KVA. ToD Tariff at the option is applicable to the HT installations availing power supply for charging Electric Motor Vehicle in the Depots of BMTC and KSRTC / NEKRTC / NWKRTC Depots. The details of ToD tariff are indicated under the respective tariff category.

The increase in billing demand to 85% of the CD, is hereby continued for billing of all the HT installations.

8. HT1 - Water Supply & Sewerage**MESCOM's Proposal:**

The existing and proposed tariff are as given below:

The Existing and the proposed tariff – HT-1 Water Supply and Sewerage Installations.

Sl. No.	Details	Existing tariff as per 2021 Tariff Order	Proposed by MESCOM
1	Demand charges	Rs.230 / kVA of billing demand / month	Rs.400 / kVA for billing demand / month
2	Energy charges	555 paise per unit	650 paise per unit

Existing ToD tariff to HT-1 tariff to Water Supply & Sewerage installations at the option of the consumer

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff to HT-1 category:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's decision:

As discussed earlier in this chapter, the Commission approves the tariff for HT 1 Water Supply & Sewerage category as below:

Details	Approved Tariff for HT 1
Demand charges	Rs.250 / kVA of billing demand / month
Energy charges	560 paise/ unit

Approved ToD Tariff

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

9. HT2 (a) – HT Industries**MESCOM's Proposal:**

The existing and proposed tariff are as shown in the following Table:

HT-2(a) Industries
Applicable to all areas of MESCOM

Details	Existing tariff as per Tariff Order 2021	Proposed by MESCOM
Demand charges	Rs.240 / kVA of billing demand / month	Rs.600 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	730 paise per unit	All units: 500 paise per unit
(ii) For the balance units	755 paise per unit	

Railway traction under HT2 (a).

Details	Existing tariff as per Tariff order 2021	Proposed by MESCOM
Demand charges	Rs.250 / kVA at billing demand / month	Rs.600 / kVA of billing demand / month
Energy charges	655 paise per unit for all the units	450 paise per unit for all the units

Effluent Treatment Plants independently serviced outside the premises of any installation under HT2(a)

Details	Existing tariff as per Tariff order 2021	Proposed by MESCOM
Demand charges	Rs. 250 / kVA at billing demand / month	Rs. 600 / kVA of billing demand / month
Energy charges	695 paise per unit for all the units	475 paise per unit for all the units

Existing ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

cew/g

Proposed ToD Tariff for HT-2(a)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

Commission hereby continues to allow billing of the electricity consumed by the effluent treatment plants and Drainage Water Treatment plants from the main meter or by sub-meter, at the same tariff schedule as applicable to the HT installations for which the power supply is availed.

Approved Tariff for HT – 2 (a):

The Commission approves the tariff for HT 2(a) category as under:

Applicable to all areas under MESCOM

Details	Tariff approved by the Commission
Demand charges	Rs. 265 / kVA of billing demand / month
Energy charges	
For the first one lakh units	735 paise/ unit
For the balance units	760 paise/ unit

As discussed earlier of this Chapter, the approved ToD tariff to HT2(a) tariff.

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon period) 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon period) 0 From December to June (-) 100 paise per unit

Note: ToD Tariff is not applicable to Railway Traction installations.

Railway Traction under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs. 275 / kVA of billing demand / month
Energy charges	660 paise / unit for all the units

The Commission, by considering the concessional tariff extended to the Railway traction, decides that Special Incentive Scheme and ToD tariff shall not be extended to the Railway traction installations. However, they are eligible to avail the new "Discounted Energy Rate Scheme".

Effluent Treatment Plants independently serviced outside the premises of any installation under HT2(a)

Details	Tariff approved by the Commission
Demand charges	Rs.275 / kVA of billing demand / month
Energy charges	700 paise / unit for all the units

Note: The ToD tariff is applicable to these installations, if the new Special Incentive Scheme is not opted.

10. HT-2 (b) HT Commercial

MESCOM's Proposal:

The existing and proposed tariff are as given below:

Existing and proposed tariff HT – 2 (b) HT Commercial

Applicable to all areas of MESCOM

Details	Existing tariff as per Tariff Order 2021	Proposed by MESCOM
Demand charges	Rs.260 / kVA of billing demand / month	Rs.600 / kVA of billing demand / month
Energy charges		
(i) For the first two lakh units	900 paise per unit	All units : 600 paise per unit
(ii) For the balance units	910 paise per unit	

Existing ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for HT-2(b)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

The Commission, as per the decision in Tariff Order Dated 30th May, 2019, decides to continue to include all the activities listed under LT3 tariff schedule shall also be considered to be billed under HT2(b) tariff schedule by including the additional nomenclature - 'all the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified and billed under HT-2(b), if they avail power under HT supply.

The Commission approves the following tariff for HT 2 (b) consumers:

Approved tariff for HT – 2 (b) - HT Commercial**Applicable to all areas of MESCOM**

Details	Tariff approved by the Commission
Demand charges	Rs.290/ kVA of billing demand / month
Energy charges	
(i) For the first two lakh units	905 paise per unit
(ii) For the balance units	915 paise per unit

As discussed in this Chapter, the approved ToD Tariff to HT2(b) is as follows:

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 hours	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon Period) 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon Period) 0 From December to June (-) 100 paise per unit

11. HT – 2 (c) – Applicable to Hospitals and Educational Institutions:

The existing and proposed tariff are given below:

Existing and proposed tariff for HT – 2 (c) (i)

Applicable to Government Hospitals & Hospitals run by Charitable Institutions & ESI Hospitals and Universities, Educational Institutions belonging to Government, Local Bodies and Aided Educational Institutions and Hostels of all Educational Institutions:

Details	Existing tariff as per Tariff Order 2021	Proposed by MESCOM
Demand charges	Rs.240 / kVA of billing demand / month	Rs.600 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	715 paise per unit	All units: 550 paise per unit
(ii) For the balance units	755 paise per unit	

Existing and proposed tariff for HT – 2 (c) (ii) –

Applicable to Hospitals and Educational Institutions other than those covered under HT2(c) (i)

Details	Existing tariff as per Tariff Order 2021	Proposed by MESCOM
Demand charges	Rs. 240 / kVA of billing demand / month	Rs. 600 / kVA of billing demand / month
Energy charges		
(i) For the first one lakh units	815 paise per unit	All units : 600 paise per unit
(ii) For the balance units	855 paise per unit	

Existing ToD Tariff for HT-2(c)(i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Proposed ToD Tariff for HT-2(c) (i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next Day)	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Commission's Decision:

The Commission approves the following tariff for HT2(c) consumers.

Approved tariff for HT – 2 (c) (i)

Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI Hospitals, Universities and Educational Institutions belonging to Government & Local Bodies, Aided Educational Institutions and Hostels of all Educational Institutions

Details	Approved Tariff
Demand charges	Rs.260/ kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	720 paise per unit
(ii) For the balance units	760 paise per unit

Approved tariff for HT – 2 (c) (ii)

Applicable to Hospitals/Educational Institutions other than those covered under HT2(c) (i)

Details	Approved Tariff
Demand charges	Rs.265 / kVA of billing demand / month
Energy charges	
(i) For the first one lakh units	820 paise per unit
(ii) For the balance units	860 paise per unit

The approved ToD Tariff to HT-2(c) (i) & (ii) is as under:

As discussed earlier in this Chapter approved ToD Tariff to HT-2(c) (i) & (ii)

Time of day	Increase (+) / reduction (-) in the energy charges over the normal tariff applicable
06.00 Hrs. to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (Monsoon Period) 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs (Next day)	From July to November (Monsoon Period) 0 From December to June (-) 100 paise per unit

12. HT-3(a) Lift Irrigation Schemes under Government Departments / Government owned Corporations/ Lift Irrigation Schemes under Private Societies:

The existing and proposed tariff are given in the following Table:

Existing and proposed tariff for HT3 (a) –Lift Irrigation Schemes

HT3(a) (i) Applicable to LI Schemes under Government Departments / Government owned Corporations

Details	Existing charges as per Tariff Order 2021	Proposed by MESCOM
Energy charges/ Minimum charges	310 paise / unit Subject to an annual minimum of Rs.1720 per HP / annum	400 paise / unit Subject to an annual minimum of Rs.2000 per HP / annum

HT 3(a) (ii) Applicable to Private LI Schemes and Lift Irrigation Societies: fed through Express / Urban feeders

Details	Existing Tariff as per Tariff Order 2021	Proposed by MESCOM
Fixed charges	Rs. 95 / HP / Month of sanctioned load	Rs. 150 / HP / Month of sanctioned load
Energy charges	310 paise / unit	400 paise / unit

HT 3(a) (iii) Applicable to Private LI Schemes and Lift Irrigation Societies: other than those covered under HT-3 (a)(ii)

Details	Existing Tariff as per Tariff Order 2021	Proposed by MESCOM
Fixed charges	Rs.75 / HP / Month of sanctioned load	Rs.150 / HP / Month of sanctioned load
Energy charges	310 paise / unit	400 paise / unit

Commission's Decision:

The Commission approves the following tariff for HT3(a) consumers:

Approved tariff for HT 3 (a) (i)

Applicable to LI schemes under Government Department/ Government owned Corporations

Energy charges / Minimum charges	315 paise/ unit subject to an annual minimum of Rs.1900 per HP / annum
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Approved tariff for HT 3 (a) (ii)

Applicable to Private LI Schemes and Lift Irrigation Societies fed through express/ urban feeders:

Fixed charges	Rs.110 / HP / Month of sanctioned load
Energy charges	315 paise / unit

Approved tariff for HT 3 (a) (iii)

Applicable to Private LI Schemes and Lift Irrigation Societies other than those covered under HT 3 (a) (ii)

Fixed charges	Rs.90 / HP / Month of sanctioned load
Energy charges	315 paise / unit

13. HT3 (b) Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:

MESCOM's Proposal:

The existing and the proposed tariff are given below:

HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations:

Details	Existing Tariff Order 2021	Proposed by MESCOM
Energy charges / minimum charges	510 paise / unit subject to an annual minimum of Rs.1780 per HP of sanctioned load	600 paise / unit subject to an annual minimum of Rs.2000 per HP of sanctioned load

Commission's Decision:

The Commission approves the tariff for this category as indicated below:

Approved Tariff

HT3 (b)- Irrigation & Agricultural Farms, Government Horticulture farms, Private Horticulture Nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations:

Details	Approved Tariff
Energy charges / minimum charges	515 paise / unit subject to an annual minimum of Rs.1960 per HP of sanctioned load

14. HT4- Residential Apartments/ Colonies:**MESCOM's Proposal:**

The existing and the proposed tariff for this category are given below:

**Existing and proposed tariff for HT – 4 - Residential Apartments/ Colonies
HT – 4 Applicable to all areas.**

Details	Existing Tariff Order 2021	Proposed by MESCOM
Demand charges	Rs.155 / kVA of billing demand	Rs.300/ kVA of billing demand
Energy charges	700 paise per unit	800 paise/ unit

Commission's Decision:

As discussed earlier in this chapter, the Commission approves the tariff for this category as indicated below:

Approved tariff**HT – 4 Residential Apartments/ Colonies Applicable to all areas**

Demand charges	Rs.175 / kVA of billing demand
Energy charges	705 paise/ unit

15. TARIFF SCHEDULE HT-5**MESCOM's Proposal:**

The existing and the proposed tariffs are given below:

HT – 5 – Temporary supply

67 HP and above:	Existing Tariff Order 2021	Proposed by MESCOM
Fixed charges / Demand Charges	Rs.300/HP/month for the entire sanction load / contract demand	Rs.600/HP/month for the entire sanction load / contract demand
Energy Charges	1110 paise / unit	1200 paise / unit

Commission's Views/Decisions:

The approved tariff in respect of HT-5 is as under:

celg

TARIFF SCHEDULE HT-5

- (i) As approved in the Commission's Tariff Order dated 6th May, 2013, this Tariff is applicable to 67 HP and above hoardings, advertisement boards and construction-power for industries excluding those categories of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation and power projects and is also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

Approved Tariff for HT – 5 – Temporary supply

67 HP and above:	Approved Tariff
Fixed Charges / Demand Charges	Rs.325 /HP/month for the entire sanction load / contract demand
Energy Charges	1120 paise / unit

The Approved Tariff schedule for FY23 is enclosed in **Annexure- V** of this Order.

6.8 Wheeling and Banking Charges:

MESCOM has proposed wheeling charges of 50 paise/unit and 117 paise/unit for HT network and LT network, respectively. Further it is stated that proposed technical losses of 3.68-% at HT level and 6.09% at LT level are applicable.

Regarding Wheeling charges for RE sources, MESCOM has submitted that the wheeling transactions of RE sources are increasing year-on-year and therefore, MESCOM has requested to apply all the relevant charges as are applicable to the OA / wheeling transactions of other than RE sources. In this regard, it is also submitted by MESCOM that the transmission & distribution network maintenance charges are increasing year-on-year and that the increased transactions under wheeling & banking arrangements are impacting the tariff charges of the LT categories considerably.

Further on banking, MESCOM has submitted that, it is concurrence with the order dated 09.01.2018 reducing the banking period from one year to six months and that energy banked during the peak TOD hours only can be drawn during peak hours and not otherwise.



Further on levying of Cross Subsidy Surcharge and Additional Surcharge for RE sources, it is requested to continue to levy the same as determined by the Commission from time to time.

As far as wheeling charges and banking facility for RE sources are concerned, the Commission notes that the order of the Commission dated 09.01.2018 on banking facility is pending before the Hon'ble Supreme Court of India and the order dated 14.05.2018 on wheeling charges is pending before the Hon'ble High Court of Karnataka. The Commission vide order dated 07.09.2021, in the interim has continued the existing wheeling charges and banking facility, subject to RE generators furnishing an undertaking that they shall abide by the orders issued by the Hon'ble High Court in WA No.1061/2019 on wheeling charges and the Hon'ble Supreme Court in Civil Appeal No.9619-9637/2019 on banking facility. Further, in the above order, the Commission had also noted that, it would take some more time to complete a detail study / analysis in the matter. The Commission, vide order dated 07.02.2022, has extended the validity of the order dated 07.09.2021 upto 31.07.2022, keeping in view the study in the matter being entrusted by PCKL to Prayas, Pune.

The approach of the Commission regarding wheeling & banking charges is discussed in the following paragraphs:

The Commission has considered the approved ARR pertaining to distribution wires business and has proceeded determining the wheeling charges as detailed in the following paragraphs:

6.8.1 Wheeling within MESCOM Area:

The allocation of the distribution network costs to HT and LT networks for determining wheeling charges is done in the ratio of 30:70, as was being done earlier. Based on the approved ARR for distribution business, the wheeling charges to each voltage level is worked out as under:



TABLE – Wheeling Charges

Distribution ARR-Rs. Crs	770.22
Sales-MU	5387.54
Wheeling charges- paise/unit	142.96
	Paise/unit
HT-network	42.89
LT-network	100.07

In addition to the above, the following technical losses are applicable:

Loss allocation	% loss
HT	3.41
LT	5.64

Note: Total loss is allocated to HT, LT & Commercial loss based on energy flow diagram furnished by MESCOM.

The actual wheeling charges payable (after rounding off) will depend upon the point of injection & point of drawal as under:

		paise/unit	
Injection point →		HT	LT
Drawal point ↓			
HT		43 (3.41%)	143 (9.05%)
LT		143 (9.05%)	100 (5.64%)

Note: Figures in brackets are applicable loss

The wheeling charges as determined above are applicable to all the open access / wheeling transactions for using the MESCOM network only, except for energy transmitted or wheeled from renewable sources to the consumers within the State.

6.8.2 WHEELING OF ENERGY USING TRANSMISSION NETWORK OR NETWORK OF MORE THAN ONE LICENSEE

6.8.3 In case the wheeling of energy [other than RE sources wheeling to consumers within the State] involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated below:

ccmp

- i. If only transmission network is used, transmission charges including losses determined by the Commission shall be payable to the Transmission Licensee.
- ii. If the Transmission network and the ESCOMs' network is used, Transmission Charges shall be payable to the Transmission Licensee, in addition to transmission losses. Wheeling Charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.

Illustration 1:

If a transaction involves transmission network & MESCOM's network and 100 units is injected, then at the drawal point the consumer is entitled for 88.35 units, after accounting for Transmission loss of 2.864% & MESCOM's technical loss of 9.04%.

The Transmission charge in cash as determined in the Transmission Tariff Order shall be payable to KPTCL & Wheeling Charge of 143 paise per unit shall be payable to MESCOM. In case more than one ESCOM is involved, the above 143 paise shall be shared by all the ESCOMs involved.

- iii. If ESCOMs' network only is used, the Wheeling Charges of the ESCOM where the power is drawn is payable and shall be shared equally among the ESCOMs whose networks are used.

Illustration 2:

If a transaction involves injection to BESCO's network & drawal at MESCOM's network, and 100 units is injected, then at the drawal point the consumer is entitled for 90.96 units, after accounting MESCOM's technical loss of 9.04%.

The Wheeling charge of 143 paise per unit applicable to MESCOM shall be equally shared between MESCOM & BESCO.



As the actual normal network charges depend upon the point of injection and point of drawal, the following broad guidelines may be followed by the licensees, while working out the charges:

Injection point →	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
Drawal point ↓						
KPTCL Network	Transmission charges & Losses as per KPTCL's Order	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn	Transmission charges & Losses as per KPTCL's Order and ESCOM's wheeling charges & Technical losses as per Illustration-1 of Tariff Order for the ESCOM where power is drawn
BESCOM Network	Transmission charges & Losses as per KPTCL's Order and BESCOM's wheeling charges & Technical losses as per Illustration-1 of BESCOM's Tariff Order	BESCOM's network charges and technical losses as per BESCOM's tariff order under the heading 'wheeling within BESCOM area' which again depends on point of Injection or drawal	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order	BESCOM's network charges and technical losses as per Illustration-2 of BESCOM's tariff order
MESCOM Network	Transmission charges & Losses as per KPTCL's Order and MESCOM's wheeling charges & Technical losses as per Illustration-1 of MESCOM's Tariff Order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order under the heading 'wheeling within MESCOM area' which again depends on point of Injection or drawal	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order	MESCOM's network charges and technical losses as per Illustration-2 of MESCOM's tariff order
CESC Network	Transmission charges & Losses as per KPTCL's Order and CESC's wheeling charges & Technical losses as per Illustration-1 of CESC's Tariff Order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per CESC's tariff order under the heading 'wheeling within CESC area' which again depends on point of Injection or drawal	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order	CESC's network charges and technical losses as per Illustration-2 of CESC's tariff order
HESCOM Network	Transmission charges & Losses as per KPTCL's Order and HESCOM's wheeling charges & Technical losses as per Illustration-1 of HESCOM's Tariff Order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order under the heading 'wheeling within HESCOM area' which again depends on	HESCOM's network charges and technical losses as per Illustration-2 of HESCOM's tariff order

Injection point →	KPTCL Network	BESCOM Network	MESCOM Network	CESC Network	HESCOM Network	GESCOM Network
Drawal point ↓						
					point of Injection or drawal	
GESCOM Network	Transmission charges & Losses as per KPTCL's Order and GESCOM's wheeling charges & Technical losses as per Illustration-1 of GESCOM's Tariff Order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per Illustration-2 of GESCOM's tariff order	GESCOM's network charges and technical losses as per GESCOM's tariff order under the heading 'wheeling within GESCOM area' which again depends on point of Injection or drawal

6.8.4 CHARGES FOR WHEELING OF ENERGY BY RE SOURCES (NON-REC ROUTE) TO CONSUMERS IN THE STATE

The separate orders issued by the Commission from time to time in the matter of wheeling and banking charges for RE sources (Non-REC route) including solar power projects wheeling energy to consumers within the State shall be applicable.

6.8.5 CHARGES FOR WHEELING ENERGY BY RE SOURCES WHEELING ENERGY FROM THE STATE TO A CONSUMER/OTHERS OUTSIDE THE STATE AND FOR THOSE OPTING FOR RENEWABLE ENERGY CERTIFICATE[REC]

In case the renewable energy is wheeled from the State to a consumer or others outside the State, the normal wheeling charges as determined in para 6.8.1 and 6.8.3 of this Order shall be applicable. For Captive RE generators including solar power projects opting for RECs, the wheeling charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.8.6 Banking Charges for RE sources:

Banking Charges as specified in the separate Orders issued by the Commission from time to time shall be applicable.

6.8.7 CROSS SUBSIDY SURCHARGE [CSS]:

MESCOM has stated that following the Tariff Policy, 2016, it has proposed CSS as follows:

Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-3a	HT-3b	HT-4	HT-5
11 kV	-	1.14	2.42	2.15	-	2.20	1.02	5.40
33 kV	-	1.33	2.42	2.15	-	2.20	1.21	5.40
66 kV & above	-	1.39	2.42	2.15	-	2.20	1.27	5.40

The determination of cross subsidy surcharge by the Commission is discussed in the following paragraphs: -

The Commission in its Regulations has adopted the formula as per Tariff Policy, 2016, for computing the CSS which is as indicated below:

$$S = T - [C / (1 - L / 100)] + D + R$$

Where

S is the Surcharge

T is the tariff Payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Regarding, Regulatory asset, as per Tariff Order dated 04.11.2020, the Commission has allowed regulatory asset of Rs. 721.34 Crores for all the ESCOMs put together. The cost of carrying the regulatory asset is considered as zero.

Based on the methodology specified in its MYT and OA Regulations, and adopting the formula stated supra, the category wise cross subsidy surcharge will be as indicated in the following Table:

Paise/unit						
Tariff category	Category Tariff paise/unit 'T' (Avg. of ESCOMs)	State Average Cost of supply @ 66 kV and above level* paise/unit $C/(1- /100)+D+ R]$	State Average Cost of supply at @ HT level** paise/unit $C/(1- /100)+D+ R]$	Cross subsidy surcharge paise/unit @ 66 kV & above level as per formula	Cross subsidy surcharge paise/unit @ HT level as per formula	20% of tariff payable by relevant category-paise/unit
1	2	3	4	5	6	7
				(2-3)	(2-4)	20% of (2)
HT-1 Water Supply	633.29	572.92	625.14	60.37	8.15	126.66
HT-2a Industries	973.43	572.92	625.14	400.51	348.29	194.69
HT-2b Commercial	1296.50	572.92	625.14	723.58	671.36	259.30
HT-2 (C)(i)	963.15	572.92	625.14	390.23	338.01	192.63
HT-2 (C)(ii)	1077.20	572.92	625.14	504.28	452.06	215.44
HT3 (a)(i) Lift Irrigation	315.00	572.92	625.14	-257.92	-310.14	63.00
HT3 (a)(ii) Lift Irrigation	522.86	572.92	625.14	-50.06	-102.28	104.57
HT3 (a)(iii) Lift Irrigation	372.36	572.92	625.14	-200.56	-252.78	74.47
HT3 (b) Irrigation & Agricultural Farms	515.51	572.92	625.14	-57.41	-109.63	103.10
HT-4 Residential Apartments	823.31	572.92	625.14	250.39	198.17	164.66
HT5 Temporary	2463.70	572.92	625.14	1890.78	1838.56	492.74

* Includes weighted average power purchase costs of 476.04 paise/unit, transmission charges of 82.56 paise/unit and transmission losses of 2.92% including commercial losses at EHT.

**** Includes weighted average power purchase costs of 476.04 Paise per unit, transmission charges of 82.56 Paise per unit and transmission losses of 2.92% including commercial losses at EHT, HT distribution network / wheeling charges of 34.47 Paise/unit and HT distribution losses of 3.49% including commercial losses at HT.**

Note: The carrying cost of regulatory asset of transmission licensee for the current year is included in Transmission charges and the carrying cost of regulatory asset of ESCOMs is considered as zero for the current year.

As per the Tariff Policy 2016, while limiting the CSS so as not to exceed 20% of the tariff applicable to relevant category, the CSS (after rounding off to nearest paise) is determined as per the following table:

Particulars	Paise/unit	
	66 kV & above	HT level-11 kV/33kV
HT-1 Water Supply	60	8
HT-2a Industries	195	195
HT-2b Commercial	259	259
HT-2 (C) (i)	193	193
HT-2 (C) (ii)	215	215
HT3 (a) (i) Lift Irrigation	0	0
HT3 (a) (ii) Lift Irrigation	0	0
HT3 (a) (iii) Lift Irrigation	0	0
HT3 (b) Irrigation & Agricultural Farms	0	0
HT-4 Residential Apartments	165	165
HT5 Temporary	493	493

Note: wherever CSS is one paise or less, it is made zero

The cross-subsidy surcharge determined in this order shall be applicable to all open access/wheeling transactions in the area coming under MESCOM. However, the above CSS shall not be applicable to captive generating plant for carrying electricity to the destination of its own use and for those renewable energy generators who have been exempted from CSS by the specific Orders of the Commission.

The Commission directs the Licensees to account the transactions under open access separately. Further, the Commission directs the Licensees to carry

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forward the amount realized under Open Access/wheeling to the next ERC, as it is an additional income to the Licensees.

The detailed calculation sheet of CSS is enclosed as Annexure-4.

6.9 Additional Surcharge:

Most of the ESCOMs in their tariff application, have submitted that they have tied up sufficient quantum of power, after approval by this Commission, by considering the overall growth in sales. However, a large number of its high revenue yielding consumers are buying power under Open Access instead of availing supply from the ESCOMs. As a result, the generation capacity tied up by the ESCOMs remains idle. In this situation, ESCOMs are forced to back down the generation from conventional sources and are also required to pay Fixed Charges (or Capacity Charges) to the Generators, irrespective of actual energy being purchased. Thus, ESCOMs have stated that there is a need for recovery of the part of fixed cost towards the stranded capacity arising from the power purchase obligation through levy of Additional Surcharge.

BESCOM in its tariff filing has computed the additional surcharge as follows;

Proposed realization of FC from EHT/HT consumers-Rs. Crores	2120.84
Total FC to be collected from EHT/HT Consumers--Rs. Crores	4051.41
Estimated under recovery of FC-Rs. Crores	1930.57
EHT/HT-Sales-MU	7960.86
Additional surcharge proposed-Rs/unit	2.43

BESCOM has stated that it has worked out the additional surcharge of Rs.2.09/unit considering the ARR of FY23. However, it is also stated that the Additional surcharge is worked out as per the methodology adopted in KERC order dated 30.05.2019. It may be noted that in the above tariff order, the Commission had worked out additional surcharge based on APR data of FY18, whereas in the subsequent orders, the Commission has considered the approved ARRs. In view of the above BESCOM was directed to clarify as to whether the computations are done as per order dated 04.11.2020 or as per

order dated 30.05.2019. Also as per calculation provided ASC is Rs.2.43/-unit, whereas at page252 it is indicated as Rs. 2.09/- unit. Figures shall be reconciled.

The Commission in its previous order has provided concession to RE sources in additional surcharge. BESCO was directed to furnish its comments in the matter.

BESCO in its replies has submitted that it has computed ASC as per order dated 30.05.2019 and the proposed additional surcharge for FY23 is Rs.2.43/unit. Further, it is requested to review the concessional additional surcharge extended to RE sources, as Karnataka is RE rich State.

The Commission notes that the methodology adopted in order dated 04.11.2020 or order dated 30.05.2019 is same. However, the data considered for computation of ASC in order dated 30.05.2019 is the APR data of FY18, whereas in order dated 04.11.2020, the data considered is the approved ARR of FY21. Going by the details furnished by BESCO, it is observed that BESCO has considered data of ARR estimates for FY23.

MESCOM in its Petition has stated that they have computed the Additional Surcharge in line with the methodology adopted by the Commission in its Tariff Order 2022. MESCOM, furnishing the details of calculations has proposed the Additional Surcharge to be recovered from HT consumers at Rs. 1.81 per unit as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	201.43
Total FC to be collected from EHT/HT Consumers--Rs. Crores	398.29
Estimated under recovery of FC-Rs. Crores	196.86
EHT/HT-Sales-MU	1088.73
Additional surcharge proposed-Rs/unit	1.81

CESC has worked out Additional surcharge of Rs.1.29/unit and has requested the Commission to continue levy of ASC for OA consumers procuring power from power exchanges and RE generators.

The Commission in its previous tariff order dated 04.11.2020, has computed ASC based on the estimated ARR of the year for which tariff is being revised. Hence,

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CESC was directed as to whether the ASC is proposed as per estimated ARR for FY23.

CESC in its reply to the preliminary observation has submitted that it has determined the Additional Surcharge of Rs. 1.29 per unit as per estimated ARR for FY23. The details of computation are as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	500.68
Total FC to be collected from EHT/HT Consumers--Rs. Crores	666.32
Estimated under recovery of FC-Rs. Crores	165.64
EHT/HT-Sales-MU	1285.06
Additional surcharge proposed-Rs/unit	1.29

HESCOM has worked out additional surcharge of 119 paise per unit based on FY-21 actuals and 126 paise/unit based on proposed ARR for FY23. The Commission in its previous tariff order, has considered the data as approved for the year for which tariff is determined. Therefore, HESCOM was directed to confirm the ASC to be levied for FY23.

HESCOM in its replies has clarified that additional surcharge of Rs. 1.26/unit shall be considered. The details of calculations are as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	321.00
Total FC to be collected from EHT/HT Consumers--Rs. Crores	606.66
Estimated under recovery of FC-Rs. Crores	285.66
EHT/HT-Sales-MU	2259.27
Additional surcharge proposed-Rs/unit	1.26

GESCOM has proposed additional surcharge of 78 paise/unit for FY23 considering the ARR of FY23.

In the previous tariff orders the Commission had reduced ASC for RE generators. GESCOM was directed to provide its comments regarding continuing of the reduced ASC for RE sources.

GESCOM in its replies to the preliminary observations has submitted that Karnataka being RE rich State, Concept of concessions to RE sources IN ASC may be revised. The Additional Surcharge based on proposed ARR of FY23 is computed by GESCOM as follows:

Proposed realization of FC from EHT/HT consumers-Rs. Crores	621.45
Total FC to be collected from EHT/HT Consumers--Rs. Crores	739.82
Estimated under recovery of FC-Rs. Crores	118.37
EHT/HT-Sales-MU	1509.00
Additional surcharge proposed-Rs/unit	0.78

In view of the above, ESCOMs in their tariff application have proposed levy of Additional Surcharge for FY23 as given below:

ESCOM	Additional Surcharge proposed-Rs. Per unit
BESCOM	2.43
MESCOM	1.81
CESC	1.29
HESCOM	1.26
GESCOM	0.78

Commission's views and decision:

The Commission in its previous order, considering the provisions of the Electricity Act, 2003, National Electricity Policy, Tariff Policy, KERC Regulations and orders of Hon'ble Supreme Court and Hon'ble APTEL, has held that the Additional Surcharge can be levied on the open access consumers, to meet the stranded fixed cost obligations of the distribution licensee arising out of its obligation to supply power. Further, the Commission had worked out the Additional Surcharge based on approved ARR of the ensuing year namely FY22, in its previous order. The Commission notes that all the ESCOMs have computed Additional Surcharge adopting the methodology followed by the Commission in its previous order, as discussed supra.

The Commission notes that, when a consumer purchases electricity under Open Access, the ESCOMs lose the Fixed Charges embedded in the energy charges for the number of units of energy purchased under Open Access. The Commission has determined the Additional Surcharge for the ESCOMs by allocating the total fixed cost of Power Purchase to EHT and HT consumers in

proportion to their input energy ESCOM-wise and has added the ESCOM-Wise fixed cost of power purchase to arrive at the voltage-wise fixed power purchase cost for the State. The Commission, while computing the Additional Surcharge, has excluded the KPTCL transmission charges & SLDC charges and the distribution network cost, as these charges are being recovered from the Open Access consumers for the use of transmission and distribution network. Further, the Commission has also considered the fixed cost associated with the retail supply business allocated to EHT and HT consumers in proportion to their energy sales ESCOM -Wise and has added the ESCOM-Wise fixed cost of retail supply business to arrive at the voltage-wise fixed cost of retail supply business for the State. Based on the above, the total Fixed cost excluding KPTCL Transmission charges, SLDC charges and Distribution network charges, is considered for computation of Additional Surcharge for EHT and HT consumers.

Further, out of the fixed charges recovered from EHT and HT consumers in retail supply tariff, the fixed costs allocated to EHT and HT consumers towards transmission and distribution network cost, is deducted on first charge basis. The balance of the fixed charges recovered through retail supply tariff is set off against the total stranded fixed cost attributable to HT/EHT consumers and the remaining stranded fixed cost has to be recovered from OA consumers by levy of Additional Surcharge.

Based on the above methodology, the Additional Surcharge recoverable from the consumers of ESCOMs is worked out as follows:

ESCOM	Computed Additional Surcharge Rs/Unit
BESCOM	1.90
MESCOM	2.75
CESC	2.67
HESCOM	2.41
GESCOM	2.16

The Commission notes that, as per the Additional Surcharge computed as above, there is a wide variation in the rates of Additional Surcharge to be

recovered from the OA consumers among the ESCOMs. Since, the retail supply tariff and the cross-subsidy surcharge applicable to the consumers of the State is uniform across the State, the Commission decides to adopt a uniform Additional Surcharge across the State which is worked out, by considering the total fixed cost of all the ESCOMs as follows:

Computation of Additional Surcharge for FY23

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
1	Power Purchase Cost of the State	Rs.in Cr.	-	-	-	39232.88
2	Distribution of Power Purchase Cost (Based on share of voltage-wise energy Input)	Rs.in Cr.	1883.30	7113.01	30236.56	39232.88
3	Total Fixed Charges Power Purchase cost (Excluding KPTCL Transmission charges+ SLDC)	Rs.in Cr.	-	-	-	12572.17
4	Distribution of Fixed Charges in Power Purchase cost -Voltage-wise (Based on share of energy Input)	Rs.in Cr.	589.73	2335.25	9647.19	12572.17
5	KPTCL Transmission Charges+ SLDC (Based on share of energy input)	Rs.in Cr.	250.51	922.56	3953.69	5126.76
6	Fixed cost in Retail Supply Business (Based on share of energy sales)	Rs.in Cr.	223.02	764.76	3017.67	4005.44
7	Distribution network costs (Based on share of energy sales)	Rs.in Cr.	415.90	1274.79	5397.59	7088.28
8	Total Fixed cost (column number 4+5+6+7)	Rs.in Cr.	1479.16	5297.36	22016.13	28792.65
9	Fixed cost recoverable in wheeling and banking charges (transmission charges + SLDC + Distribution network costs) (column number 5+7)	Rs.in Cr.	666.41	2197.35	9351.28	12215.04
10	Balance of Fixed Cost to be recovered through additional surcharge (column number 4+6)	Rs.in Cr.	812.75	3100.01	12664.85	16577.61
11	Total Fixed Cost recoverable from HT/EHT consumers (excluding Transmission and Distribution Network cost)	Rs.in Cr.	812.75	3100.01	-	3912.76

	Particulars	Unit	110kV & 66 kV	11 kV	LT	Total
12	Fixed charges recovered by ESCOMs through tariff from HT/EHT consumers	Rs.in Cr.	3542.44	-	-	-
13	Less: Fixed Charges allocated to transmission and distribution network cost	Rs.in Cr.	2863.76	-	-	-
14	Balance available fixed charges (column number 12-13) from HT consumers	Rs.in Cr.	678.68	-	-	678.68
15	Shortfall in recovery of Fixed Cost to be considered for recovery of additional surcharge (column number 11-14)	Rs.in Cr.	-	-	-	3234.08
16	Total HT/EHT Sales of ESCOMs	In MU	-	-	-	15070.84
17	Additional Surcharge (column number 15/16 x 10)	Rs./unit				2.15

As per the above computations, a uniform Additional Surcharge across ESCOMs in the State that has to be levied to OA consumers works out to Rs.2.15 per unit. The Commission is mandated by the Electricity Act, 2003, to encourage open access with a view to promote competition and at the same time has to protect the interest of the consumers of the distribution companies in the State. In this background, the Commission is of the considered view that levying Additional Surcharge of Rs.2.15 per unit would burden the open access transactions and at the same time if it is not levied, it would burden on the consumers of the distribution licensees. In the recent past, the quantum of purchase under open access is increasing considerably as per the data furnished by ESCOMs as indicated below:

HT-2a category:

ESCOM	FY18	FY19	FY20	FY21
BESCOM	2557.85	2639.87	2765.9	2867.42
MESCOM	283.26	319.96	329.39	310.63
CESC	479.12	543.14	620.91	581.99
HESCOM	424.67	226.96	549.70	549.47
GESCOM	484.25	436.55	628.211	729.48

Total	4229.15	4166.48	4894.111	5038.99
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Note:3-year CAGR is 6.01%

HT-2b category:

ESCOM	FY18	FY19	FY20	FY21
BESCOM	945.57	1551.3	1758.64	1352.27
MESCOM	3.41	3.82	4.89	22.13
CESC	14.119	11.45	15.66	9.69
HESCOM	0.00	0.00	0.00	0.00
GESCOM	0.00	0.00	0.92	0.54
Total	963.099	1566.57	1780.11	1384.63

Note:3-year CAGR is 12.86%

Therefore, in order to balance the interest of both OA consumers and the other consumers, the Commission decides to levy 55% of uniform Additional Surcharge of Rs.2.15 per unit, i.e., Rs. 1.18/ Unit, duly rounding off to the nearest ten paise i.e. Rs.1.20 per unit (120 paise per unit) as Additional Surcharge to be recovered from OA consumers for FY23. The above Additional Surcharge shall be payable by the HT/EHT open access consumers to the concerned distribution licensee on a monthly basis, based on the actual energy drawn during the month, through Open Access. Further, to encourage renewable sources of power, the Commission decides to levy Additional Surcharge of 35 paise per unit duly rounding off (30% of 118 paise per unit) for the energy procured under OA from Renewable Energy Sources.

6.10 Other Issues:

6.10.1 Tariff for Green Power:

In order to encourage generation and use of green power in the State, the Commission decides to continue the **existing Green Tariff of 50 paise per unit** as the additional tariff over and above the normal tariff to be paid by HT-consumers, who opt for supply of green power from out of the renewable energy procured by distribution utilities over and above their Renewable Purchase Obligation (RPO). **The Commission directs ESCOMs to make wide publicity about the availability of RE power at an additional tariff of 50 paise per unit, through newspapers/media/interaction meeting with the industrial consumers.**

6.10.2 Other tariff related issues:

i) Rebate on Solar Water Heaters:

The Distribution Licensees have requested the Commission to continue the Solar water heater rebate to the consumers. Whereas, some of the consumers have requested to increase the Solar water heater Rebate as there is no increase in the rebate amount for more than 10 years. Since the Government of Karnataka has mandated the installation of solar water heaters on the roof of the residential buildings on certain conditions, the use of Solar Water Heaters is advantageous to both the ESCOMs and the consumers. Now, with the availability of surplus power due to the commissioning of RE power projects in the State as noted from the submission made by ESCOMs, the backing down of the thermal power stations to accommodate the power from the must-run status RE power, as per the prevailing Rules / Policy of the GoI / MNRE. Thus, on account of this, the ESCOMs are liable to pay the capacity charges and resulted in increase in the power purchase cost of the ESCOMs abnormally, which has to be borne by the consumers in the State through Retail Supply Tariff. Under these circumstances, extension of any further concession in the solar rebate has to be borne by the other consumers by increase in the tariff for which they are objecting. The Commission by considering the financials of the ESCOMs and the flight of other consumers in the State decides to retain the existing rebate of 50 paise per unit subject to a maximum of Rs.50 per installation per month for use of solar water heaters under tariff schedule LT2(a).

ii) Prompt payment incentive:

The Commission had approved a prompt payment incentive at the rate of 0.25% of the bills amount in respect of:

- (i) in all cases of payment through Electronic Clearing System (ECS);
- (ii) in the case of monthly bill exceeding Rs.1,00,000 (Rs.one lakh), where payment is made 10 days in advance of due date and
- (iii) advance payment of exceeding Rs.1000 made by the consumers towards monthly bills.

The Commission decides to continue the prompt payment incentive as above.



iii) Relief to Sick Industries:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, had accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. However, in view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to the ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

iv) Power Factor:


The Commission in its previous order had retained the PF threshold limit and surcharge, both for LT and HT installations at the levels existing as in the Tariff Order 2005. The Commission decides to continue the same in the present order as indicated below:

LT Category (covered under LT-3, LT-4, LT-5 & LT-6 where motive power is involved): 0.85

HT Category: 0.90

v) Rounding off of KW / HP:

In its Tariff Order 2005, the Commission had approved rounding off of fractions of KW / HP to the nearest quarter KW / HP for the purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all the categories of LT installations including IP sets. This shall continue to be followed. In the case of street light installations, fractions of KW shall be rounded off to the nearest quarter KW for the purpose of billing and the minimum billing shall be for a quarter KW.

vi) Interest on delayed payment of bills by consumers:

The Commission, in its previous Orders had approved collection of interest on delayed payment of bills at 12% per annum. The Commission with a view to achieve the 100% collection efficiency in recovery of revenue demand to reduce the financial burden of ESCOMs and to bring in discipline among the defaulting consumers, decides to continue the same rates in this Order also.

vii) Security Deposit (3 MMD/ 2 MMD):

The Commission had issued the K.E.R.C. (Security Deposit) Regulations, 2007 on 01.10.2007 and the same has been notified in the Official Gazette on 11.10.2007. The payment of security deposit shall be regulated accordingly.

viii) Mode of Payment by consumers:

The Commission, in its previous Tariff Order had approved payment of electricity bills in cash/cheque/DD of amounts up to and inclusive of Rs. 10,000 and payment of amounts exceeding Rs. 10,000 to be made only through cheque. The consumers could also make payment of power bills through Electronic Clearing System(ECS)/ Credit card/ online E-payment upto the limit prescribed by the RBI, and the collection of power supply bills above Rupees One lakh through RTGS / NEFT at the option of the consumer.

The Commission as decided in the Tariff Order 2018 dated 14th May, 2018, in order to encourage the consumers to opt for digital payments in line with the direction of the MOP, GoI, decides to continue to allow MESCOM to collect payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / **RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka One websites, on-line E-Payment / Digital mode of payments in line with the guidelines issued and the payment up to the limit prescribed by the RBI wherever such facility is provided by the Licensee** and allow MESCOM to incur and claim the expenditure on such transaction in the ARR. **However, the Commission decides to allow MESCOM to incur the expenditure on the payment for power supply bills received through Debit / Credit Cards having demand up to Rs.2000/- and below only.**

6.11 Cross Subsidy Levels for FY23:



The Hon'ble Appellate Tribunal for Electricity (ATE), in its Order dated 8th October, 2014, in Appeal No.42 of 2014, has directed the Commission to clearly indicate the variation of anticipated category-wise average revenue realization with respect to overall average cost of supply in order to implement the requirement of the Tariff Policy that tariffs are within $\pm 20\%$ of the average cost of supply, in the tariff orders being passed in the future. It has further directed the Commission to also indicate category-wise cross subsidy with reference to voltage-wise cost of supply so as to show the cross subsidies transparently.

In the light of the above directions, the variations of the anticipated category-wise average realization with respect to the overall average cost of supply and also with respect to the voltage-wise cost of supply of MESCOM and the cross subsidy thereon, is indicated in ANNEXURE- 3 of this Order. It is the Commission's endeavour to reduce the cross subsidies gradually as per the Tariff policy.

6.12 Effect of Revised Tariff:

- a. As per the KERC (Tariff) Regulations 2000, read with the MYT Regulations 2006, the ESCOMs have to file their applications for ERC/Tariff before 120 days of the close of each financial year in the control period. The Commission observes that, the MESCOM has filed its applications for revision of tariff on or before 30th November, 2021.
- b. To enable the MESCOM to recover the revenue gap determined as per of this Order, the Commission decides that, the revised tariff for the energy consumed, shall be given effect, from the 1st meter reading date falling on or after 1st of April 2022.

A statement indicating the proposed revenue and approved revenue is enclosed vide **Annexure-3** and detailed tariff schedule is enclosed vide **Annexure-5** respectively.

6.13 Summary of the Tariff Order:

The following is summary of the Tariff Order 2022:



- ❖ The Commission has approved the ARR for MESCOM of Rs.4378.05 Crores for FY23, which includes the deficit of Rs.341.96 Crores for FY21, with a net revenue deficit of Rs.188.56 Crores, as against MESCOM's proposal for approval of ARR of Rs.4799.93 Crores and a gap of Rs.718.21 Crores.
- ❖ The Commission has approved the ARR for MESCOM of Rs.4165.08 Crores and Rs.4361.30 Crores as against the MESCOM's proposal for approval of ARR of Rs.4528.31 Crores and Rs.4768.29 Crores for FY24 and FY25 respectively.
- ❖ MESCOM in its filing dated 30.11.2021 had proposed an average increase of 132 paise per unit for all categories of consumers resulting in average increase in retail supply tariff by 17.60%. The Commission has approved an average increase of 35 paise per unit. The average increase in retail supply tariff of all the consumers MESCOM for FY23 is 4.50%.
- ❖ MESCOM in its petition has proposed to increase both the demand charges and energy charges for all categories of consumers. The Commission has allowed recovery of additional revenue, partly by increase in fixed charges ranging from Rs.10 to Rs.30 per KW/HP/KVA payable by all the categories of consumer wherever applicable.
- ❖ The Commission has allowed recovery of additional revenue partly by increase in the energy charges at the rate of 5 paise per unit to all category of consumers.
- ❖ **The Commission has decided to recover the revenue gap determined as per Chapter-5 of this Order, from the 1st meter reading date falling on or after 1st of April 2022.**
- ❖ **The Commission has continued the enhancement of the usage of power by domestic consumers under 1st slab from the existing 30 units per month to 50 units per month.**
- ❖ **The Commission in order to mitigate the financial crisis faced by the Micro and Small Scale Industries on account of Pandemic Covid-19, decides to allow a Rebate of 50 Paise per unit in the Energy Charges for the electricity consumed for a period of 12 months only, to LT-5(a) and LT-5(b) category.**



- ❖ The Commission decides to extend further concession of Re.1 per unit in the energy charges for the energy consumption made during the year in addition to the concession in the Fixed charges/demand charges already extended to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.
- ❖ Under the ToD tariff, penalty for usage of power during evening peak period from 18.00 Hrs. to 22.00 Hrs. in respect of HT2(a), HT2(b) and HT2(c) has been relaxed during monsoon period from July to November. However, the penalty for evening peak usage is continued from December to June in this Order except for Railway Traction Installations.
- ❖ The ToD tariff incentive of 100 paise per unit for the usage of power during night period from 22.00 Hrs. to 06.00 Hrs (next day) has been relaxed during monsoon period from July to November. However, the ToD incentive of 100 paise per unit for the usage of power from 22.00 Hrs to 06.00 Hrs during December to June is continued.
- ❖ The TOD tariff approved by the Commission is also applicable for the power supply availed in the Depots to the HT installation of BMTTC / KSTRC /NEKRTC / NWKRTC for charging their Electric Motor Vehicle under LT6(c) tariff schedule.
- ❖ In order to encourage sale of surplus energy during Monsoon period, the Commission has approved the new "**Discounted Energy Rate Scheme**" at Rs.6 per unit for the HT2(a) (b) and (c) categories for usage of power beyond the base consumption for FY23.
- ❖ The Commission, in order to increase the energy sales and to attract the consumers to consume power from ESCOMs, has decided to continue the existing **Special Incentive Scheme** to HT category for one more year.
- ❖ The energy consumption of Effluent Treatment Plant and Drainage Water Treatment Plants installed within the premises of the consumer's installations



by drawing power from the main meter or through sub-meter, will be continued to be billed at the respective tariff category for which the power supply is availed for the installation.

- ❖ The Commission, by considering the environmental and social benefits in processing of the Solid Waste, has decided to continue to bill the power supply arranged to Solid Waste Processing Plant under LT/HT Industrial Category.
- ❖ The Commission with a view to rationalise the tariff structure the two sub-categories under LT4-C(i) and LT4-C(ii) have been merged and made into one category as LT4-C.
- ❖ The Commission to promote the use of eco-friendly Electric Motor Vehicle in the State in line with the policy of the Gol / GoK, has continued the sub-category of LT-6(c) under LT -6 Tariff Schedule in respect of concessional power supply to the **Electric Vehicle Charging Stations by including the Electric Vehicle battery swapping Stations, without increasing the fixed / demand charges and energy charges.**
- ❖ Green Tariff of additional 50 paise per unit over and above the normal tariff, which was introduced a few years ago for HT industries and HT commercial consumers at their option, to promote purchase of renewable energy from ESCOMs, is continued in this Order.
- ❖ The Commission has continued to provide a separate fund for facilitating better Consumer Relations /Consumer Education Programmes.
- ❖ The Commission, as decided in the previous tariff Order, has decided to continue to impose penalty upto Rupees one lakh per sub-division on MESCOM, if it fails to conduct Consumer Interaction meetings at least once in three months and such penalty would be payable by the concerned officers of the MESCOM.

ORDER

1. **In exercise of the powers conferred on the Commission under Sections 62 and 64 and other provisions of the Electricity Act, 2003, the Commission**

hereby approves the ARR as per APR for FY21 and determines the ARR for FY23, FY24 and FY25 and notifies the retail supply tariff of MESCOM for FY23 as stated in Chapter-6 of this Order.

2. The tariff determined in this order shall be applicable to the electricity consumed from the first meter reading date falling on or after 1st April, 2022.
3. This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission at Bengaluru this day, the 4th of April, 2022.



(H.M. Manjunatha)
Officiating Chairman



(M.D. Ravi)
Member

APPENDIX

REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

New Directive:

1. Issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators:

The Commission has observed that in the matter of issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators, the KPTCL/SLDC/ ESCOMs are not adhering to the time frame prescribed by the Commission as per the KERC (Open Access) Regulations, 2004, as amended from time to time. As a result of the delay, substantial quantum of energy is being wheeled/ banked to the transmission/ distribution network under the provisions of 'deemed approval for the W & B facility'. The energy so wheeled/ banked remains unpaid and the generators are made to indefinitely wait for payment and ultimately they are filing petitions before this Commission for settlement of their claims.

Since the energy is wheeled/ banked from RE sources which are having must run status, any delay in giving NOC for wheeling / banking facility or non-payment of the charges for the deemed approved W & B is not justifiable. Whereas, timely action in clearing NOC for W & B facility would avoid all the complications/ litigations in the matter.

The KPTCL, SLDC and ESCOMs are therefore directed to strictly adhere to the timelines fixed by the Commission as per the OA Regulations. For this purpose, they shall define the responsibility centres and fix definite timelines at each of the processing stage and ensure that the W & B applications are disposed of within the prescribed timeframe. They shall fix up personal responsibility on the concerned officials for avoidable delay in giving the NOC.

Compliance of this Directive may be reported within two months from the date of issue of this Tariff Order



Existing Directives:

The Commission, in its Tariff Order dated 9th June 2021, and in its earlier Tariff Orders, has issued several Directives. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission, besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance. The same are discussed below:

1) Directive on conducting Consumers' Interaction Meetings (CIM) in the O & M sub- divisions for redressal of consumer complaints:

The Commission, in its previous Tariff Orders had directed that the MESCOM shall ensure that Consumers' Interaction Meetings (CIM) chaired by the Superintending Engineers, are conducted in each of the O&M Sub-Divisions according to a pre-published schedule, at least once in every three months. Further, the consumers shall be invited to such meetings by giving advance notices through emails, letters, local newspapers, notices on its website etc., to facilitate participation of maximum number of consumers in such meetings. The MESCOM shall ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers. Compliance in this regard shall be reported once in three months to the Commission, indicating the date, the number of consumers attending such meetings and the status of redressal of their complaints.

It was decided that, if MESCOM fails to ensure the conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of up to Rs. One lakh per O&M sub-division per quarter for each instance of non-compliance as per Section 142 and 146 of the Electricity Act 2003 and also direct that such penalty shall be recovered from the concerned Superintending Engineer who fails to conduct such meetings.

Compliance by the MESCOM:

It is submitted that MESCOM is adhering to the directives of the Commission regarding Consumer Interaction meetings which are conducted at the

subdivision level under the chairmanship of Superintending Engineer (El.,) of concerned O&M Circle / Executive Engineer (El.,) of O&M Division with all prior preparations. Publishing of Consumer Interaction Meeting details comprising the schedule of meeting date, time, venue etc., are being notified well in advance through leading newspapers (3 days prior). Consumers are invited to such meetings through e-mails, messages, social media like twitter and face book, regional and local newspapers etc., to facilitate the participation of maximum numbers in such meetings.

MESCOM is having 61 O&M Sub-divisions. During the year 2020-21, consumer interaction meetings have been conducted in all the subdivisions. In the meetings, 625 complaints were brought to the notice of MESCOM for redressal, out of which 871 complaints were disposed. The details relating to the period 2020-21 and 2021-22 (up to September 2021) are furnished for information of the Hon'ble Commission.

Certain complaints of the consumers are of the nature which requires company procedures / regulations to be followed to redress them. Such, complaints are being attended subsequently. Further, details are being submitted to the Commission on quarterly basis for review. The Details of the CIM conducted in MESCOM jurisdiction in the format for FY21 is annexed in Annexure - CIM.

In addition to this, as per the directive, the Assistant Executive Engineers (El.,) are conducting CIM in Sub-divisional level on 3rd Saturday of every month.

During 2020-21, MESCOM has not able to conduct Consumer interaction meetings due to Covid -19 pandemic. However, MESCOM has expedited the consumers to attend Consumer Interaction Meeting via video conference. During the Covid -19 pandemic, MESCOM has taken utmost care to resolve the consumer grievances received at Sub-division level through various mode.



In its replies to preliminary observations, MESCOM has furnished that:

As the Commission is conducting quarterly review meetings, MESCOM is submitting the data relating to quarterly consumer interaction meetings for review. MESCOM has also taken note of the lapses on the part of SEE Shimoga / EEE Shimoga for having not attended the quarterly consumer interaction meetings at Sub-divisional offices. Stringent instructions have also been issued to SEE Shimoga / EEE Shimoga to comply with the Hon'ble Commission's directions.

As a consumer-friendly measure, MESCOM is accepting the grievance from consumers through various possible modes such as phone, email, WhatsApp, etc., In this direction, MESCOM's Sub-divisional officers have conducted phone in programme on 30.01.2021 @ 11:00 AM to resolve the consumer complaints.

Commission's Views:

The MESCOM has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY21 and FY22 till September 2021.

The Commission had directed the ESCOMs to conduct the consumer interaction meetings in the Sub-Divisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer to effectively redress the consumer grievances. The Commission takes note of the submission made by MESCOM that, such meetings are being conducted every Quarter, in its entire area of supply covering all Sub-Divisions.

From the data furnished by MESCOM, it could be seen that there are 773 complaints registered during FY21 and 932 complaints registered during FY22 up to September 2021 are yet to be attended. The Commission is of the view that, conducting quarterly consumer interaction meetings is extremely important, keeping in view the importance of addressing the grievances of the consumers on a priority. The Commission notes with displeasure the large

number of pending complaints and observes that MESCOM is not serious to resolve the complaints as per the directives issued.

Accordingly, the MESCOM is directed to conduct consumer interaction meetings at all the Sub-Divisions without fail and resolve the consumer complaints at an early date.

MESCOM has submitted that, it is not able to conduct Consumer Interaction meeting due to Covid – 19 pandemics and is expediting the consumers to attend CIMs via video conferencing. The Commission is of the opinion that **during the pandemic, it is difficult to conduct the CIMs effectively with physical presence of the general public. In view of this, in order to keep the continuity of the conduct of CIMs, MESCOM is directed to explore the possibility of conducting the CIMs effectively online during such situations.**

Though, MESCOM has claimed that the reports are being sent to the Commission, the reports have not been received in the Commission's office at the end of each quarter in the format prescribed for reporting the conduct of CIMs. MESCOM shall ensure that such reports reach the office of the Commission in future, without fail.

The Commission has observed that, the CIMs conducted in Shivamogga and Bhadravathi are not chaired by neither the Superintending Engineer (EI) nor the jurisdictional Executive Engineer (EI). **The Commission directs MESCOM to submit a report on this issue, giving details of the number of CIMs conducted during the previous 3 years showing as to whether the Officers are consistently following the directives of the Commission or otherwise, within 3 months from the date of this Order, to enable the Commission to take further action in the matter.**

Further, the Commission desires that, such meetings are strictly chaired by the Officer not below the rank of either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer. Also, the Commission hereby informs

MESCOM that, if the consumer interaction meetings are conducted in the Sub-Divisions without the participation of the Superintending Engineers or the Executive Engineers, then it will be considered as non-compliance of the directives of the Commission and the Commission would consider imposing a penalty of up to Rs. One lakh per O&M Sub-Division per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the personal account of concerned Superintending Engineer or Executive Engineer, as the case may be, for failure to conduct / organize such meetings.

Advance notice shall be sent to the stakeholders by email / website and through SMS (by maintaining / updating the consumer database) well in advance. Information on the schedule of the Consumer Interaction Meeting, date, time, venue etc., shall be published in the form of news item in the leading local / regional newspapers, at least 3 days prior to the conduct of the meeting, to ensure that a greater number of consumers take part in such meetings.

In addition to the quarterly meetings chaired by the SEE or the EE, the concerned Assistant Executive Engineer (EI) shall conduct the CIM on third Saturday of every month so as to attend to the grievances of the consumers, as is being done in other ESCOMs.

A compliance report (Quarterly) shall be submitted to the Commission regularly in the format given in the previous Tariff Order, along with the copy of the proceedings of each meeting.

2) Directive on preparation of energy bills on monthly basis by considering 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access (OA)

The Commission notes that due to implementation of billing based on 15 minutes' time block, there is a substantial increase in the revenue to the

MESCOM from the HT consumers, who are drawing energy through open access and directed the MESCOM to continue the efforts effectively.

The Commission had directed MESCOM to ensure preparation of energy bills on a monthly basis by considering a 15 minute's time block in respect of EHT / HT consumers importing power through power exchange/ any other source, under Open Access and that, the MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted quarterly to the Commission, regularly. The Commission also directed the MESCOM to quantify the billing and report.

Compliance by the MESCOM:

As per the directive, MESCOM has been ensuring that preparation of energy bills on monthly basis by considering the 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access.

MESCOM has furnished the details of month-wise number of OA consumers sourcing power from power exchange, OA energy scheduled / consumed in MU and inadvertently banked energy for FY21 and FY22, till September 2021. During 2020-21, inadvertently banked energy is 3.80 MU amounting to Rs.2.774 Crores at the Retail tariff of Rs.7.30. During 2021-22 (up to September 2021), inadvertently banked energy is 1.37 MU amounting to Rs.1.00 Crores at the Retail tariff of Rs.7.30 per unit.

Commission's Views:

The Commission notes that the MESCOM has complied with the directive by taking up preparation of energy bills on a monthly basis, considering the 15 minutes' time block in respect of EHT / HT consumers importing power through power exchange under OA. It is seen that the introduction of 15 minutes' billing has resulted in significant quantum of energy saving of 3.80 MU during FY21 and 1.37 MU during FY22 till September 2021. The stand taken by the

Commission in directing the MESCOM to prepare monthly EHT / HT consumer bills on 15 minutes' time block period has prevented a revenue loss of Rs.2.774 Crores to MESOM during FY21 and Rs.1.00 Crores during FY22 till September 2021 from the consumers who took advantage of its laxity in enforcing correct billing. The MESCOM is required to adhere to the directive and submit regularly month-wise details of number of open access consumers, open access units scheduled / consumed and illegally banked energy if any along with the details of revenue gain.

MESCOM shall ensure that the scheme of 15 minutes' time block billing is enforced on all applicable EHT / HT consumers from the month from which the necessary infrastructure was available.

The Commission reiterates its directive that the MESCOM shall continue to prepare the energy bills on monthly basis considering the 15 minutes' time block period in respect of all EHT / HT consumers importing power through power exchanges under open access. Since this is a routine billing issue to be attended by MESCOM, the Commission decides not to pursue it further and drop the directive.

3) Directive on Energy Conservation:

The Commission had directed that, the MESCOM to service all the new installations only after ensuring that the equipment installed in the consumer's premises are BEE ***** (Bureau of Energy Efficiency five-star rating) rated viz., Air Conditioners, Fans, Refrigerators, etc., which are considered to be energy efficient.

On similar lines, MESCOM was directed to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points.

Also, the Commission had directed the MESCOM to take up programmes to educate all the domestic, commercial and industrial consumers, through the media and by distributing pamphlets, giving details of the benefits of using five-star rated equipment certified by the Bureau of Energy Efficiency in reducing their monthly electricity bills and conservation of precious energy along with monthly bills.

Considering the practical difficulty expressed by the ESCOMs, by partially modifying the earlier directive, the Commission reiterated its directive with the directions to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street lights and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis.

Compliance by the MESCOM:

MESCOM has submitted the details of distribution of 9 Watt LED bulbs, LED Tube lights and BEE 5 Star rated Ceiling Fans (cumulative) through M/s Energy Efficiency Services Limited (EESL) under Hosabelaku / Ujala scheme as on 16.11.2021. In order to create awareness on energy conservation and usage of star rated equipment among the public, banners have been displayed and pamphlets have been distributed to the consumers. Further, in MESCOM website, 'Consumers Handbook' and in 'Nanna MESCOM' App, information has been displayed regarding saving of energy through use of Energy Efficiency equipment.

MESCOM has been insisting upon all the consumers to install star rated pumps for irrigation pump sets while sanctioning the power and the same is being ensured while servicing the installations. Further, while sanctioning power to other category, consumers are being insisted to install energy efficient equipment such as LED lights, star rated refrigerators, AC, geysers, solar water heaters for energy conservation.



However, as in most of household installations the equipment is being installed at a later stage and also there are options for consumers to go for low cost inefficient equipment in the market, ensuring the installation of energy efficient equipment is practically challenging.

Also, action has been taken to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps are provided to the street light points. Instructions have been given to conduct random inspection by jurisdictional EEs / SEEs in this regard.

MESCOM has been requesting all the Municipal & other local bodies to mandatorily install LED streetlights for new installations and retrofitting of fluorescent lamps / Sodium vapor lamps required in order to save the during the night time.

In MESCOM offices, LED lights, star rated pumps for bore wells, star rated Air Conditioners are being used. Further, action has also been taken to replace the inefficient air conditioners in all the MESCOM offices by BEE 5 star rated equipment. Further, Solar roof top with a total capacity of 817 kWp in 56 MESCOM office buildings are in service which also conserve the energy.

Further, MESCOM has been requesting the prospective consumers to use / install star rated equipment's such as Air Conditioners, Fans, Refrigerators etc., in order to conserve the electrical energy. Utilization of star rated equipment by the consumers are not in the hand of distribution licensee, hence, it is requested to KERC to drop this directive in future.

In its replies to preliminary observations, MESCOM has furnished that:

- Action has been taken for installing LED lights, star rated pumps for bore wells, star rated Air conditioners in all new buildings.



- Action has been taken to install BEE 5 star rated equipment by replacing inefficient air conditioners present in all the MESCOM offices while on replacement of faulty equipment.

Promoting Energy Conservation

- Banners have been displayed and pamphlets have been distributed to the consumers to create awareness on energy conservation and usage of star rated equipment among the public.
- To promote usage of Energy Efficiency equipment & conservation of energy, information has been displayed in MESCOM website, in 'Consumers Handbook' and in 'Nanna MESCOM' App for saving of energy.
- In the Power sanction letter, MESCOM is insisting consumers to install star rated pumps for irrigation pump sets and same is being ensured while servicing the installations.
- Further, while sanctioning the power to other categories, the consumers are being insisted to install energy efficient equipment such as LED lights, star rated refrigerators, AC, geysers, solar water heaters for energy conservation. In practice, as in most of household installations the equipment is being installed at a later stage and also there are options for consumers to go for low cost inefficient equipment in the market, ensuring the installation of energy efficient equipment is practically challenging.

Service of Street light installations;

- Action has been taken to ensure that LED lamps / energy efficient lamps are provided to the street light points while servicing all new streetlight / high mast installations including extensions made to the existing streetlight circuits.
- Further, in this regard, jurisdictional EEs / SEEs have been instructed to conduct random inspection.

Commission's Views:

The Commission notes that, MESCOM has not been submitting the compliance regularly on implementation of the directive. MESCOM appears to have not

issued any Circulars towards implementation of the directive as no such references are indicated in the tariff filing.

Further, it is also observed that MESCOM has merely stated that it is insisting on servicing the consumer installations with 5 star rated equipment without elaborating on this or submitting the detailed progress achieved. The Commission is of the view that, merely insisting the consumer to provide 5 star rated equipment without actually doing nothing in the field, is highly misleading and amounts to non-compliance of the directive by MESCOM.

The Commission notes that the MESCOM has not submitted the compliance in respect of ensuring and providing LED lamps / energy efficient lamps while servicing of new streetlight / high mast installations including extensions made to the existing streetlight circuits. This shows that the MESCOM has not implemented the directive in its letter and spirit, to take forward the initiative of conservation of energy.

MESCOM is not furnishing the details on the progress in respect of installation of BEE five-star rated Energy Efficient Appliances in its offices along with the details of number of offices covered, energy saved etc., It is also noted that the MESCOM is said to have only implemented "Hosa Belaku" and "Pavan" programme under which it is distributing energy efficient lamps, fans, etc., to the consumers which appears to have had limited success. MESCOM has to take up the replacement of high-power consuming lights by LED bulbs and LED tube lights in all of its offices in a phased manner to be a model to the other consumers, by depicting energy savings and their benefits to the general consumers. But the Commission has not seen implementation of such work by MESCOM and finds that the progress in implementation of this directive is far from satisfactory.

Considering the overall progress in implementing the directive, the Commission finds that this could have been much better. Therefore, the Commission directs MESCOM to focus on effective implementation of this directive by periodically

reviewing the progress of implementation in the field and take necessary corrective steps.

Further, the Commission directs MESCOM to increase the number of awareness programs to the consumers / public, for use of LED bulbs, energy efficient electrical equipment etc., by making use of the fund reserved for customer relation / education program.

The Commission reiterates its directive to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis.

Since the directive on use of energy efficient by consumers is of only advisory in nature and is not directly related to ESCOMs but at the same time not difficult to implement, in the interest of the energy conservation, the Commission directs MESCOM to continue its efforts towards the conservation of energy. Hence, the Commission would not pursue this Directive hereafter and hereby drops the directive.

4) Directive on implementation of Standards of Performance (SoP)

The MESCOM was directed to implement the specified Standards of Performance strictly, while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the MESCOM was directed to display prominently, in both Kannada & English languages, the details of various critical services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure-1 of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all

the jurisdictional offices of O & M Sections and O & M Sub-Divisions, for information of the consumers, as per the format given in the previous Tariff Order.

Compliance by the MESCOM:

It is submitted that as per the directive, MESCOM has taken action to display in the prescribed format in each Section Office and Sub-division Office in a visible place, which can be viewed by all the visitors to the Office and also for the information of the consumers, Handbook on SoP is displayed in the official website of MESCOM.

It is informed that MESCOM has educated all the field staff up to linemen on the SoP and the consequences of non-adherence to the SoP during its regular training by HRD wing (2020-21: 830 Nos). MESCOM has published the "HAND BOOK" (KAIPIDI) in Kannada on the SoP and distributed to all the staff and stakeholders. The copy of the same is also hosted in the MESCOM website for the information of the consumers.

MESCOM adhering to the specified Standards of Performance while rendering services to ensure that consumer complaints are attended to in a time bound manner as per the KERC (Licensee's Standards of Performance) Regulations, 2004.

During FY21 and FY22 (up to September 2021) compensation amount claimed by the consumers for delayed services is Nil.

For creating awareness among the consumers towards Electricity (Rights of Consumers) Rules, 2020, MESCOM has taken action to distribute the posters to all the offices of MESCOM jurisdiction which is supplied by REC. As per directives of the Commission, MESCOM has submitted the comments / suggestions / proposal for amendments, to the existing Regulations in order to enable complete implementation of these Rules.



In its replies to preliminary observations, MESCOM has furnished that:

The MESCOM has taken action to display parameters in all its O&M Sub-divisions and O&M Sections.

MESCOM is doing effective supervision over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity. The details of number of violations of SoP by officers, sub-division-wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service and orientation programme conducted in Hobli level is as shown in Annexure-SoP.

It is submitted that MESCOM has instructed the field officers to conduct the awareness campaigns at the Hobli levels for educating consumers. Further, MESCOM has taken the opportunity to distribute the "Grahakara Kaipidi" during Jansamparka Sabha and Gram Sabha.

As per the directive, MESCOM will submit the compliance periodically.

Commission's Views:

Karnataka State has surplus power availability. It has become all the more essential duty of MESCOM to supply quality and reliable power to consumers. Hence, the Standards of Performance (SoP) for Distribution Licensees specified by the Commission need to be implemented in all its letter and spirit.

In order to make the consumers aware of the SoP prescribed by the Commission and make consumers get prompt services from MESCOM, it is its duty to display the Standards of Performance in all its offices, website etc., As per the submissions made by MESCOM in its Tariff application, it is observed that, MESCOM has failed to conduct the awareness campaigns on SoP for consumers at Hobli level. If it has conducted such awareness campaigns, MESCOM has failed to furnish the details of such campaigns properly.



Hence, the Commission, while taking note of the MESCOM's compliance, reiterates that the MESCOM shall continue to adhere to the directives on the specified Standards of Performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the MESCOM to carry out effective supervision over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity. The Commission also directs MESCOM to submit the details of number of violations of SoP by officers, Sub-division-wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service.

MESCOM shall continue to display SoP in each Section Office and Sub-division Office, in a conspicuous place, which can be viewed by all the visitors to the Office. At the end of SoP, it should be mentioned that, consumers can claim compensation from the concerned officer by filing a complaint before the CGRF in the Form - A, available in the KERC (CGRF and Ombudsman) Regulations, 2004.

The Commission reiterates and directs MESCOM to conduct awareness campaign at the Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. MESCOM shall conduct necessary orientation programme for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non-adherence to the SoP.

MESCOM shall consider and continue bringing in a system of recognizing the best performing sub-division / section in terms of adherence to SoP and publicize such recognition so as to incentivize better performance from the officers / personnel concerned.

MESCOM is hereby directed to conduct awareness programme to its officers and staff on these Rules and ensure that these Rules are implemented in all its



letter and spirit. The Commission would regularly monitor the implementation of these Rules by the ESCOMs.

5) Directive on use of safety gear by linemen / Power men:

With a view to reduce the electrical accidents to the lineman working in the field, the Commission had directed the MESCOM to ensure that all the linemen in its jurisdiction are provided with proper and adequate safety gears and also ensure that the linemen use such safety gears while working on the distribution network. The MESCOM was directed to sensitize the linemen about the need for adoption of safety aspects in their work through suitably designed training and awareness programmes. The MESCOM was also directed to device suitable reporting system on the use of safety gear and mandate supervisory / higher officers to regularly cross check the compliance by the linemen and take disciplinary action on the concerned if violations are noticed. The MESCOM was directed to implement this directive within one month from the date of this order and submit compliance report to the Commission.

Compliance by the MESCOM:

MESCOM has provided safety gadgets to its all power men. MESCOM has spent Rs.53.488 Lakhs during 2021-22 for refurbishment of safety gears and T&P materials to linemen / power men (Safety Helmets -1084 Nos, Tool Kit-562 Nos, Cutting plier- 265 Nos, Aluminum Support Ladders-47 Nos, Gumboots-3256 Pairs, Rechargeable LED Hand Torch-388 Nos, First Aid Box-34 Sets, Bill hook- 48 Nos and C-hook 16 Nos & Chain Saw (Motorized)-5 Nos, Rain Coat-4000Nos, Tree pruner-400 Nos),. In order to avoid occurrence of electrical accidents in the distribution system, imparted training to all the field staffs on safety aspects periodically through HRD wing. MESCOM has taken initiative to increase the frequency of imparting training to linemen so that adherence to safety aspects becomes part of their routine.



Every Monday Safety meeting is being conducted in every section and taking oath for using safety gears and creation of Safety zone while working. MESCOM has ensuring in its jurisdiction that all the linemen are provided with proper and adequate safety gear and the linemen use such safety gear provided to them while working on the distribution network.

MESCOM has taken more attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non-adherence of safety procedures by the field staff while carrying out the work on the distribution network. MESCOM has appointed Chief Engineer (Elec..) of the O&M, Zone as 'Electrical Safety Officer' and given instructions to take all the safety measures.

The MESCOM HRD wing has conducted the training for power men related to safety measures to be taken while working on electrical network and the details are as follows:

Financial year	Total team	No. of trainees attended
2020-21	25	698

In its replies to preliminary observations, MESCOM has submitted that:

2,520 number of line staff are working in MESCOM jurisdiction and they are provided with complete set of safety gear and no contract employees are working.

Suitable instructions have been issued to the field staff to use the safety gears provided to them, ensure proper line clear from the concerned section officers and to create safety zone before working on the Distribution network.

Commission's Views:

It has been brought to the notice of the Commission by the consumers and also report of the CEIG on accidents that the safety gears / equipment are not being used by all the linemen at work in the field and hence the number of

electrical accidents are increasing every year. The Commission considers that not providing appropriate safety gear / equipment to the staff at work place amounts to a serious violation of human rights by MESCOM.

The Commission notes that though MESCOM has provided safety gadgets to its linemen, electrical accidents are occurring in the distribution system mainly due to non-adherence to safety procedures by the field staff, while working on the distribution network. Therefore, it is very important that the MESCOM should focus on safety aspects in its operations with a view to reduce or minimize the electrical accidents. Also, imparting training to all the field staff on safety aspects periodically should become part of the routine.

The Commission, while taking note of the MESCOM's compliance on the directive, stresses that the MESCOM should continue to give attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non adherence of safety procedures by the field staff while carrying out the work on the distribution network. MESCOM should continue to give training to the linemen periodically on adherence to safety aspects / procedure, so that they carry out their work safely / effectively.

The Commission hereby directs that adequate quantities of all safety gears / equipment shall be procured periodically and sufficient inventory of these materials shall also be maintained. MESCOM should take action to empanel suppliers of safety gear / equipment, so that the procurement / replacement is quicker.

The Commission reiterates its directive that the MESCOM shall continue to ensure that, all the linemen and other field staff are provided with adequate and appropriate safety equipment and the linemen and other field staff use the same while carrying out the work in the field. The compliance in this regard shall be submitted once in a quarter to the Commission regularly. Protocols should be drawn on procedures to be adopted / roles and responsibilities fixed



in respect of all those involved in working on (live) lines / installations for repairs etc., based on case studies.

6) Directive on Providing Timer Switches to Streetlights by the MESCOM

The Commission had directed the MESCOM to install timer switches using own funds to all the streetlight installations in its jurisdiction wherever the local bodies have not provided the same and later recover the cost from them. The MESCOM shall also take up periodical inspection of timer switches installed and ensure that they are in working conditions. They shall undertake necessary repairs / replacement work, if required and later recover the cost from local bodies. The compliance regarding the progress of installation of timer switches to street light installations shall be reported to the Commission within three months of the issue of this Order.

Compliance by the MESCOM:

As per the directives MESCOM has requested to Municipal / local bodies, while new streetlight installations are serviced and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches.

MESCOM has been ensuring that the service to the new Streetlight installation is done with timer switches and all local bodies have reacted positively in this regard. The local bodies were also informed about the rectification of hazardous streetlight installations under their control. Hence, it is requested the Commission to drop this directive in future.

After continuous persuasion by MESCOM, Mangalore and Shivamogga Municipal Authorities have taken up the project for providing Centralized Control and Monitoring System (CCMS) and retrofitting of conventional light by LED lights in all the wards of Municipality under Smart City.

In its replies to preliminary observations, MESCOM has furnished that:

The details of number of Street Light installations existing as at the beginning of the year and serviced during the year is annexed in Annexure-ST.

MESCOM has issued directions to field officers to ensure that LED lamps / energy efficient lamps are provided to the street light points while servicing all the new streetlight / high mast installations including extensions made to the existing streetlight circuits.

As per the directive, MESCOM will submit the compliance periodically. vided while servicing of new streetlight installations.

Commission's Views:

As per the data furnished by MESCOM, in its Tariff Filing and the replies to the preliminary observations, it is observed that it has serviced 2,364 number of street light installations during FY21. Whereas, the number of street light installations serviced along with the timer switches is only 1,414. It is clear that MESCOM has serviced the balance 950 number of street light installations without the timer switches. This shows that the MESCOM has not given focus to this issue and has not coordinated with the concerned local authorities in installation of timer switches while servicing the new street light installations, thus increasing the inventory of street light installations requiring timer switches.

From the above, it can be seen that, MESCOM is servicing the Street Light installations without the timer switches, despite issue of directives by the Commission. MESCOM is not insisting the Municipal authorities to provide timer switches, while servicing the new streetlight installations. The inaction by the MESCOM has actually resulted in increase of number of street light installations requiring timer switches. This is a continuous action, and if timely action is not initiated, it results in wastage of electricity and the energy conservation is defeated.

MESCOM has informed that, Mangalore and Shivamogga Municipal Authorities have taken up the project for providing Centralized Control and monitoring



System (CCMS) and retrofitting of conventional light by LED lights in all the wards of Municipality under Smart City. But has not indicated the action taken in other areas of its operation. Hence, **MESCOM should seriously pursue this matter with the concerned local authorities strictly ensure fixing of timer switches while servicing the new installations.**

The Commission has noted the fact that, providing the timer switches to the street light installations fall under the purview of the BBMP / Municipal Administration. At the same time, it is the duty of the Distribution Licensee to adhere to the directives of the Commission while servicing the new or the extended circuit of the street light installations by getting the timers switches installed. This shows utter negligence by MESCOM in following the directives of the Commission.

Therefore, the Commission reiterates its directive that the while servicing installations MESCOM shall ensure that, all the new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches and energy efficient lamps. MESCOM should Initiate necessary disciplinary action on the erring officers, who service such street light installations without a timer switch and energy efficient lamps.

It is the bounden duty of the Distribution Licensee to service the new or the extended circuit of the street light installations by following the directions of the Commission. MESCOM shall also explore the possibilities of fixing the timer switches to the existing street light installations through funding through Corporate Social Responsibility activities and if necessary, avail the services of EESL etc.,

As the responsibility of fixing the timer switches lies with Municipal authorities, the Commission decides to drop this Directive with the hope that MESCOM would take forward this issue with all seriousness in the interest of energy conservation and saving the power purchase cost of MESCOM.



7) Directive on load shedding:

In respect of Load Shedding, the Commission had directed that:

- i) Load shedding required for planned maintenance of transmission / distribution networks should be notified in daily newspapers at least 24 hours in advance for the information of consumers;
- ii) The MESCOM shall, on a daily basis estimate the hourly requirement of power for each sub-station in its jurisdiction based on the seasonal conditions and other factors affecting demand;
- iii) Any likelihood of shortfall in the availability during the course of the day should be anticipated and the quantum of load shedding should be estimated in advance. Specific sub-stations and feeders should be identified for load shedding for the minimum required period with due intimation to the concerned Sub-Divisions and sub-stations;
- iv) The likelihood of interruption in power supply with time and duration of such interruptions may be intimated to consumers through SMS and other means;
- v) Where load shedding has to be resorted due to unforeseen reduction in the availability of power, or for other reasons, consumers may be informed of the likely time of restoration of supply through SMS and other means;
- vi) Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders;
- vii) The MESCOM should review the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding after consulting other ESCOMs in the State about the possibility of inter-ESCOM load adjustment during the month;
- viii) The MESCOM shall submit to the Commission their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval;
- ix) The MESCOM shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means;



- x) The MESCOM shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month;

The Commission had directed that the MESCOM shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated that it would review the compliance of directions on a monthly basis for appropriate orders.

Compliance by the MESCOM:

MESCOM has submitted that, 3 phase & single phase power supply is being arranged in all the districts of MESCOM as per the GoK Order. Scheduled outage for planned maintenance of distribution networks prior notification is being given in daily newspapers for the information of the consumers and also week ahead district wise planned maintenance of distribution networks is being publishing in the MESCOM website regularly. As per the directive, MESCOM has taken care to avoid frequent load shedding of 11 kV Feeders to avoid inconvenience to consumers / public.

MESCOM has taken pro-active measures to provide information to the consumers through SMS about the time and duration of interruptions in power supply due to various reasons. MESCOM is using "URJA MITRA", the mobile based and web based application, developed and deployed by the RECTPCL under the initiative of Ministry of Power and base data required by the application is updated in the database of the application, for dissemination & the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the information of the consumers through SMS. As on 02.11.2021, 20.745 Lakhs consumers of MESCOM are registered and getting outage information through URJA MITRA applications.

As per the directive of Hon'ble commission, the MESCOM is submitting its projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month to the Commission regularly.

MESCOM is striving hard to minimize power interruptions and ensure continuous power supply to its esteemed consumers. MESCOM has conducted orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply at the earliest and strictly adhering to the SoP. MESCOM has taken up strict supervision over repairs to the transformers and ensure good quality repairs.

Further MESCOM has developed in-house software for Customer Care Centre and has publishing scheduled and unscheduled interruption details regularly helping consumers to know which type of interruption occurred and expected restoration time, etc.,

In its replies to preliminary observations, MESCOM has furnished that:

MESCOM has taken action to update the consumer data as to the applications used for public information system on power system interruption etc., As on 20.12.2021, total 20.985 Lakhs consumers are brought under Urja Mitra and 2.32 Cores messages have been sent to the registered consumers. Scheduled Power outages in MESCOM are publishing in the website in advance by a link:

<https://mescom.karnataka.gov.in/page/PUBLICATIONS/Power+Outages/en>.

Also unscheduled outages real time information being displayed on MESCOM website.

Commission's Views:

The Commission notes that, MESCOM is making use of the URJA Mitra App developed by RECTPCL for emanating messages to provide the information of scheduled and unscheduled power outages, emergency outages, restoration

time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the consumers through SMS. MESCOM, in its tariff application, has submitted that, as on 20.12.2021 the data of 20.985 Lakh consumers is uploaded. MESCOM has to take further steps to update the database with the entire consumer strength of the Company to make the App effective.

URJA Mitra is a mobile application, which can be used as a link between MESCOM, field staff and citizens for facilitation of outage information dissemination to all the consumers through SMS. The application can also be integrated with any other system. This would significantly address the "consumers' dissatisfaction" on this issue and prevent inconvenience / disruption caused to the consumers especially the industrial consumers.

The Commission considers that one of the main reasons for power disruption is the failure of the distribution transformers. The failure rate of distribution transformers is increasing significantly thus increasing the interruptions which are causing inconvenience to the consumers. The Commission notes that, though the availability of power has improved resulting in surplus power situation, the distribution network reliability has not similarly improved, causing frequent disruptions in power supply, causing hardship to the consumers and also loss of revenue to the MESCOM. The Commission directs MESCOM to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. MESCOM shall submit the action plan in this regard to the Commission within 3 months of this order.

As per the SoP (Indicative Maximum time limit for rendering service) set by the Commission, the MESCOM is required to restore power supply affected due to distribution transformers failure within 24 Hours in City and Town areas and within 72 Hours in Rural areas. However, during the public hearing the consumers have complained that the MESCOM is not adhering to the SoP fixed by the Commission and that the field officers are not attending to minor faults and are taking longer time for restoring power supply. It is further noted that, lack of regular maintenance and poor quality of repairs have also contributed



to the increase in number of failures of distribution transformers. MESCOM, has not submitted any details regarding the action plan for reducing the distribution transformer failure in its area of operation in the tariff filing.

The Commission hereby directs MESCOM to continue to conduct orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply within a least possible time. MESCOM is also directed to take action to effectively monitor and supervise the work of periodical maintenance and repairs to the transformers and fix personal responsibility on the erring staff / officer in case of poor maintenance and poor quality of repairs.

While, MESCOM has not furnished in detail on the conduct of orientation program / workshops to the field staff to equip and motivate them to attend to the minor faults at site itself wherever possible and restore power supply as early as possible and the action taken on the erring staff / officer in case of poor maintenance and poor quality of repairs.

The MESCOM is directed to submit the projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month regularly to the Commission without fail or shall submit the details of difficulty in submitting such data along with the alternate methods for submitting such data.

The Commission reiterates that MESCOM shall comply with the directive on load shedding and submit monthly compliance reports thereon to the Commission regularly.

8) Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints:

The MESCOM is directed to put in place a 24 x 7 fully equipped Centralized Consumer Service Centre at its Headquarters with a state-of-the-art facility / system for receiving consumer complaints and monitoring their redressal so that



electricity consumers in its area of supply are able to seek and obtain timely and efficient services in the matter of their grievances. Such a Service Centre shall have adequate desk operators in each shift so that the consumers across the jurisdiction of the MESCOM are able to lodge their complaints to this Centre.

Every complaint, received through various modes in the center shall be registered by the desk operator and the complaint register (Docket No.) number shall be intimated to the Consumer through SMS. In turn, the complaints shall be transferred online to the concerned field staff for resolving the issue. The concerned O&M / local service station staff shall visit the complainant's premises at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. Then, the desk operator shall call the complainant and confirm with him as to whether the complaint has been resolved. The complaint shall be closed only after confirmation by the consumer. Such a system should also generate daily reports indicating the number / nature of complaints received, complaints attended, complaints pending and reasons for not attending to the complaints along with the names of the officers responsible with remarks be placed before the Management on the following day for attention to review and take corrective action in case of any pendency / delay in attending to the complaints.

The MESCOM shall publish the details of complaint handling procedure / Mechanism with contact numbers in the local media or in any other form periodically for the information of the consumers.

The Commission directs the MESCOM to establish / strengthen 24 x 7 service stations, equipping them with separate vehicles & adequate line crew, safety kits and maintenance materials at all its sub-divisions including the rural areas for effective redressal of consumer complaints.



Compliance by the MESCOM:

As per the directive of the Commission, MESCOM has established a 24 x 7 Centralized Consumer Service Centre at Mangaluru and the complaints are being received from all the consumers of MESCOM at this customer care center. The consumers are requested to lodge their complaints related to electricity using helpline number '1912' For better utilization of services of customer care center and resolve their complaints. The activities of Consumer Care Centre and the overall supervision is being done by the SEE, SCADA & DCC and daily activities are being looked after by their subordinates.

MESCOM has developed in-house software for Customer Care Centre and is maintained by MESCOM itself and also made provision for consumers to register the complaints through this web application as "Quick complaints".

The MESCOM has given suitable instructions to its field officers to attend to the complaints efficiently in order to avoid delay. MESCOM has already established 54 full-fledged 24 Hours service stations and 2 number of 12 Hours service stations by providing men, material and vehicle to redress the consumer complaints.

MESCOM has provided training to all the staff working in the Consumer Service Centre as to how to behave with consumers politely and also it is made tradition to give training on every month through teleconference to its field staff.

The MESCOM has taken appropriate measures to popularize the same through local newspapers and local TV channels. Additionally, MESCOM has extended the following services to its esteemed consumers:

- WhatsApp: 9483041912
- Facebook: www.facebook.com/mescomkarnataka
- Twitter: www.twitter.com/MESCOM_official
- Website: www.mesco.karnataka.gov.in



For public awareness, wide publicity is also being given in the daily newspapers.

In its replies to preliminary observations, MESCOM has stated that:

Customer Care Centre is in regular contact with the Service Station crew members to attend to the complaints effectively and it has helped considerably to reduce the complaint downtime. However, it is to be submitted that, majority of MESCOM's geographical area covers hilly and forest terrains and whenever the faults due to unforeseen / technical occurs attending to the complaints within short time may not be possible. However, the same are being attended within the time schedule prescribed in SoP. Hence, it will be difficult to reduce down time year on year in a trajected manner. In spite of that, MESCOM is committed to ensure uninterrupted power supply to its consumers.

The Comparison of the downtime analysis for FY21 and FY22 (up to September 2021) is enclosed as Annexure-CC.

Commission's Views:

The Commission notes that the MESCOM has established necessary infrastructure for effective redressal of consumer complaints. While taking note of the efforts made by MESCOM, it is observed that, the number of complaints is increasing year on year.

The MESCOM, in its current tariff filing has not furnished in detail the information on the training conducted on behavioral attitude to the executives working in the Centralized Customer Care Centre. MESCOM has to furnish the details on the conduct of such training organized.

While appreciating the efforts put in by MESCOM, the Commission directs MESCOM to continue to instruct the agency employing and deploying such



executives to impart suitable training on public relations and behavioral attitude, interpersonal relations etc.,

MESCOM shall bring in a system of recognizing the best performing customer care executive every week / fortnight / month' and publicize such recognition so as to incentivize better performance from them. The Commission directs MESCOM to deploy a Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials / executives.

As per the information furnished by MESCOM in its compliance to preliminary observations, it is observed that the average time taken for attending a complaint in FY21 has increased as compared with FY20, in few of the important parameters. The Commission hereby directs MESCOM to continue its efforts in improving the delivery of consumer services, especially in reducing time required for resolving consumer complaints. The Commission also directs MESCOM to analyze the nature of complaints registered and take action to minimize the number of complaints. It is also imperative on the part of MESCOM that necessary steps are taken to continuously sensitize the field-staff about efficient handling of consumer complaints apart from improving their general efficiency.

The Commission reiterates its directive to the MESCOM to periodically publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, continue to host it on its website and also publish it through other modes, for the information of public and ensure that all the complaints of consumers are registered only through the Centralized Consumer Service Centre for proper monitoring and disposal of complaints registered. The compliance in this regard shall be furnished once in a quarter regularly, to the Commission.



9) Directive on Energy Audit:

The Commission had directed the MESCOM to prepare a metering plan for energy audit to measure the energy received in each of the Interface Points and to account the energy sales. The Commission had also directed the MESCOM to conduct energy audit and chalk out an action plan to reduce distribution losses to a maximum of 15 percent in the towns / cities having a population of over 50,000, where it is above this level.

The Commission had earlier directed the MESCOM to complete installation of meters at the DTCs by 31st December, 2010. In this regard the MESCOM is required to furnish to the Commission the following information on a monthly basis:

- a) Number of DTCs existing in the Company.
- b) Number of DTCs already metered.
- c) Number of DTCs yet to be metered.
- d) Time bound monthly programme for completion of the work.

Compliance by the MESCOM:

Several initiatives have been taken up for reduction of distribution loss in MESCOM by strengthening distribution systems which includes establishment of new sub stations, enhancement in the existing sub-stations, addition of new distribution transformers in low voltage pockets, enhancement of distribution transformers to avoid overloading of systems, re-conductoring of HT/LT lines/EHT lines, bifurcation of feeders, construction of link lines, etc.,

MESCOM has furnished the details of energy audit of Division wise, Town wise, 11 kV feeder wise, DTCs (summary) for FY21 and FY22 till September 2021.

In MESCOM Feeder audit is carried out to all feeders except the idle / faulty / newly charged / feeders under improvement works in progress.



In MESCOM, all the field staff were strictly instructed to do the tagging of all the installations with their respective feeders and DTCs.

MESCOM has taken initiation to conduct the division level workshops for educating the officers of all cadres about the importance and the methodology to be followed while conducting energy audit. As a first step workshop was conducted in Kavour division. Due to pandemic, program could not be continued in other divisions. Further, it is submitted to the Honorable Commission that orientation program to all remaining divisions will be conducted in upcoming months and compliance will be submitted to the same.

In its replies to preliminary observations, MESCOM has submitted that:

In MESCOM at the end of September 2021, 46,868 DTC meters are commissioned. The audit was being carried out to the DTCs with good meters. It is to bring to kind notice of the Hon'ble Commission that, 27,023 DTC meters were fixed by M/s AFTL. 36% of communication achieved, (From which input to DTC is available online). Initiation has been taken to conduct the DTC audit without manual intervention by achieving coordination with the M/s Zygox.

Following remedial measures has been taken to reduce the losses in DTCs.

- 1) All the field staff are directed to carry out DTC wise tagging of installations and to submit energy audit of all metered DTCs every month.
- 2) All circle SEEs have been instructed to review energy audit in monthly review meetings and to analyse the data and to take necessary action in this regard.
- 3) Action has been taken to replace MNR meters / faulty meters and faulty CTs so as to get the accurate consumption.

Consumer indexing is a regular process. All the field staff are instructed to Tag the consumers to respective DTCS/ Feeders.

Details of tagging as at the end of November 2021 are as follows:



Circle	Consumers existing	Consumers tagged	Percentage of tagging
Mangaluru	8,67,946	8,67,946	100.00%
Udupi	4,94,461	4,94,461	100.00%
Shivamogga	7,03,446	6,68,332	95.01%
Chikkamagaluru	4,71,909	3,78,630	80.23%
Total	25,37,762	24,09,369	94.94%

Commission's Views:

The Commission notes that the distribution losses in respect of Bantwal, Sagar, Shikaripur, Chikkamagalur, Koppa and Kadur are more than 10% during FY22 (till September 2021 data) and therefore, MESCOM needs to initiate specific remedial measures to bring down the loss levels in respect of these Divisions.

The Commission had directed MESCOM to submit the monthly energy audit reports of cities / towns with detailed analysis regularly, to the Commission. The MESCOM needs to conduct energy audit of identified cities / towns and on the basis of energy audit results, initiate necessary action to reduce the distribution losses and improve collection efficiency so as to achieve the targeted AT & C loss of less than 15 per cent. The MESCOM is directed to conduct such energy audit and submit compliance thereon every quarter, regularly to the Commission.

The Commission notes that, despite providing meters to large number of DTCs, the MESCOM has failed to take up DTC-wise energy audit of all the DTCs where metering is completed. The Commission notes that the MESCOM has already provided meters to 46,868 number of DTCs and conducted the audit of only a meagre number of 20,364 DTCs. It is difficult to understand as to what prevents MESCOM from taking up DTC-wise energy audit in spite of metering. This shows that the MESCOM is not serious about taking up DTC level energy audit, despite taking up metering of the DTCs at a huge capex. The MESCOM has also not submitted the compliance regarding DTC-wise energy audit. Hence, the MESCOM is directed to take up energy audit of DTCs for which meters have already been installed and also initiate remedial measures for reducing distribution losses wherever they are above the targeted level.

The Commission notes that substantial quantity of such metered DTCs are provided with Automatic Metering Infrastructure (AMI) in towns as well as other towns, where RAPDRP works have been completed. MESCOM has not furnished the details of the communication status. MESCOM has furnished an overall completion of GIS tagging of consumers to an extent of 94.94% as on November 2021. MESCOM has not furnished the details of the remote reading of energy meters provided to DTCs and the system generated energy details of DTCs etc., MESCOM has to resolve the problems related to communication, incorrect tagging of consumer installations with the respective feeders / DTCs, software integration issues and other issues.

Out of the existing 1,217 number of Feeders, 1,179 feeders are said to be monitored and MESCOM has conducted energy audit of all the feeders except the idle / faulty / newly charged feeders. MESCOM has not furnished the details of energy audit of all the feeders.

The above facts, clearly show that the MESCOM is not serious about conducting energy audit of 11 kV feeders and DTC level energy audit to run its business on commercial principles. It is further seen that the MESCOM is not interested in resolving the issues relating to communication, tagging / software integration, early, even though it is the universal fact with all the ESCOMs, MESCOM has not spelt out its strategy on these issues to adopt accounting and auditing of energy, as its core function, despite spending huge money on RAPDRP projects, the TRM and many other software. **The delay in tagging of consumer installations and taking up energy audit of all the feeders and metered DTCs and resolving related issues, is abnormal. The action taken by the MESCOM so far in this matter is far from satisfactory and the Commission views with this with utmost displeasure.**

Therefore, MESCOM is directed to take up energy audit of all the 11 kV feeders, DTCs, which are said to be metered and the energy audit of major Cities / Towns and take remedial measures to reduce energy losses in the high loss-making distribution areas. The compliance in respect of energy audit conducted, with the details of analysis and the remedial action initiated to



reduce loss levels shall be regularly submitted to the Commission on a quarterly basis.

In spite of the Directives of the Commission, MESCOM has not furnished details on the conduct of workshops at the Division Office level for educating the officers of all cadre, on the importance of conducting the feeder-wise, DTC-wise energy audit. The Commission directs MESCOM to conduct workshops at the Division level, educating the officers of all cadres on the importance of conducting the feeder-wise, DTC-wise energy audit and initiating action to reduce the losses in their areas, by addressing several issues viz., consumer tagging, importance of energy metering and maintaining them in good condition, servicing all the installations strictly by providing appropriate energy meters, provide meters to the DTCs and maintain them in good condition, metering of Street light installations, replacement of electromechanical meters etc.

MESCOM's Compliance stating that it has given instructions to the CEEs, SEEs and the field officers to follow the directions of KERC in respect of energy audit is not acceptable. An action plan on conducting workshops shall be submitted by MESCOM within 60 days from the date of this order.

The feeder-wise and DTC-wise energy audit shall be reviewed in the review meetings at the Circle levels, every month. Copy of the proceedings of such meetings shall be submitted to the Commission for information and further review.

The Commission directs MESCOM to submit the consolidated energy audit report for the FY22 before 30th June 2022, as per the formats prescribed by the Commission.

10) Directive on Nirantara Jyothi – Feeder Separation:

The ESCOMs were directed to furnish to the Commission, the programme of implementing 11 kV taluk-wise feeders' segregation with the following details:



1. Number of 11 kV feeders considered for segregation.
2. Month wise time schedule for completion of envisaged work.
3. Improvement achieved in supply after segregation of feeders.

Compliance by the MESCOM:

MESCOM has taken up Feeder Segregation works in Shivamogga District covering Shivamogga, Bhadravathi, Soraba & Shikaripura taluks and in Chikkamagaluru District covering Kadur, Tarikere & Ajjampura taluks under DDUGJY scheme. As on October 2021, against the target of 124 feeders as per survey, work has been completed in 124 feeders out of which 117 feeders have been commissioned and for the remaining 7 feeders the commissioning is pending due to Railway crossing and statutory approvals.

Further, instructions have been issued to field officers to take necessary action to avoid illegal tapping of NJY feeders and also for mapping consumers, DTCs to segregated feeders for proper energy accounting / auditing. In Dakshina Kannada and Udupi Districts, almost every individual house will be having Individual Irrigation pump set associated with it & mixed installations are geographically together in hilly valley tough terrain. Hence, it is difficult to segregate IP and Non-IP residential feeders.

In Thirthahalli, some parts of Sagar, Hosanagar taluks of Shivamogga District and Koppa, Sringeri, N.R.Pura, Mudigere and some parts of Chikkamagaluru taluks in Chikkamagaluru District, the segregation works cannot be taken up due to thick forest, Malnad area and corridor issues. However, balance 83 number of existing rural mixed load feeders which can be segregated in Shivamogga, Bhadravathi, Sagar, Hosanagar, Soraba and Chikkamagaluru Taluks are being examined to propose for segregation under RDSS scheme.

In its replies to preliminary observations, MESCOM has submitted that:

In respect of Feeder segregation works taken up under DDUGJY in Shivamogga and Chikkamagaluru Districts, against the target of 124 New feeders (Non-

agricultural), 120 feeders have been commissioned and 4 feeders are yet to be commissioned due to pending railway crossing and statutory approvals. At present, with this 252 nos. of rural mixed load feeders have been segregated as Agricultural (IP) feeders. The division wise, Sub-division wise commissioning of feeders are as below;

District	Division	Subdivision	No. of Non-IP feeders commissioned with New breakers	No. of Non-IP feeders commissioned with existing breakers	Number of exclusive IP feeders formed
Shivamogga	Shivamogga	Kumsi	3	3	6
		Shivamogga RSD	6	4	7
	Bhadravathi	Bhadravathi RSD	6	0	5
		Holehonnuru	11	0	16
	Sagar	Soraba	9	0	20
	Shikaripura	Shikaripura	12	0	44
		Shiralakoppa	8	0	27
		Anavatti	4	0	9
	Chikkamagaluru	Kadur	Kadur	21	0
Birur			12	0	22
Tarikere			13	0	32
Ajjampura			8	0	15
Total			113	7	252

Commission's Views:

The Commission notes and appreciates the progress of work in respect of segregation of agricultural feeders in MESCOM. MESCOM is said to have taken up feeder segregation works under DDUGJY and Commissioned 117 feeders out of 124 feeders and commissioned 7 feeders on existing feeders due to non-receipt of statutory approvals. MESCOM has also submitted that it has commissioned 252 rural mixed load feeders as exclusive agricultural feeders. The Commission, while appreciating the progress of MESCOM in commissioning 372 (120 + 252) segregated IP feeders in the O&M Division areas of Shivamogga, Bhadravathi, Sagar, Shikaripura and Kadur, directs MESCOM to start furnishing the data of assessment of sales to IP installations in the area of above O&M Divisions on the basis of the energy meters provided to these 372 feeders from the date of commissioning of these feeders.

Segregation of agricultural feeders is of utmost importance, for assessing the energy sales to IP sets. In the absence of bifurcation of agricultural feeders, MESCOM is assessing the energy sales to IP sets on the basis of the energy meters provided to pilot DTCs predominantly feeding IP sets. But as per the data furnished by MESCOM, the Commission has observed abnormal and subnormal consumptions in the pilot DTC meters. This shows that, MESCOM has not maintained most of the DTC energy meters, feeding predominantly IP sets, in good working condition.

In view of the above fact MESCOM has contemplated to submit the data of assessment of sales to IP installations in respect of 372 feeders (120 + 252), as per the format prescribed by the Commission will be covered from FY23 and directs MESCOM to furnish the data of assessment of sales to IP installations as contemplated without fail.

If MESCOM fails to furnish the data as contemplated and do not maintain sufficient / large number of energy meters provided to DTCs of predominantly feeding IP sets in good working condition, the Commission would restrict the sales to IP sets at its discretion and claims/submissions made on this by MESCOM will not be entertained. For such a lapse, the concerned officers will be held responsible.

Further, the MESCOM shall ensure that, any illegal tapping of NJY feeders by the farmers for running their IP-sets should be stopped. Failure to stop this illegal activity will defeat the very purpose of feeder segregation works undertaken at huge cost and therefore, the MESCOM needs to take stern action on such offenders. Further, the field officers / officials who fail to curb illegal tapping shall be personally held responsible for these irregularities.

Since the Commission has observed that, MESCOM has segregated substantial number of feeders under different schemes, the Commission hereby directs MESCOM to continue to report every month, the specific consumption and the overall IP set consumption, only on the basis of the data from energy meters



installed to the agricultural feeders, as per the prescribed formats and as contemplated. Any data furnished later on based on other assumption will not be considered by the Commission.

The Commission reiterates its directive to the MESCOM as above. The Commission further directs that, the MESCOM shall take into consideration the requirement of segregation of agricultural feeders while taking up the work of commissioning of new feeders which helps MESCOM to provide 24 hours of power supply to the rural areas.

11) Directive on Demand Side Management in Agriculture:

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed the MESCOM to take up replacement of inefficient Irrigation Pumps with energy efficient Pumps approved by the Bureau of Energy Efficiency, at least in one Sub-Division, in its jurisdiction and report compliance thereon.

Compliance by the MESCOM:

For taking up the DSM activities, MoU has been signed between BEE, KREDL and MESCOM for implementation of various activities under "Capacity Building of DISCOMs" programme of BEE which includes carrying out load research activity i.e., load survey, load research, load strategies by taking field survey etc., and to develop DSM action plan. As a part of MoU, five numbers of training programs have been conducted covering all 4 Circles for MESCOM employees.

At present, the load research study, preparation of action report has been completed and the report has been received. As per the DSM action plan report, the replacement of 52,548 numbers of various capacity pump sets over the period of 3 years has been suggested with an approximate cost of Rs.178.07 Crores. The said report is under verification.



Commission's Views:

The Commission notes that the MESCOM has so far not taken up any concrete action to implement the Agricultural DSM measures, in its jurisdiction and has been making similar submissions repeatedly. The MESCOM needs to expedite implementation of DSM measures in its jurisdiction, without any further delay. There is a huge potential for energy saving in the agricultural sector which needs to be tapped as early as possible to derive the benefits of the same on completion of the project. Therefore, the MESCOM should lay strong emphasis for implementation of DSM measures with a view to conserve energy and also to save precious water for the greatest benefit of farmers.

Therefore, the MESCOM should take up DSM initiatives in order to conserve energy and submit suitable proposals for approval of the Commission, before taking up the work. Since the issue related to energy conservation is a continuous process, MESCOM shall take it up and continue it in future as well. Hence, the Commission has decided not to pursue this in future and decides to drop this directive.

12) Directive on Lifeline Supply to Un-Electrified households:

The Commission had directed the MESCOM to prepare detailed time bound action plan to provide electricity to all the un-electrified villages, hamlets and habitations in every taluk and to every household therein. The action plan was required to spell out the details of additional requirement of power, infrastructure and manpower along with the shortest possible time frame (not exceeding three years) for achieving the target in every taluk and district. The Commission had directed that the data of un-electrified households could be obtained from the concerned Gram Panchayats and the action plan be prepared based on the data of un-electrified households.

Compliance by the MESCOM:

In MESCOM, household electrification has been taken up under DDUGJY and Saubhagya schemes. The works have been completed with electrification of



32,571 households as on December 2020 under DDUJGY and 5,670 households as on August 2019 under Saubhagya scheme. As per the scheme guidelines, 60% of sanctioned cost is grant from Gol.

Under Saubhagya scheme Rs.7.93 Crores (eligible grant as per scheme closure) and under DDUGJY Rs.213.35 Crores grant has been released from Gol.

Commission's Views:

The Commission notes and appreciates the work of completion of electrification of un-electrified households under DDUGJY scheme. The Commission while appreciating the efforts of MESCOM in claiming the grants, directs MESCOM to claim 100% of the grants reserved for implementation of the scheme.

The MESCOM shall undertake survey of any un-electrified households in its area, and electrify such households with the permission of the respective implementing agency / the GoK. The MESCOM is therefore, directed to expedite the task of providing electricity to all the un-electrified households and report compliance to the Commission. **Since the issue related to electrification of un-electrified households is a continuous process, MESCOM shall take it up and continue it in future as well. Hence, the Commission decides to drop this directive.**

13) Directive on Implementation of Financial Management Framework:

The present organizational set up of the MESCOM at the field level appears to be mainly oriented towards maintenance of power supply without a corresponding emphasis on realization of revenue against the power supplied to the consumers. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized in many cases. The continued inability of the MESCOM to effectively account the input energy and its sale in different Sub-Divisions of the MESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of

approach by the MESCOM, so that the field level functionaries are made accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of Sub-Division / division.

The Commission had therefore directed the MESCOM to introduce a system of Cost Revenue Centre Oriented Sub-Divisions at least in two divisions, on a pilot basis, in its operational area and report the results of the experiment to the Commission.

Compliance by the MESCOM:

As per the directions of the Hon'ble Commission, actions have been initiated by the Company with respect to fixing of Targets, recovery of Revenue Arrears, reduction of distribution losses, energy audit etc., The progress achieved by the divisions is being reviewed by the higher authorities on monthly basis.

Revenue demand:

The Hon'ble Commission has approved the ARR of Rs.7.61 per unit for FY 2020-21. Instructions have been issued to the divisions to achieve the targeted ARR by 100 percent metering and billing. Rs.7.94 is approved for FY 2021-22 and the achievements against the targets for FY 2021-22 (up to September 2021) is submitted.

On evaluation, it is observed that, the targeted ARR could not be achieved in the divisions where the percentage of IP set Consumers is more.

Revenue Collections:

The Company has given the target to ensure 100 percent meter reading, billing and collection of the revenue demanded in each month and achieved the collection efficiency of 100.60% during FY 2020-21. The Closing Balance Ratio of the Company is 1.60 as on 31.03.2021. Division-wise Collection efficiency and C.B ratio for FY 2020-21 and 2021-22 (up to September 2021) have been submitted.



It is evident from the details furnished that the Company has achieved the target fixed for the revenue collection. The least collection is recorded in Bhadravathi division with highest CB ratio because of non-collection of demand from the Mysore Paper Mill which is a government installation.

However, action will be taken by the Company in coming days for further reduction in Closing Balance by increasing collection efficiency.

Reduction in Distribution Losses:

The Commission has approved the distribution loss of 10.00% for FY 2020-21 against which Company has achieved 9.86% which is well within the approved limit. The division wise distribution loss levels for the last 5 years are submitted.

It can be seen from the above table; the overall distribution loss level of the Company is in decreasing trend. In respect of the divisions where recorded loss is much higher than the approved limit, instructions have been issued for further reduction of losses by replacing not recording meters, detecting theft, re-conductoring of deteriorated distribution lines and executing other allied improvement works etc.,

Further, the Commission has approved the distribution loss of 9.84% for FY 2021-22 and accordingly targets were given to the divisions. The achievements against the target up to 2nd quarter of the year 2021-22 are submitted.

In its replies to preliminary observations, MESCOM has submitted that:

Action has been taken to collect huge arrears in respect of the O & M Divisions, Where the ratio of Closing Balance is high, including the arrears from the Government installations.

- To review the due dates of daily collection vis-a-vis the due dates for payments.
- Timely Disconnection of default installations and on priority age wise / amount wise arrears recovery persuasion.

- Follow up the recovery in respect of Government installations GP / TPs and local bodies duly contacting the concerned authorities in person by the Sub-division Officers / Section Officers.
- Sub division offices are sending monthly consolidated bills in addition to spot bills to respective GPs / TP / TMC / CMC / Corporation and are taking signed acknowledgement and following methods are adopted by MESCOM to recover Electricity dues of RLB / ULB.
- By contacting concerned RLB / ULB officials over phone / personally by MESCOM officials regularly.
- By addressing D.O letters by M.D to the concerned District DC's / CEO's / Project Director regarding payment of Electricity dues every month.
- By giving instructions to all the Zonal / Circle / Divisional / Sub-divisional Officers in the Monthly progress review meeting.
- Zonal Chief Engineers and Circle Superintendent Engineers are personally monitoring the recovery of outstanding dues of RLB and ULB.
- Prompt reconciliation and follow up collection with the collection agencies such as post office, Banks, Paytm, Karnataka-1 etc.,
- Prompt banking of all collections and also remittance and transfer to the main account at Mangalore.
- To conduct periodically the revenue arrears collection drive on a Mass basis.
- To recover the arrears from the consumer and also follow up of audit short claim etc.,
- To follow up the back-billing charges on account of MT, RT and vigilance reports.
- To arrange/follow-up of inspection of DL, NIL and MNR installations / replacement of meters.

Commission's Views:

The Commission notes that the MESCOM has implemented the financial framework model partially. MESCOM has to analyze the performance of its Divisions using the financial framework. MESCOM should have taken up two Divisions to analyze the conduct of their business on commercial principles as per the directions and identify the best performing divisions and non-

performing divisions. A peer analysis of various divisions will help in adopting the parameters of best performing divisions in non-performing divisions.

The Commission notes that the MESCOM has submitted data on the financial framework model, on the basis of the ARR and Distribution losses approved for MESCOM in the previous Tariff Order for all the divisions. The commercial principles for operation of the Company, envisaged in the directives are not extended to the level of the Sub-Divisions. Also, MESCOM is not submitting the compliance in respect of implementation of Financial Management Framework, on quarterly basis, to the Commission, as directed.

The Commission has been receiving complaints from the consumers and stakeholders about the accumulation of revenue arrears and failure to recover the long - standing arrears which is causing adverse financial impact on the MESCOM's Cash flows. Comparing the data submitted in the present tariff filing and the data submitted during the previous year's tariff filing, it is observed that the closing balance ratio of the Company as on 31.03.2020 was 1.60, whereas the ratio has increased to 1.62 as on 31.03.2021 and is 1.71 as on 30.09.2021. This shows that the performance of MESCOM has decreased during FY21 and decreasing further. Though, MESCOM has informed that it is continuously following up with all the Government Departments, the arrears are accumulating. The Commission directs MESCOM to chalk out a stringent action plan to recover the long-standing accumulated arrears including recovery of old subsidy dues from the Government.

The Commission directs the MESCOM to review the performance of the divisions & Sub-Divisions in terms of the energy received, sold, average revenue realization and average cost of supply using the financial framework Model. Further, MESCOM is directed to continue to analyze the following parameters each month to monitor the performance of the divisions / Sub-Divisions, at corporate level:

- a) Target losses fixed and the achievement at each stage.
- b) Target revenue to be billed and achievement against each tariff category of consumers.



- c) Target revenue to be collected and achievement under all tariff categories.
- d) Target revenue arrears to be collected.
- e) Targeted distribution loss reduction when compared to previous years' losses.
- f) Comparison of high-performance divisions in sales and revenue with low performing divisions and take corrective measures to improve sale and revenue of low performing divisions.
- g) Targeted achievement in performing the energy audit, feeder- wise, DTC- wise, and the performance in achieving the reduction in energy losses of feeders, DTCs by setting right the lacuna's / issues viz., proper metering tagging of consumers properly etc.,

Based on the analysis, the MESCOM needs to take corrective measures to ensure 100 per cent meter reading, billing, and collection, through identification of feeders showing high losses, sub-normal consumption in meters, replacement of non-recording meters etc.

The Commission reiterates its directive that the MESCOM shall continue to implement the Financial Management Framework Model and report compliance thereon regularly, on a quarterly basis to the Commission. MESCOM shall identify the sub-divisions and divisions which are not collecting the required rate of ARR and take remedial measures to ensure full recovery of revenue. The Commission directs MESCOM to submit the financial frame work analysis for FY21 and FY22 within May, 2022.

14) Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have occurred in the State during the previous years, it is seen that the major causes of the accidents are due to snapping of LT / HT lines, accidental contact with live LT / HT / EHT lines / equipment in the streets, hanging live wires around the electric poles / transformers, violation / neglect of safety measures, lack of supervision, inadequate / lack of maintenance, etc., posing greater threat to human lives.



Considering the above facts, the Commission hereby directs the MESCOM to prepare an action plan to effect improvements in its distribution network and implement safety measures to prevent electrical accidents. A detailed division-wise action plan shall be submitted by the MESCOM to the Commission.

Compliance by the MESCOM:

With a view to prevent of electrical accidents, MESCOM has given instructions to all the field officers who are maintaining the distribution network and instructions were issued to follow the guidelines issued in manual of "Safety / Technical Audit for Power Distribution System" prepared by the Hon'ble Commission. The Chief Engineer (Elec.,) of each O&M Zone of MESCOM is designated as "Electrical Safety Officer" and he has been given instructions to take action to prepare the action plan on prevention of electrical accidents.

Safety gears such as earthing rods, Helmets, High voltage Detectors, Safety kits, etc., are provided to all the linemen of MESCOM and periodical training is being imparted to them to use of safety gears, while working on the Distribution Network, by providing them with safety instruction manual and various field demonstrations through trained professionals in HRD Training Centre of MESCOM. The MESCOM HRD wing has conducted the training on safety measures to be taken while working on electrical network and the details are as follows:

Financial year	Total team	No. of trainees attended
2020-21	25	698

For public awareness, Do's & Don'ts wide publications are also being given in daily newspapers.

In order to prevent and reduce the number of fatal electrical accidents, MESCOM has taken measures to rectify the hazardous locations / installations. As per the directive, MESCOM has made sincere efforts for identification of all the hazardous installations in the distribution system which is a continual process. However, MESCOM has given higher priority for rectification of hazardous installations in densely populated areas / public areas.

The details of number of hazardous locations identified and rectified are as below:

Year	Hazardous locations existing at the beginning of the year	Hazardous locations identified during the year	Hazardous locations rectified during the year	Balance Hazardous locations to be rectified
2020-21	87	2450	2458	79
2021-22 (upto September 21)	79	1267	1298	48

In its replies to preliminary observations MESCOM has stated that:

MESCOM has given priority to identifying and rectification of balance hazardous locations / installations in distribution network.

In order to prevent such accidents in future, analysis was done on the reports submitted by Electrical Inspectorate for FY21 and FY22 up to September 2021. Periodical safety training is being imparted to the power men through MESCOM HRD wing and safety awareness has been created among the consumers. MESCOM has taking action to publish advertisement to create awareness on electricity safety, among consumers periodically.

As per the directive, MESCOM will submit the compliance periodically.

Commission's Views:

MESCOM has not furnished the details of the Electrical accidents occurred in its area of operation in the tariff filing. The Commission notes that various remedial measures including rectification of hazardous installations, in its distribution network have been taken by the MESCOM.

MESCOM shall have to take measures to reduce the rate of fatal electrical accidents involving human, animal and livestock, which will be a matter of serious concern to the Commission. The frequent occurrence of electrical accidents indicates that there is an urgent need for identification and rectification of hazardous installations, more systematically and regularly. Therefore, the MESCOM should continue to focus on identification and

rectification of all the hazardous installations including streetlight installations / other electrical works, under the control of local bodies to prevent electrical accidents. MESCOM should also take up continuous awareness campaigns through visual / print media on safety aspects relating to electricity among public.

MESCOM should carry out more effective periodical maintenance works, provide and install LT protection to distribution transformers, and also ensure use of safety tools & tackles by the field-staff, besides imparting necessary training to the field-staff, at regular intervals.

The Commission is of the view that the existence of hazardous installations in the distribution network is obviously due to sub-standard works carried out, without adhering to the best standards & practices in construction / expansion of the distribution network. The MESCOM needs to conduct regular safety audit of its distribution system and carryout preventive maintenance works as per schedule of the Safety Technical Manual issued by the Commission, to keep the network and equipment in healthy condition.

The Commission, reiterates its directive that the MESCOM shall continue to take adequate measures to identify and rectify all the hazardous locations / installations existing in its distribution system under an action plan to prevent and reduce the number of electrical accidents occurring in its distribution system. Any lapse on the part the concerned officers / officials should entail them to face disciplinary action.

MESCOM shall submit an action plan for reducing the accidents in MESCOM area and the details of envisaged programmes to create awareness and to educate the field staff and public about the electrical safety measures within 3 months of the date of this Order. The compliance thereon shall be submitted to the Commission on quarterly basis, regularly.



		Appendix-1
1	Objections	Replies by MESCOM
		MA-01
	A) The objector has argued the following to state that the Tariff Petition filed by MESCOM is not maintainable:	
	a) The Petition has been filed on 04-01-2022 which is not 120 days before the commencement of financial year.	It is to be stated that MESCOM has filed the petition before the Commission on 30-11-2021 which is within 120 days before the commencement of the financial year.
	Commission's Views: As per the records available with the Commission, MESCOM has filed the Petition on 30 th November 2021. The objectors should verify the facts before filing the objection.	
	b) MESCOM has not detailed the efficiency improvement measures.	It is to be submitted that Commission computes the efficiency gains to be transferred to the consumers while approving the APR.
	Commission's Views: The Commission takes note of the reply provided by MESCOM	
	c) MESCOM has taken APR deficit of FY21 as Rs.473.25 Crores. This should not be loaded on to the consumers.	It is to be stated that as per the provision of MYT regulations, the Commission has to consider the revenue gap of FY21 for the purpose of fixing the next year tariff.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	d) Reduced energy consumption under HT category has gone to IP sets. This has resulted in increased tariff proposal to HT consumers. HT tariff should be reduced by at least 100 paise per unit.	It is to be submitted that it is not correct to say that the reduced energy consumption of HT category has gone to IP sets. From the consumption pattern of IP sets, it is clear that the average specific consumption has in fact reduced in FY21 compared to FY20. In FY20 the specific consumption was 5156 units and in FY21 it is 4772 units. Further, MESCOM has proposed for reduction in energy charges in respect of industrial and commercial installations by about 2 to 3 Rupees per unit by <u>proposing</u> increase in fixed charges.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	e) "Cost to Serve" model not finalized by the Commission.	The retail supply tariff is determined on the basis of average cost of supply and had discussed the rationale for that also in the tariff orders. One of the reasons for considering the average cost of supply is due to the fact that the distribution network in Karnataka is such that it is difficult to segregate the common cost between different classes of consumers.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	f) Resorting to load shedding without approval of the KERC.	It is to be submitted that the scheduled load shedding is being notified in advance. However, the unscheduled load shedding is resorted to only when the power supply demand and the availability mismatches. Even after taking all precautionary measures, the sudden reduction in generation by some generators or increase in consumption which are

		beyond their control will affect the power supply position.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	g) Tariff proposed for IP sets category is below average cost of supply. Average cost of supply is estimated as Rs.8.86 per unit whereas the tariff proposed for IP sets is Rs.3.90 per unit.	It is to be submitted that MESCOM has proposed to fix the tariff at Rs.6.50 / unit which is about 74 % of average cost of supply and not Rs.3.90 / unit. The tariff in respect of IP category is determined after factoring the cross subsidy from other cross subsidizing categories. In the prevailing socio-economic conditions, continuing the cross subsidization is inevitable.
	Commission's Views: The Commission takes note of the reply provided by MESCOM	
	h) Form D-18 not submitted by MESCOM	Form D-18 is one of the formats prescribed in the KERC tariff regulations and MESCOM has submitted the same. The objector can verify the same from the ARR / ERC Petition of MESCOM which is also available on MESCOM website.
	Commission's Views: The Commission notes the reply provided by MESCOM and the same is in order.	
	i) MESCOM has totally failed in improving efficiency of its operations and complying with the directives of the Commission.	It is to submit that the statement of the objector is not acceptable. The Commission is periodically reviewing the performance of MESCOM and also compliance of various directives. In view of the above, it is submitted that MESCOM's application for upward revision of tariff is maintainable in all respects.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	B) Following are the statements of the objector on Truing-up for FY-21/ARR for FY23:	
	a) In FY21 HT and LT-5 consumption has been reduced. This is because the HT consumers have left MESCOM due to higher tariff.	In FY21 consumption in respect of high revenue yielding categories i.e., industrial and commercial had been reduced, the reasons for which can be attributable to Covid-19 and the restrictions imposed thereon.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	b) MESCOM has incurred the capital expenditure much below the budgeted amount.	It is to be submitted that the capital works are taken up as per the budget provisions without substantial variations. However, an amount of Rs.402.83 Crores is only the expenditure booked in that year for the payments made towards capital expenditure in FY21.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	c) MESCOM has spent Rs.176.97 crores for the replacement of failed distribution transformers. This should be disallowed.	It is to be submitted that the expenditure incurred towards replacement of failed transformers is Rs.176.97 lakhs not Rs.176.97 Crores.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	d) Rs.1115.62 crores subsidy is yet to be received from Government. If the same is received then there would be no necessity of tariff hike.	It is to be submitted that MESCOM is continuously pursuing with GoK for release of pending subsidy.

Commission's Views: The Commission notes the reply provided by MESCOM	
C) Following are the statements of the objector on Compliance to Directives:	
a) Since there is surplus generation, MESCOM may supply ToD power to HT industries at lesser rate. ToD to LT consumers also to be extended.	In the Tariff Order 2021, the Commission has done away with the additional tariff of Re.1/- per unit for the day consumption from 10 Hrs to 18 Hrs. Thus, the industries have got that much of relief in the energy bills and the incentive of Rs.1/- per unit is continued for the night consumption in the months from December to June. Further, for LT industrial installations there is optional ToD tariff. The consumers can avail the benefits by opting for the same.
Commission's Views: The Commission notes the reply provided by MESCOM	
b) Timer switches are not provided to street lights.	It is to be submitted that fixing and maintenance of the street lights is the responsibility of local bodies. This aspect has been brought to the notice of the Commission and the Commission has directed to convince the local bodies to take action in this regard. Further, the new street light connections are being serviced with timer switches.
Commission's Views: The Commission notes the reply provided by MESCOM	
c) Independent feeders are to be provided to industries.	It is to be submitted that on specific application from the individual industries, the feasibility of providing independent feeders will be examined.
Commission's Views: The Commission notes the reply provided by MESCOM	
d) MESCOM has not indicated the details of how many installations are yet to be serviced with solar water heaters.	It is to be submitted that installing solar water heater is optional for domestic consumers for which they are entitled to rebates as provided by the Commission.
Commission's Views: The reply provided by MESCOM is not correct. MESCOM should clearly mention as to whom the solar water heaters are mandatory.	
e) Nirantara Jyothi Scheme is being implemented as per the Govt. directions for better supply to rural consumers. As this is the Govt. welfare scheme, the related capital cost should be borne by Govt. and not by consumers.	It is to be submitted that the Central Government is providing 60% grant for implementing feeder segregation scheme. The remaining 40% has to be borne by respective ESCOMs.
Commission's Views: The Commission notes the reply provided by MESCOM	
f) MESCOM is not serious in implementing HVDS.	It is to be submitted that focused HVDS program is required where cluster of electrical load exists. But MESCOM is having staggered electrical loads. However, MESCOM while expanding its electrical network is aiming to increase HT network as much as possible.
Commission's Views: The Commission has directed the ESCOMs not to take up HVDS works until further Orders.	

	g) MESCOM has not completed metering of DTCs to work out the losses in order to plug the same. Energy losses in majority of the taluks are more than 10%.	It is to be submitted that MESCOM is initiating action to streamline the data obtained from the meters fixed to DTCs for effective energy audit.
Commission's Views: The Commission notes the reply provided by MESCOM. However, MESCOM has to achieve 100% DTC metering and compulsorily perform the energy audit.		
	h) No action has been taken by MESCOM to prevent electrical accidents. MESCOM has not given the accident figures for FY21.	MESCOM is committed to take action for prevention of electrical accidents by identifying the hazardous locations and rectifying the same on time. In the financial year 2020-21 about 2458 hazardous locations were identified and rectified. This being a continuous task, during the current financial year also about 1845 hazardous locations (as at the end of Dec-2021) rectified. Directions have been issued to the field officers for taking up the safety audit of the electrical system. In FY21, 65 numbers of fatal and 33 numbers of non-fatal accidents occurred.
Commission's Views: The Commission notes the reply provided by MESCOM		
	i) HT/LT lines ratio not maintained at the level of 1:1	It is to be submitted that 1:1 is the ideal ratio to be maintained for HT/LT lines and MESCOM keeps it in view this as a benchmark, as far as possible, while implementing system improvement works.
Commission's Views: The Commission notes the reply provided by MESCOM		
	j) MESCOM is hiding the data relating to Reliability Index as it appears that there is no improvement in quality of supply.	It is to be submitted that MESCOM has no intention to hide the data. MESCOM is providing the data of Reliability Indices to the Commission regularly and the same is also being hosted on the MESCOM website.
Commission's Views: The Commission notes the reply provided by MESCOM		
	k) MESCOM has not given the number of IP sets after enumeration.	It is to be submitted that MESCOM has furnished the details of enumeration of IP sets in the replies to preliminary observations submitted to KERC.
Commission's Views: The Commission notes the reply provided by MESCOM		
	l) MESCOM is quoting only distribution losses but not ATC losses.	It is to be submitted that ATC loss is correlated with the distribution loss. However, it is to be indicated that ATC loss of MESCOM for FY21 is 11.71%.
Commission's Views: The Commission notes the reply provided by MESCOM		
	m) MESCOM is not monitoring the implementation of Standards of Performance.	It is to be submitted that the Standards of performance as per the KERC (Licensee's Standards of Performance) Regulations, 2004 have been hosted on MESCOM website. Action has been taken to display the SoP in all subdivisions /divisions of MESCOM. The periodical reports are being sent to the Commission regularly.
Commission's Views: The Commission notes the reply provided by MESCOM		
	D) The objector has stated that fixed cost is based on the original cost of establishing the Generating Stations. It should not be increased but it should be	The objector has misrepresented the concept of fixed cost relating to generating stations with the fixed costs being incurred in the distribution / transmission / retail supply side. As far as the fixed cost, it is termed as capacity charges relating to generating stations which is perhaps relevant to the objector statement.

	reduced. The present fixed charges of Rs.240/ kVA should be reduced to Rs.200/kVA.	Whereas, with reference to the distribution / retail supply business, the fixed costs comprise of capacity charges of generating stations, O&M expenses, depreciation, A&G expenses and interest & finance charges. The concept of fixed charge is designed to recover the basic cost of service and related costs, independent of how much energy is used. It accounts for the regular recurring expenditure for fleet, facility and customer service functions, such as line maintenance, right-of-way clearing, member service support, administrative responsibilities, etc. Electricity Act, 2003 also provides for the same.
	Commission's Views: The reply furnished by MESCOM is acceptable.	
	E) Following are the statement of the objector on the Annual Revenue Requirement & Tariff revision	
	a) Software companies should be brought under Commercial Tariff. b) Solar rebate should be enhanced to Rs.100/-.	On the above, it is to be submitted that MESCOM will follow the Commission's Order.
	Commission's Views: The Software Companies are treated as industry as per the Policy of the State Government to encourage software development in the State. As regards solar rebate, the cost of increasing the rebate has to be borne by all the other consumers who do not use solar heaters. Hence, it is not advisable to increase the rebate for now.	
	c) MESCOM has not produced the subsidy allocation letter.	As a policy, the State Govt. is supplying free power to BJ/KJ consumers upto 40 units and IP set consumers upto 10 HP. The State Budget gives the allocation of subsidy before the tariff orders are issued. Hence, no commitment letter is required from ESCOMs.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	d) Segregation of technical and commercial losses not done.	It is to be submitted that in the energy flow diagram MESCOM has indicated the commercial and technical losses separately.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	e) Delayed payment charges paid by MESCOM should not be allowed.	In this regard, it is to be submitted that MESCOM is paying the generators on time and no delayed payment charges are being paid.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	f) There should be a separate tariff for small scale industries and tariff should be less by Re.1/- per unit to such category.	A separate tariff classified as LT-5 is already there in the tariff schedule.
	Commission's Views: The Commission notes the reply provided by MESCOM. The lower slabs of the LT-5 tariff takes care of the concern of the objector.	
	F) Following are the statements of the objector under the head "GENERAL":	

	<ul style="list-style-type: none"> Insisted for deployment of prepaid meters. In the absence of 100% metering KERC should not allow cross subsidy in respect of un-metered category. Substantial reduction in tariff is required for survival of industries in Karnataka. Requested the Hon'ble Commission to endeavor to balance cross subsidy while determining the tariff. Allocation of expensive PPAs to MESCOM is not in accordance with National Electricity Policy. Open Access may be extended to the consumers drawing power below 1 MW also. Cost of supply should be the base for determination of tariff. Tariff should not be increased for small scale industries. Fixed charges should be collected from IP consumers also. 	<p>The statements of objector are advisory in nature and the Hon'ble Commission may take a view.</p>
	<p>Commission's Views: The Commission takes note of the suggestions made by the objector. The admissibility of Open Access to the consumers having a sanctioned load of one MW and above is as per the provisions of the Electricity Act-2003.</p>	
2	MA-02	
	<p>1. ಆಕ್ಷೇಪಣೆದಾರರು ಹೆಚ್.ಟಿ. ಕೈಗಾರಿಕೆಗಳಿಗೆ ದರ ಕಡಿಮೆ ಮಾಡಿ ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಅಭಿನಂದಿಸುತ್ತಾ ನಿಗದಿತ / ಡಿಮಾಂಡ್ ಶುಲ್ಕಗಳನ್ನು ಏರಿಸಬೇಕೆಂಬ ಮೆಸ್ಕಾಂನ ಪ್ರಸ್ತಾವನೆಯನ್ನು ವಿರೋಧಿಸಿರುತ್ತಾರೆ. ಅಲ್ಲದೇ, ಮೆಸ್ಕಾಂನ ದರ ಪರಿಷ್ಕರಣೆಯ ಅರ್ಜಿಯು ಕಾನೂನು ಬಾಹಿರ, ಅಪಸ್ತುತ, ಅನಾವಶ್ಯಕ, ಅಸಂಬದ್ಧ ಹಾಗೂ ಸಾಮಾಜಿಕ ನ್ಯಾಯ ಮತ್ತು ವಾಸ್ತವಕ್ಕೆ ವಿರುದ್ಧವಾಗಿರುತ್ತದೆ, ಹಾಗೂ ದರ ಪರಿಷ್ಕರಣೆಗೆ ಸೂಕ್ತವಾದ ಕಾರಣ ಮತ್ತು ದಾಖಲೆಗಳನ್ನು ಆಯೋಗದ ಮುಂದೆ ಹಾಜರು ಪಡಿಸಿರುವುದಿಲ್ಲವೆಂದು ತಿಳಿಸಿರುತ್ತಾರೆ.</p>	<p>ಮೆಸ್ಕಾಂ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಯಲ್ಲಿ ಪ್ರತಿಯೊಂದು ಖರ್ಚು ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸುವಾಗ ಪೂರ್ವಾಪರ ಅಂಕಿ ಅಂಶಗಳು ಮತ್ತು ನಿಬಂಧನೆಗಳನ್ನು ವಿವರವಾಗಿ ನೀಡಲಾಗಿರುತ್ತದೆ. ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ನ್ಯಾಯಯುತವಾಗಿ ಪರಿಶೀಲಿಸಿ ಸೂಕ್ತ ಆದೇಶವನ್ನು ನೀಡುತ್ತದೆ.</p>
	<p>ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.</p>	
	<p>2. ಆಕ್ಷೇಪಣೆದಾರರು ಕರಾವಳಿ ಕರ್ನಾಟಕದ ಮಂಜುಗಡ್ಡೆ ಸ್ಥಾವರಗಳು ಎದುರಿಸುತ್ತಿರುವ ಕಷ್ಟಗಳನ್ನು ವಿವರಿಸಿರುತ್ತಾರೆ ಮತ್ತು ಪ್ರತಿ ಬಾರಿ ದರ</p>	<p>ಆಕ್ಷೇಪಣೆದಾರರ ಘಟಕಗಳನ್ನು ಕೈಗಾರಿಕಾ ಘಟಕಗಳೆಂದು ಪರಿಗಣಿಸಲಾಗಿದ್ದು, ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಎಲ್ಲಾ ವರ್ಗದ ಗ್ರಾಹಕರ ಮತ್ತು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳ ಕಂದಾಯ ಅಗತ್ಯತೆಗಳನ್ನು ಸರಿದೂಗಿಸಲು ಸಾಧ್ಯವಿರುವ ಎಲ್ಲಾ</p>

<p>ಪರಿಷ್ಕರಣೆ ಸಮಯದಲ್ಲಿ ಅರ್ಜಿದಾರರ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಬರುವ ಮಂಜುಗಡ್ಡೆ ಘಟಕಗಳು ಎದುರಿಸುತ್ತಿರುವ ಹಲವಾರು ತೊಂದರೆ ತೊಡಕುಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗದ ಮುಂದೆ ವಿವರಿಸಿದ್ದಾಗ್ಯೂ ಮಂಜುಗಡ್ಡೆ ಘಟಕಗಳಿಗೆ ಯಾವುದೇ ರೀತಿಯ ಸೂಕ್ತ ಪರಿಹಾರ ನೀಡಿರುವುದಿಲ್ಲವೆಂದು ತಿಳಿಸಿರುತ್ತಾರೆ. ಅಲ್ಲದೇ, ಕರಾವಳಿಯ ಮೂರು ಜಿಲ್ಲೆಗಳಲ್ಲಿ ಸಮುದ್ರ ತೀರದಿಂದ ಕೇವಲ 5 ಕಿ.ಮೀ. ವ್ಯಾಪ್ತಿಯ ಮೀನುಗಾರಿಕೆಗೆ ಉಪಯೋಗಿಸುವ ಮಂಜುಗಡ್ಡೆ ಮತ್ತು ಶೀತಲೀಕರಣ ಘಟಕಗಳ ಸ್ಥಾವರಗಳಿಗೆ ನೆರೆಯ ರಾಜ್ಯಗಳಾದ ಗೋವಾ ಮತ್ತು ಕೇರಳ ರಾಜ್ಯಗಳ ವಿದ್ಯುತ್ ಜಕಾತಿಗೆ ಸರಿದೂಗಿಸುವಂತೆ ವಿಶೇಷ ಜಕಾತಿಯನ್ನು ಅಳವಡಿಸಬೇಕೆಂದು ಕೋರಿರುತ್ತಾರೆ.</p>	<p>ಸಮೀಕರಣಗಳನ್ನು ಪರಾಮರ್ಶಿಸಿ ಸೂಕ್ತ ಆದೇಶವನ್ನು ನೀಡುತ್ತದೆ.</p>
<p>ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಅರ್ಜಿದಾರರ ಮನವಿಯನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.</p>	
<p>3. ಆಕ್ಲೇಪಣೆದಾರರು ಜೂನ್ ನಿಂದ ಡಿಸೆಂಬರ್ ತಿಂಗಳ ಅವಧಿಗೆ ಟಿ.ಬಿ.ಡಿ. ಸೌಲಭ್ಯವನ್ನು ರದ್ದುಪಡಿಸಿದ್ದು ಇದರಿಂದ ತುಂಬಲಾರದ ನಷ್ಟವುಂಟಾಗಿದೆಯೆಂದು ತಿಳಿಸಿರುತ್ತಾರೆ. ಹಾಗೂ ಟಿ.ಬಿ.ಡಿ. ಸೌಲಭ್ಯವನ್ನು ವರ್ಷವಿಡೀ ಅನ್ವಯಿಸುವಂತೆಯೂ ರಾತ್ರಿ 10 ಗಂಟೆಯಿಂದ ಬೆಳಗಿನ ಜಾವ 6 ಗಂಟೆವರೆಗಿನ ಬಳಕೆಗೆ ರೂ.2/- ಮತ್ತು ಅದಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಟಿ.ಬಿ.ಡಿ. ರಿಯಾಯಿತಿಯನ್ನು ನೀಡುವಂತೆ ಕೋರಿರುತ್ತಾರೆ. ಅಲ್ಲದೇ, ವಿಶೇಷ ಪ್ರೋತ್ಸಾಹ ಯೋಜನೆಯನ್ವಯ ರಾತ್ರಿ 10 ಗಂಟೆಯಿಂದ ಬೆಳಗಿನ ಜಾವ 6 ಗಂಟೆವರೆಗಿನ ಬಳಕೆಗೆ ರೂ.2/- ರಂತೆ ರಿಯಾಯಿತಿಯನ್ನು ನೀಡುವಂತೆ ಕೋರಿರುತ್ತಾರೆ. ಹಾಗೂ ವಿಶೇಷ ಪ್ರೋತ್ಸಾಹ ಯೋಜನೆಯನ್ನು ಎಲ್.ಟಿ. ಕೈಗಾರಿಕಾ ಸ್ಥಾವರಗಳಿಗೂ ವಿಸ್ತರಿಸುವಂತೆ ಕೋರಿರುತ್ತಾರೆ.</p>	<p>ಜೂನ್ ನಿಂದ ಡಿಸೆಂಬರ್ ತಿಂಗಳ ಅವಧಿಗೆ ಟಿ.ಬಿ.ಡಿ. ಸೌಲಭ್ಯವನ್ನು ರದ್ದುಪಡಿಸುವ ಬಗ್ಗೆ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸಂಬಂಧಪಟ್ಟ ಎಲ್ಲಾ ತಾಂತ್ರಿಕ ಅಂಶಗಳನ್ನು ವಿಶ್ಲೇಷಿಸಿ ನಿರ್ಧಾರವನ್ನು ತೆಗೆದುಕೊಂಡಿರುತ್ತದೆ. ವಿಶೇಷ ಪ್ರೋತ್ಸಾಹ ಯೋಜನೆಗೆ ಸಂಬಂಧಪಟ್ಟಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, 2021 ರ ಜಕಾತಿ ಆದೇಶದಲ್ಲಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಜಕಾತಿ ಆದೇಶ 2018 ರಲ್ಲಿನ ಷರತ್ತುಗಳನ್ನು ಅನ್ವಯಿಸಿ ಯೋಜನೆಯನ್ನು ದಿನಾಂಕ 01.04.2021 ರಿಂದ ಒಂದು ವರ್ಷದ ಅವಧಿಗೆ ವಿಸ್ತರಿಸಿರುತ್ತದೆ. ಸದರಿ 2018 ರ ಆದೇಶದಲ್ಲಿ ಪ್ರೋತ್ಸಾಹಕದ ಬಗ್ಗೆ ಹೇಳುವಾಗ 22.00 ಗಂಟೆಯಿಂದ 06.00 ಗಂಟೆಯವರೆಗಿನ ಅವಧಿಗೆ ವಿಶೇಷ ಪ್ರೋತ್ಸಾಹ ಯೋಜನೆ ಆಯುಕ್ತವಾಗಿರುವ ಗ್ರಾಹಕರಿಗೆ ಟಿ.ಬಿ.ಡಿ. ದರವನ್ನು ರೂ. (-)1/- ರ ಬದಲಾಗಿ ರೂ. (-)2/- ನ್ನು ಅನ್ವಯಿಸುವುದೆಂದು ತಿಳಿಸಿರುತ್ತದೆ. ಆ ಪ್ರಕಾರ, ಜಕಾತಿ ಆದೇಶ 2021 ರಲ್ಲಿ 22.00 ಗಂಟೆಯಿಂದ 06.00 ಗಂಟೆಯವರೆಗಿನ ಅವಧಿಗೆ ಟಿ.ಬಿ.ಡಿ. ದರವನ್ನು ರೂ. (-)1/- ರ ಬದಲಾಗಿ '0' ಮಾಡಿರುವುದರಿಂದ ವಿಶೇಷ ಪ್ರೋತ್ಸಾಹ ಯೋಜನೆ ಆಯುಕ್ತವಾಗಿರುವ ಗ್ರಾಹಕರಿಗೆ '0' ಬದಲಾಗಿ ರೂ. (-)1/- ರ ರಿಯಾಯಿತಿಯನ್ನು ನೀಡಲಾಗುತ್ತಿದೆ.</p>
<p>ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.</p>	

3		MA-03 to MA-06
	<ul style="list-style-type: none"> ▪ ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ವಿದ್ಯುತ್ ಸೋರಿಕೆಯನ್ನು ತಡೆಗಟ್ಟಲು ಕ್ರಮ ಕೈಗೊಳ್ಳಬೇಕು. ▪ ಯಾವುದೇ ವರ್ಗಗಳಿಗೆ ವಿದ್ಯುತ್ ದರವನ್ನು ಏರಿಸಬಾರದು. ವಿದ್ಯುತ್ ವಿತರಣಾ ನಷ್ಟವನ್ನು ಸೂಕ್ತವಾಗಿ ನಿರ್ವಹಿಸಿದಲ್ಲಿ ದರ ಏರಿಕೆಯ ಅಗತ್ಯವಿರುವುದಿಲ್ಲ. ▪ ಕೋರೋನಾದಿಂದ ಎಲ್ಲಾ ಕ್ಷೇತ್ರಗಳ ಆರ್ಥಿಕ ಪರಿಸ್ಥಿತಿಯು ಹದಗೆಟ್ಟಿರುವುದರಿಂದ ಪರಿಸ್ಥಿತಿ ಸುಧಾರಣೆ ಆಗುವವರೆಗೆ ದರ ಏರಿಕೆ ಮಾಡಬಾರದು. ▪ ಮೆಸ್ಕಾಂ ತನ್ನ ನಷ್ಟವನ್ನು ಭರಿಸಲು ದರ ಏರಿಸದೆ, ವಿತರಣಾ ನಷ್ಟವನ್ನು ಕಡಿಮೆಗೊಳಿಸಲು ಮುಂದಾಗಬೇಕು. ಸಂಪೂರ್ಣವಾಗಿ ಆಯೋಗದ ನಿರ್ದೇಶನಗಳನ್ನು ಪಾಲಿಸುವವರೆಗೆ ದರ ಏರಿಕೆ ಮಾಡಬಾರದು. ▪ ಕಂದಾಯ ಕೊರತೆ ಸರಿದೂಗಿಸಲು ದರ ಏರಿಕೆಯ ಬದಲು ಸರ್ಕಾರವೇ ಶಿಕ್ಷಣ, ಆರೋಗ್ಯ ಇಲಾಖೆಗಳಿಗೆ ನೀಡುವಂತೆ ಅನುದಾನ ನೀಡಬೇಕು. 	<p>ಆಕ್ಟೋಪೆನಿಡಾರರ ಮೇಲಿನ ಹೇಳಿಕೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ವಿದ್ಯುತ್ ದುರ್ಬಳಕೆ, ಸಾಗಾಣಿಕಾ ನಷ್ಟವನ್ನು ನಿರ್ವಹಿಸುವಲ್ಲಿ ಮವಿಸಕಂ ಹಲವಾರು ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಇದರಿಂದಾಗಿ ಮವಿಸಕಂ ನ ವಿದ್ಯುತ್ ವಿತರಣಾ ನಷ್ಟವು ರಾಜ್ಯದ ಇತರ ಕಂಪೆನಿಗಳಿಗೆ ಹೋಲಿಸಿದಲ್ಲಿ ಅತ್ಯಂತ ಕಡಿಮೆ ಅಂದರೆ 2020-21 ನೇ ವರ್ಷದಲ್ಲಿ ಶೇ.9.86 ಆಗಿರುತ್ತದೆ. ವಿದ್ಯುತ್ ಸೋರಿಕೆಯ ಪ್ರಕರಣಗಳನ್ನು ಗ್ರಾಹಕರು ಅಥವಾ ಬೇರೆ ಯಾರಾದರೂ ಮೆಸ್ಕಾಂ ಗಮನಕ್ಕೆ ತಂದಲ್ಲಿ ಕೊಡಲೇ ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುವುದು.</p> <p>ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧಿತ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆ, ಹೆಚ್ಚಿದ ವಿದ್ಯುತ್ ಉಪಯೋಗ ಮತ್ತು ಹಣದುಬ್ಬರದ ಪರಿಣಾಮ ಇವುಗಳು ಇತರ ಸಂಸ್ಥೆಗಳಿಗೆ ಬಾಧಿಸುವ ರೀತಿಯಲ್ಲಿಯೇ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳಿಗೂ ಬಾಧಿಸುತ್ತಿದ್ದು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳ ಆದಾಯದ ಮೂಲ, ಗ್ರಾಹಕರು ಬಳಸುವ ವಿದ್ಯುಚ್ಛಕ್ತಿಗೆ ವಿಧಿಸುವ ದರಗಳಲ್ಲದೆ ಬೇರೆ ಮೂಲಗಳಿಲ್ಲವಾದ್ದರಿಂದಲೂ ದರ ಏರಿಕೆ ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ.</p> <p>ಗೌರವಾನ್ವಿತ ಆಯೋಗದ ನಿರ್ದೇಶನಗಳ ಪಾಲನೆಯು ಒಂದು ನಿರಂತರ ಪ್ರಕ್ರಿಯೆಯಾಗಿದ್ದು, ಅದರ ಬಗೆಗಿನ ಅನುಸರಣಾ ವರದಿಯನ್ನು ಕಾಲಕಾಲಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗುತ್ತಿದೆ. ಹಾಗೂ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಪರಿಶೀಲನಾ ಸಭೆಗಳಲ್ಲಿಯೂ ಸಹ ಅದರ ಅನುಪಾಲನೆಯನ್ನು ಪರಾಮರ್ಶಿಸುತ್ತಿದೆ.</p> <p>ಮುಂದುವರೆದು ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ಅನುದಾನ ನೀಡುವಿಕೆಯು ಸರ್ಕಾರದ ಕಾರ್ಯ ನೀತಿಗೆ ಸಂಬಂಧಿಸಿದ್ದಾಗಿದ್ದು ಈ ಬಗ್ಗೆ ಮವಿಸಕಂ ಪ್ರತಿಕ್ರಿಯೆ ನೀಡಲು ಸಾಧ್ಯವಿಲ್ಲ.</p>
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	ವಿದ್ಯುತ್ ಜಾಗೃತ ದಳದ ಕಾನೂನು, ನೀತಿ ನಿಯಮಗಳ ಬಗ್ಗೆ ಗ್ರಾಹಕರಿಗೆ ತಿಳುವಳಿಕೆ ಮೂಡಿಸುವ ಮಾಹಿತಿ ನೀಡಬೇಕು.	ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯಿದೆ 2003 ಹಾಗೂ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ರೂಪಿಸಿರುವ ನಿಯಮಗಳ ರೀತ್ಯಾ ವಿದ್ಯುತ್ ಕಳ್ಳತನದ ಪ್ರಕರಣಗಳನ್ನು ದಾಖಲಿಸಿ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಜಾಗೃತದಳ ತಂಡಗಳ ವರದಿ ಆಧಾರದ ಮೇಲೆ ವಿಧಿಸಿರುವ ದಂಡ ಮೊತ್ತದ ಮರು ಪರಿಶೀಲನೆಗೆ ಸೆಕ್ಷನ್ 127 ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯಿದೆ 2003 ರ ಪ್ರಕಾರ ಅವಕಾಶವಿರುತ್ತದೆ. ಈ ಎಲ್ಲಾ ನಿಯಮಗಳನ್ನು ತಿಳಿಯಪಡಿಸುವ ವಿಸ್ತೃತ ವಿವರಗಳನ್ನು ಮ.ವಿ.ಸ.ಕಂ. ವೆಬ್ ಸೈಟ್ ನಲ್ಲಿ ಪ್ರಚುರಪಡಿಸಲಾಗಿದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	ಕೃಷಿ ಪಂಪುಸೆಟ್ಟುಗಳಿಗೆ ಹೊಸ ಸಂಪರ್ಕ ನೀಡುವಾಗ ರೂ.10000/- ನ್ನು ವಸೂಲಿ ಮಾಡಬಾರದು.	ಕೃಷಿ ಪಂಪುಗಳಿಗೆ ಹೊಸ ಸಂಪರ್ಕ ನೀಡುವಾಗ ರೂ. 10,000/- ಪ್ರತಿ ಪಂಪುಸೆಟ್ಟಿಗೆ ಮೂಲಭೂತ ಸೌಕರ್ಯ ಶುಲ್ಕ ವಸೂಲು ಮಾಡುವಂತೆ ಮಾನ್ಯ ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಆದೇಶವಿರುತ್ತದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	• ಎಲ್ಲಾ ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ವರ್ಷ ಪೂರ್ತಿ ಬಿಲ್ಲು ಪಾವತಿ ವ್ಯವಸ್ಥೆ ಮಾಡಬೇಕು.	ಸಂಬಂಧಿತ ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ಕಂದಾಯ ವಸೂಲಾತಿಯನ್ನು ಆಧರಿಸಿ ಬಿಲ್ಲು ಪಾವತಿ ವ್ಯವಸ್ಥೆಯನ್ನು ಮಾಡಲಾಗುತ್ತಿದೆ. ಪ್ರಸ್ತುತ ಲಭ್ಯವಿರುವ ಡಿಜಿಟಲ್ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಅಂದರೆ online payment options ಅನ್ನು ಗ್ರಾಹಕರು ಬಳಸಿಕೊಂಡು ವಿದ್ಯುತ್

	<ul style="list-style-type: none"> ವಿದ್ಯುತ್ ಬಿಲ್ ನೀಡುವಾಗಲೇ ಪಾವತಿ ವ್ಯವಸ್ಥೆ ಕೂಡ ಇರುವಂತೆ ಮಾಡಬೇಕು. 	ಬಿಲ್ ಪಾವತಿಯನ್ನು ಸುಲಭವಾಗಿ ಮಾಡುವ ಅವಕಾಶಗಳಿರುತ್ತವೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	<ul style="list-style-type: none"> ಮೀಟರ್ ಹಾಳಾದ ಸಂದರ್ಭದಲ್ಲಿ ವಾರ್ಷಿಕ ಸರಾಸರಿ ಆಧಾರದಲ್ಲಿ ಬಿಲ್ ನೀಡಬೇಕೇ ಹೊರತು ಹೆಚ್ಚುವರಿ ಬಿಲ್ ವಸೂಲಿ ಮಾಡಬಾರದು. ಬಿಲ್ ನೀಡಿಕೆ ವಿಳಂಬದ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಬಿಲ್ ಪಾವತಿ ವಿಳಂಬವಾದಲ್ಲಿ ಹೆಚ್ಚುವರಿ ಬಡ್ಡಿಯ ವಸೂಲಿಗೆ ಅವಕಾಶ ನೀಡಬಾರದು. 	ಈ ಬಗ್ಗೆ ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಅಧಿಸೂಚಿಸಿರುವ ನಿಯಮಗಳನ್ನು ಪಾಲಿಸಲಾಗುತ್ತಿದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	<ul style="list-style-type: none"> ವಿದ್ಯುತ್ ಸಂಬಂಧಿತ ದೂರು ನಿರ್ವಹಣಾ ತಂಡವನ್ನು ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ವಾಹನ ಸಹಿತ ಮಾಡುವ ವ್ಯವಸ್ಥೆಯನ್ನು ಮಾಡಿ, ದುರಸ್ತಿ ಕಾರ್ಯಕ್ಕೆ ಹೆಚ್ಚಿನ ಗಮನ ಕೊಡಬೇಕು. ಮಳೆಗಾಲದಲ್ಲಿ ಹೆಚ್ಚುವರಿ ಸಿಬ್ಬಂದಿ ನೇಮಿಸಿ ಲೈನ್ ದುರಸ್ತಿ ಕೆಲಸಗಳನ್ನು ತಕ್ಷಣವೇ ಮಾಡಿಕೊಡಬೇಕು. 	<p>ಎಲ್ಲಾ ಶಾಖಾ ಕಚೇರಿಗಳ ಸಿಬ್ಬಂದಿಗೆ ವಿದ್ಯುತ್ ಲೈನ್ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆ ಮಾಡಲು ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದೆ. ಉಪವಿಭಾಗ ಮಟ್ಟದಲ್ಲಿ ಸರ್ವಿಸ್ ಸ್ಟೇಷನ್‌ಗಳು ವಾಹನಗಳನ್ನೂ ಒಳಗೊಂಡು ಅಗತ್ಯ ಮೂಲ ಸೌಲಭ್ಯಗಳನ್ನು ಹೊಂದಿದ್ದು ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿವೆ.</p> <p>ವಿದ್ಯುತ್ ಲೈನ್ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪ್ರಸ್ತುತ ವ್ಯವಸ್ಥೆಯಲ್ಲೇ ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಮಳೆಗಾಲದಲ್ಲಿನ ವಿಶೇಷ ಪರಿಸ್ಥಿತಿಯನ್ನು ನಿಭಾಯಿಸಲು ಅಂದರೆ ವಿದ್ಯುತ್ ಲೈನ್‌ಗಳ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪಡೆಗಳನ್ನು ರಚಿಸಿ ಅವುಗಳ ಮೇಲುಸ್ತವಾರಿಯನ್ನು ಸಮಂಜಸವಾಗಿ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದೆ.</p>
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
4	MA-07	
	1. The objector has referred the Annual Accounts of MESCOM for different years to state that the Company is in profit and there is no necessity of increase in tariff.	MESCOM has drawn its proposal for approval of ARR/ERC for FY23 in the framework of the regulations notified by the Commission. In the proposal, MESCOM has detailed all the parameters based on which MESCOM has proposed the increase in tariff.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	2. The objector has stated that as per the guidelines narrated in the Electricity Act, 2003, MESCOM has to carry out its business on commercial principles. While adopting commercial principles, MESCOM should have proposed to recover tariff charges in respect of the categories for which Government is extending free power supply i.e., in IP sets (with sanctioned load below 10HP) and BJ/KJ installations.	<p>The continuation of cross subsidization is inevitable in the current socio-economic conditions. Only about 26% cross subsidization to IP category has been proposed and the rest of the tariff charges is proposed to be reimbursed by the Government.</p> <p>Further, in respect of BJ/KJ category it has been proposed to reimburse tariff charges at the rate of average cost of supply only.</p>
	Commission's Views: The Commission notes the reply provided by MESCOM	
	3. The objector has observed that the receivables by MESCOM from	The receivables among the ESCOMs are being reconciled periodically and efforts are being put forth

	KPTCL & other ESCOMs amount to Rs.344.32 Crores. Apart from that energy balancing and other dues are not reconciled as observed by the Auditors in the Annual Accounts. Further, it has also stated that there is an amount of Rs.1006.58 Crores pending to be released by GoK affecting the cash flows of MESCOM and in turn the consumer tariff.	to liquidate the same. Further, MESCOM is continuously pursuing with GoK for release of pending subsidy.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	4. The objector has proposed for a new tariff category for construction purpose as the prevailing temporary tariff is very high.	In this regard, the Commission may take a view.
	Commission's Views: The Commission is of the view that the correct classification of tariff will take care of the need for rationalising the tariff structure. There is no need to further increase the tariff categories.	
	5. The objector has also stated that since the consumers are paying electricity tax at 9%, the State Government has to bear the full cost of supply for providing supply to BJ/KJ and IP set installations without cross subsidization.	Since the electricity tax is the matter related to Government, MESCOM is unable to make a comment on that.
	Commission's Views: The Government is meeting the full cost of free supply to BJ/KJ consumers consuming up to 40 units per month and all the IP sets consumers of 10 HP and below.	
	6. The objector has observed that the rate of interest considered in the proposed is 11% as against the prevailing 8.75%.	It is to be submitted that only for estimating the expenses MESCOM has considered 11% interest rate on capital loans. In the course of Annual Performance Review, the Commission will consider the actual interest amount paid to the commercial institutions and any reduction in interest amount will be passed on in the tariff.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	7. The objector has stated that MESCOM has considered 19.7575% RoE whereas the industries are earning negative returns on the investments.	MESCOM has claimed the RoE as per the provisions of MYT Regulations.
	Commission's Views: The Commission is allowing 'RoE on the balance of Equity & Reserves at the beginning of the year, as per the provisions of MYT Regulations.	
	8. The objector has stated that high cost of power charges in the value chain is detrimental to the economy and hence, the power tariff should not be increased.	As the cost of supply is increasing due to increase in power purchase cost, transmission cost, O&M expenses, etc., an upward revision of power tariff is inevitable to sustain the business of MESCOM.

	Commission's Views: The Commission notes the reply provided by MESCOM	
9.	The objector has stated that the National Electricity Policy stipulates to assess technical loss and commercial loss separately. However, MESCOM has not indicated the same in the proposal.	The Commission is considering the distribution & transmission loss for tariff computations and accordingly MESCOM has submitted its proposal.
	Commission's Views: The Commission notes the reply provided by MESCOM. MESCOM shall always endeavour to segregate the technical and commercial losses in order to reduce the AT & C losses below the targets fixed by the Tariff Policy of the Government of India.	
10.	The objector has stated that similar to Kerala there should be voltage-wise demand charges and energy charges.	In this regard Commission may take a view.
	Commission's Views: The classification in Karnataka is not based on voltage-wise assets.	
11.	The objector has stated that due to Covid-19 regulations has dragged the MSME owners, employees and external stakeholders to unexpected repulsions. Small Scale industries have been undergoing severe hardship on account of global recession, demonetization, reduced sales and recessionary conditions prevailing in the domestic market. A further burden on account of increase in tariff will be counterproductive.	Like any other sector, power sector is also having impact of Covid-19 resulting in increased cost in respect of power purchase, transmission, O&M expenses, etc. Hence, an upward revision of power tariff is inevitable to sustain the business of MESCOM.
	Commission's Views: The Commission notes the reply provided by MESCOM	
12.	The objector has stated that even with the reduced power purchase cost in FY21 compared to approved power purchase cost, revenue of MESCOM has reduced due to reduction in energy sales. Any increase in power tariff will further reduce the energy sales.	The actual power purchase cost for FY21 is Rs.5.30 / unit as against the cost of Rs.5.13 /unit approved by the Commission. Further, reduction in energy sales is also a matter of concern for MESCOM, since in the existing two-part tariff system (fixed charges and energy charges) about 77% of fixed cost, which are to be incurred by MESCOM for the system maintenance and improvement, is concealed in the energy charges. For every unit of reduction in consumption by the consumers, MESCOM is losing revenue (Fixed Cost) to that extent. Hence, MESCOM is requesting the Commission to balance the fixed charges while determining the electricity tariff, so that MESCOM would recover its fixed cost substantially in the form of fixed charges only.
	Commission's Views: The Commission notes the reply provided by MESCOM	
13.	The objector has stated that in order to retain the consumers in its	The tariff charges needs to be balanced in terms of fixed and variable charges. While focusing on lower

	fold, instead of raising cross subsidy surcharge, tariff charges should be reduced.	tariffs, there should be an equal focus that the ESCOMs should not be deprived of recovery of its legitimate fixed costs that are being incurred in improving and maintaining the electrical network. The existing tariff structure comprises of fixed and variable cost is in the ratio of 13%: 87% as against the actual composition of 57%: 43% in the total Annual Revenue Requirement by which about 77% of the fixed charges are concealed in energy charges. Due to this, for every unit of reduction in consumption by the consumers MESCOM is losing revenue to that extent.
	Commission's Views: The Commission does not agree with the reply furnished by the MESCOM. It should substantiate the fixed cost recovery at 13% with relevant facts.	
	14.The objector has stated that it is not fair to charge fixed charges every month. Based on the power allotment they can charge one-time charge.	The concept of fixed charge is designed to recover the basic cost of service and related costs, independent of how much energy is used. It accounts for the regular recurring expenditure for fleet, facility and customer service functions, such as line maintenance, right-of-way clearing, member service support, administrative responsibilities, etc. Electricity Act, 2003 also provides for the same. Hence, collecting one-time fixed charges is not feasible.
	Commission's Views: The Commission takes note of the reply provided by MESCOM. The objector should note that the ESCOMs have to incur fixed costs relevant to generation, transmission, distribution and retail supply irrespective of energy consumed by the consumers. The fixed charges are recurring in nature payable every month and there is no concept of one-time recovery of fixed costs.	
	15.The objector has stated that the proposal of MESCOM for increase in fixed charges should be rejected.	As stated supra, it is to be submitted that the tariff charges need to be balanced in terms of fixed and variable charges. While focusing on lower tariffs, there should be an equal focus that the ESCOMs should not be deprived of recovery of its legitimate fixed costs that are being incurred in improving and maintaining the electrical network. The existing tariff structure comprises of fixed and variable cost is in the ratio of 13%: 87% as against the actual composition of 57%: 43% in the total Annual Revenue Requirement by which about 77% of the fixed charges are concealed in energy charges. Due to this, for every unit of reduction in consumption by the consumers, MESCOM is losing revenue to that extent. Hence, it is inevitable for MESCOM to propose substantial increase in fixed charges and at the same time reduction in energy charges are also proposed. The Commission will consider the proposal judiciously.
	Commission's Views: The Commission does not agree with the reply furnished by the MESCOM. It should substantiate the fixed cost recovery at 13% with relevant facts.	
	16.The objector has insisted for deployment of prepaid meters instead of post-paid meters.	In this regard it is to be submitted that deployment of smart / prepaid meters is being contemplated in the Revamped Distribution Sector Scheme of MoP.

	Commission's Views: The Commission notes the reply provided by MESCOM. The installation of prepaid meters has to be done in a phased manner with the involvement of consumers, since it involves huge capital expenditure which would result in further increase in burden of interest on loans and depreciation on the assets created, necessitating further increase in tariff.	
	17. The objector has stated that providing single meter to residential and commercial establishments which have taken service on HT basis is posing problems to the association of the complexes and requested to amend the regulations suitably.	The issue relates to Supply Regulations notified by KERC, the impact of which needs to be looked into on a case-to-case basis.
	Commission's Views: The Commission directs MESCOM and the objector to refer to the Conditions of Supply regulations to know the provisions in the right perspective.	
	18. The objector has requested to design the ToD tariff only to incentivize for usage during the period from 20.00 Hrs to 8.00 Hrs without having any disincentive factor for usage in peak hours.	The rationale behind the ToD tariff is to incentivize the usage during off-peak hours and disincentivize at peak hours to avoid usage during peak hours.
	Commission's Views: The Commission notes the reply provided by MESCOM	
5	MA-08	
	1. The objector has requested the Commission for third party verification of the MESCOM performance on compliance to directives.	The Commission is issuing Directives to ESCOMs on all the issues affecting consumers and also periodically reviewing the same.
	Commission's Views: The Commission is reviewing the compliance to directives in the review meeting periodically and also during the tariff proceedings.	
	2. The objector has expressed concern over the dearth of manpower in MESCOM for delivering services to the consumers particularly in rural areas.	MESCOM has kept continuous focus on optimal utilization of existing manpower and at the same time efforts are being made to reduce the vacancies at cutting edge and maintenance level.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	3. The objector has stated that there is necessity of analyzing the electrical accident cases in detail for taking preventive measures to prevent the accidents.	MESCOM is committed to take action for prevention of electrical accidents by identifying the hazardous locations and rectifying the same on time. In the financial year 2020-21 about 2458 hazardous locations were identified and rectified. This being a continuous task, during the current financial year also about 1845 hazardous locations (as at the end of Dec-2021) were rectified.
	Commission's Views: The Commission notes the reply provided by MESCOM	
	4. Responsiveness of consumers to Janasamparka Sabhas are poor. The objector states that awareness building programs to be conducted to	There might be lesser public participation in the consumer interaction meetings. However, in the 3rd quarter of current financial year 54 consumer interaction meetings have been conducted

	consumers regarding the legal courses available to them.	where 269 consumers have attended and submitted their grievances.
	Commission's Views: The Commission notes the reply provided by MESCOM. However, MESCOM may conduct the awareness building programs in the Janasamparka Sabhas also.	
	5. The centralized consumer complaint center has only outsourced staff. They do not have any powers or responsibilities. Therefore, MESCOM has failed in its duty in institutionalizing a consumer-friendly grievance redressal system.	The central consumer complaint cell, as the name itself indicates, is only integrated software driven communication platform. Its role is to facilitate communication of the complaints received from the consumers to the concerned section level officers and to notify the compliance communicated from the section level officers to the respective complainant. Earlier the consumers used to contact the service stations of their jurisdiction which were having different telephone / mobile numbers for different areas causing unnecessary embarrassment in contacting the concerned. Now, the integrated unique help line No.1912 has been provided for hassle free complaint lodging. This helpline number is being notified extensively for the information of the general public. Further, for redressal of consumer grievance multi-level redressal system has been provided in the regulations notified by the KERC. The same is delivering the required solutions to the consumer grievances effectively.
	Commission's Views: The Commission notes the reply provided by MESCOM. Nevertheless, MESCOM shall monitor the functioning of the central complaints and train the outsourced staff to attend to the grievances diligently.	
	6. The Commission has stopped the office of Consumer Advocacy Cell (OCA) working under it. Appeals the Commission to start the functioning of OCA.	In this regard, it is to be submitted that the Commission may take a view on the above.
	Commission's Views: The Commission has taken note of the suggestion made by MESCOM and the objector.	
	7. If there is timely release of subsidy by Government and liquidation of dues from Government owned companies there would not be any reason for tariff hike.	In this regard, it is to be submitted that the receivables from other ESCOMs are being constantly pursued to liquidate the same. Further, MESCOM is continuously pursuing with GoK for release of pending subsidy.
	Commission's Views: The Commission notes the reply provided by MESCOM and also directs MESCOM to pursue the recovery of subsidy and the dues from govt. installations meticulously so that the receivable levels are brought down appreciably to lower levels.	
6	MA-09	
	1. The objector has outlined the profile of their organization and detailed the	MESCOM noted the above as matters for record.

	issues being faced by manufacturing industry.	
	Commission's Views: The Commission notes the reply provided by MESCOM and direct it to address the issues faced by the industry within the framework of Rules and Regulations.	
	2. The objector has observed that in spite of revision in tariff charges there is no substantial increase in revenue to MESCOM due to reduction in consumption by LT industrial installations.	It has been rightly stated by the objector. This aspect is also a matter of concern to MESCOM, since in the existing two-part tariff system (fixed charges and energy charges) about 77% of fixed cost, which are to be incurred by MESCOM for the system maintenance and improvement, are concealed in the energy charges. For every unit of reduction in consumption by the consumers, MESCOM is losing revenue to that extent. Hence, MESCOM is requesting the Hon'ble Commission to balance the fixed charges while determining the electricity tariff so that MESCOM would recover its fixed cost substantially in the form of fixed charges only.
	Commission's Views: The Commission notes the reply provided by MESCOM. MESCOM shall analyze the recovery of fixed charges properly and come out with all relevant facts to justify abnormal increase in the fixed charges payable by the consumers.	
	3. The objector has stated that the increase in fixed charges proposed by MESCOM is unreasonable.	In this regard, it is to be submitted that in the existing tariff structure composition of fixed and variable cost is in the ratio of 13%: 87% as against the actual composition of 57%: 43% in the total Annual Revenue Requirement by which about 77% of the fixed charges are concealed in energy charges. Due to this, for every unit of reduction in consumption by the consumers, MESCOM is losing revenue to that extent. Hence, it is inevitable for MESCOM to propose substantial increase in fixed charges. The Hon'ble Commission will consider the proposal judiciously.
	Commission's Views: MESCOM shall analyze the recovery of fixed charges properly and come out with all relevant facts to justify abnormal increase in the fixed charges payable by the consumers.	
7	MA-10 and MB-02 to MB-12	
	1. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳಿಗೆ ನಷ್ಟಕ್ಕೆ ಅವಕಾಶವಿಲ್ಲದಂತೆ ದರ ಆದೇಶ ನೀಡಿರುತ್ತದೆ ಮತ್ತು ಅದರಿಂದಾಗಿ ಕಂಪೆನಿಗೆ ಕಳೆದ ಎಂಟು ವರ್ಷಗಳಿಂದ ಕೋಟ್ಯಂತರ ರೂಪಾಯಿಗಳು ಲಾಭವಾಗಿದ್ದರೂ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿರುವ ದರ ಏರಿಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಆಕ್ಷೇಪಿಸುತ್ತೇನೆ.	ಕೆ.ಇ.ಆರ್.ಸಿ. ನಿಯಮಗಳ ಪ್ರಕಾರ ಮುಂದಿನ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ವಿದ್ಯುತ್ ಖರೀದಿ ವೆಚ್ಚವನ್ನೂ ಒಳಗೊಂಡಂತೆ ಮೆಸ್ಕಾಂ ನಿರ್ವಹಿಸಬೇಕಾದ ಎಲ್ಲಾ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿ ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ನ್ಯಾಯೋಚಿತವಾಗಿ ವಿದ್ಯುತ್ ಜಕಾತಿ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುತ್ತದೆ.
	ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ಬಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.	
	2. ರಾಜ್ಯದ ಇತರ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳಿಂದ ಹಾಗೂ ಸರ್ಕಾರದಿಂದ ಮೆಸ್ಕಾಂಗೆ ಬರಬೇಕಾಗಿರುವ ಮೊತ್ತವು	ಇತರ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳಿಂದ ಮೆಸ್ಕಾಂಗೆ ಬರಬೇಕಾಗಿರುವ ಬಾಕಿ ಮೊತ್ತದ ಮತ್ತು ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ಬಾಕಿಯಿರುವ ಮೊತ್ತವನ್ನು ವಸೂಲು

	ಸಾವಿರಾರು ಕೋಟಿ ಬಾಕಿಯಿದ್ದು ಅದನ್ನು ವಸೂಲು ಮಾಡದಿರುವ ಕಾರಣದಿಂದಾಗಿ ಅದನ್ನು ಸರಿದೂಗಿಸಲು ಸಾಲ ಪಡೆದು ಆ ಸಾಲದ ಮೇಲಿನ ಬಡ್ಡಿಯನ್ನು ಗ್ರಾಹಕರಿಗೆ ವರ್ಗಾಯಿಸಲಾಗುತ್ತಿದೆ. ಆದ್ದರಿಂದ ಕಂಪೆನಿಗೆ ಬರಬೇಕಾಗಿರುವ ಬಾಕಿ ಹಣ ಬಂದಲ್ಲಿ ದರ ಏರಿಕೆಯ ಅವಶ್ಯಕತೆ ಇರುವುದಿಲ್ಲ.	ಮಾಡಲು ನಿರಂತರವಾಗಿ ಪತ್ರ ವ್ಯವಹಾರ ಮಾಡಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
3.	ಮುಂದಿನ ವರ್ಷಗಳಿಗೆ ಖರ್ಚನ್ನು ಹೆಚ್ಚಾಗಿ ಅಂದಾಜಿಸಿ ವಿದ್ಯುತ್ ದರ ಏರಿಕೆಗೆ ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಗೆ ಆಕ್ಷೇಪವಿದೆ.	ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಮವಿಸಕಂ ಸಲ್ಲಿಸಿರುವ ಅರ್ಜಿಯಲ್ಲಿ ವೆಚ್ಚಗಳನ್ನು ಅಂದಾಜಿಸಿರುವ ರೀತಿಯನ್ನು ಸ್ಪಷ್ಟವಾಗಿ ವಿವರಿಸಿದ್ದು ಆ ಪ್ರಕಾರ ಕಂದಾಯ ಕೊರತೆಯನ್ನು ಲೆಕ್ಕ ಹಾಕಲಾಗಿದೆ. ಈ ವೆಚ್ಚಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ವಿಮರ್ಶಿಸಿ ಆದೇಶ ನೀಡುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
4.	ವಿದ್ಯುತ್ ಖರೀದಿ ದರಗಳನ್ನು ಆಯೋಗವು ನಿಗದಿಪಡಿಸಿರುವುದಕ್ಕಿಂತಲೂ ಹೆಚ್ಚು ಪಾವತಿಸಿದೆ.	ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ವಿದ್ಯುತ್ ಖರೀದಿ ದರಗಳನ್ನು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪೆನಿಗಳು ಮತ್ತು ವಿದ್ಯುತ್ ಉತ್ಪಾದನಾ ಕಂಪೆನಿಗಳ ನಡುವಿನ ವಿದ್ಯುತ್ ಖರೀದಿ ಒಪ್ಪಂದಗಳಲ್ಲಿನ ನಿಬಂಧನೆಗಳಂತೆ ಪಾವತಿಸಲಾಗುತ್ತಿದೆ. ಇದಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ಎಲ್ಲಾ ವಿವರಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
5.	ಬೀದಿ ದೀಪ ಸ್ಥಾವರಗಳಿಗೆ ಟೈಮರ್ ಸ್ವಿಚ್ ಅಳವಡಿಸುವ ಬಗ್ಗೆ ಆಯೋಗ ನೀಡಿರುವ ನಿರ್ದೇಶನವನ್ನು ಮೆಸ್ಕಾಂ ಇನ್ನೂ ಪಾಲನೆ ಮಾಡಿಲ್ಲ.	ಬೀದಿ ದೀಪಗಳ ಸ್ಥಾಪನೆ ಮತ್ತು ನಿರ್ವಹಣೆಯು ಸಂಪೂರ್ಣವಾಗಿ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳ ಆಡಳಿತಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ವಿಷಯವಾಗಿದ್ದು, ಇದನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಮನದಟ್ಟು ಮಾಡಿಕೊಡಲಾಗಿದೆ. ಆದ್ದರಿಂದ, ಆಯೋಗವು ಸಂಬಂಧಪಟ್ಟ ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಯ ಆಡಳಿತಾಧಿಕಾರಿಗಳಿಗೆ ಈ ಬಗ್ಗೆ ಕೋರಿಕೆ ಸಲ್ಲಿಸುವಂತೆ ನಿರ್ದೇಶಿಸಿರುತ್ತದೆ. ಮುಂದುವರೆದು ತಿಳಿಸುವುದೇನೆಂದರೆ ಹೊಸದಾಗಿ ಸ್ಥಾಪಿತಗೊಳ್ಳುವ ಬೀದಿ ದೀಪಗಳಿಗೆ ಟೈಮರ್ ಸ್ವಿಚ್‌ಗಳೊಂದಿಗೆ ಸಂಪರ್ಕ ನೀಡಲು ಕ್ರಮಕೈಗೊಂಡಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
6.	ಎಲ್ಲಾ ವಿತರಣಾ ಪರಿವರ್ತಕಗಳಿಗೆ ಮೀಟರ್ ಅಳವಡಿಸಿಲ್ಲ ಮತ್ತು ಗ್ರಾಮೀಣ ಪ್ರದೇಶದಲ್ಲಿ ಅಳವಡಿಸಿರುವ ಮೀಟರುಗಳನ್ನು ಓದುವ ಕೆಲಸವಾಗಿಲ್ಲ.	ಗ್ರಾಮೀಣ ಪ್ರದೇಶದಲ್ಲಿ ಅಳವಡಿಸಿರುವ ವಿತರಣಾ ಪರಿವರ್ತಕಗಳ ಮೀಟರುಗಳನ್ನು ಓದಲಾಗುತ್ತಿಲ್ಲವೆಂದು ಆಕ್ಷೇಪಿಸುವುದು ಸರಿಯಲ್ಲ. ಏಕೆಂದರೆ ಕೆಲವು ಮೀಟರುಗಳು ಮೊಬೈಲ್ ನೆಟ್ವರ್ಕ್ ಅಲಭ್ಯತೆಯಿಂದ ಓದಲು ಸಾಧ್ಯವಾಗಿಲ್ಲ. ಅಂತಹವುಗಳನ್ನು ಮ್ಯಾನುಯಲ್ ರೀಡಿಂಗ್ ಮಾಡಿ ಎನರ್ಜಿ ಆಡಿಟ್ ಮಾಡಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ. ಮ.ವಿ.ಸ.ಕಂ. ಯು ಎಲ್ಲಾ ವಿತರಣಾ ಪರಿವರ್ತಕಗಳಿಗೆ ಮೀಟರ್ ಅಳವಡಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ ಕಾರ್ಯಪ್ರವೃತ್ತವಾಗಬೇಕಾಗಿದೆ.		
7.	ಶೇ.43 ರಷ್ಟು ಡಿ ಗ್ರೂಪಿನ ನೌಕರರ ಕೊರತೆಯಿದ್ದು, ಗುಣಮಟ್ಟದ ಸೇವೆ ನೀಡಲು ಹೇಗೆ ಸಾಧ್ಯ ಎಂಬ ಸ್ಪಷ್ಟತೆಯನ್ನು ನೀಡಬೇಕು.	ಈ ನಿಟ್ಟಿನಲ್ಲಿ, ಮೆಸ್ಕಾಂ ಈ ಪ್ರಸ್ತುತ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿರುವ ಮಾನವಶಕ್ತಿಯ ಅತ್ಯುತ್ತಮ ಬಳಕೆಗೆ ನಿರಂತರ ಗಮನ ಹರಿಸಿದೆ ಮತ್ತು ಅತ್ಯಗತ್ಯ ಮಟ್ಟದಲ್ಲಿನ ಅಧಿಕಾರಿ ಮತ್ತು ನಿರ್ವಹಣಾ ಮಟ್ಟದಲ್ಲಿನ

		ಖಾಲಿ ಹುದ್ದೆಗಳನ್ನು ಕಡಿಮೆ ಮಾಡಲು ಪ್ರಯತ್ನಗಳನ್ನು ಮಾಡಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
8.	ಭದ್ರಾವತಿಯ ಎಂ.ಪಿ.ಎಂ. ಕಾರ್ಖಾನೆಯಿಂದ ರೂ.186 ಕೋಟಿ ಬಾಕಿಯಿದ್ದು ಅದರ ವಸೂಲಾತಿಗೆ ತೆಗೆದುಕೊಂಡ ಕ್ರಮವನ್ನು ತಿಳಿಸಬೇಕಾಗಿ ಆಕ್ಷೇಪಣೆದಾರರು ತಿಳಿಸಿರುತ್ತಾರೆ.	ಈ ಬಗ್ಗೆ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ, ಭದ್ರಾವತಿಯ ಎಂ.ಪಿ.ಎಂ. ಕಾರ್ಖಾನೆಯಿಂದ ಬರಬೇಕಾಗಿರುವ ಬಾಕಿ ವಸೂಲಾತಿಗಾಗಿ ಮವಿಸಕಂ ಸರ್ಕಾರದೊಡನೆ ನಿರಂತರವಾಗಿ ಸಂವಹಿಸುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
9.	ರೈತರಿಂದ ಅಭಿವೃದ್ಧಿ ಶುಲ್ಕ ಹಾಗೂ ರೇವಣಿಯನ್ನು ಪಾವತಿಸಿಕೊಂಡು ದಾಖಲೆಗಳಲ್ಲಿ ತೋರಿಸಿ ಯಾವುದೇ ಮೂಲಭೂತ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಲ್ಪಿಸಿಕೊಡುವುದಿಲ್ಲ. ಅಕ್ರಮ ಸಕ್ರಮ ಅರ್ಜಿ ದಾಖಲಾದ ತಕ್ಷಣ ಆರ್. ಆರ್. ನಂಬರ್ ನೀಡಿ, ಪಂಪುಗಳನ್ನು ಸಂಖ್ಯೆಯಲ್ಲಿ ಸೇರಿಸಿಕೊಂಡು, ಅಂದಾಜು ಬಳಕೆಯ ಮೇಲೆ ಸಹಾಯ ಧನವನ್ನು ಪಡೆಯಲಾಗುತ್ತಿದೆ.	ಮೆಸ್ಕಾಂ ಮೂಲಭೂತ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಲ್ಪಿಸಬೇಕಿರುವ ಪಂಪುಸೆಟ್ಟುಗಳ ಪಟ್ಟಿಯನ್ನು ಹೊಂದಿದ್ದು ಸೀನಿಯಾರಿಟಿ ಆಧಾರದ ಮೇಲೆ ಮೂಲಭೂತ ವ್ಯವಸ್ಥೆಯ ಕಾಮಗಾರಿಗಳನ್ನು ಕೈಗೊಳ್ಳುತ್ತಿದೆ. ಐ.ಪಿ. ಸ್ವಾವರಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು ಪ್ರತಿ ಶಾಖೆಯಲ್ಲಿ ಅತಿ ಹೆಚ್ಚು ಪಂಪುಸೆಟ್ಟು ಸಂಪರ್ಕ ಹೊಂದಿರುವ ವಿದ್ಯುತ್ ಪರಿವರ್ತಕಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳಲ್ಲಿ ದಾಖಲಾಗುವ ವಿದ್ಯುತ್ ಪ್ರಮಾಣವನ್ನು ಸರಿಸಿ ಆಯಾ ಶಾಖೆಯ ಐ.ಪಿ. ಸೆಟ್ಟುಗಳ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು ಅಂದಾಜಿಸಲಾಗುತ್ತಿದೆ. ಐ.ಪಿ. ಸೆಟ್ಟುಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳು ತುಂಬಾ ಹಳೆಯದಾಗಿದ್ದು ಮತ್ತು ಅನಧಿಕೃತ ಕೃಷಿ ಪಂಪುಸೆಟ್ ಗಳಿಂದಾಗಿ ಬಳಕೆ ನಿಖರವಾಗಿರುವುದಿಲ್ಲ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಪರಿವರ್ತಕಗಳಿಗೆ ಅಳವಡಿಸಿರುವ ಮಾಪಕಗಳಲ್ಲಾಗುವ ದಾಖಲಾತಿಯು ಹೆಚ್ಚು ಸಮರ್ಪಕವಾಗಿರುತ್ತದೆ. ಮ.ವಿ.ಸ.ಕಂ.ನ ಕೆಲವು ಪ್ರದೇಶಗಳಲ್ಲಿ ಐ.ಪಿ. ಸೆಟ್ಟು ಸ್ವಾವರಗಳಿಗೆ ಅಳವಡಿಸಿದ್ದು ಮಾಪಕಗಳನ್ನು ಗ್ರಾಹಕರು ಅನಧಿಕೃತವಾಗಿ ತೆಗೆದು ಹಾಕಲಾಗಿರುವುದು ವರದಿಯಾಗಿದೆ. ಪಂಪು ಸೆಟ್ಟುಗಳ ಬಳಕೆ ಲೆಕ್ಕಾಚಾರದ ಬಗ್ಗಿನ ಎಲ್ಲಾ ವಿವರಗಳನ್ನು ಗೌರವಾನ್ವಿತ ಆಯೋಗಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
10.	ಗ್ರಾಹಕರ ಮೀಟರ್ ಬೋರ್ಡ್‌ವರೆಗಿನ ಎಲ್ಲಾ ವ್ಯವಸ್ಥೆಗಳು ಕಂಪೆನಿಗೆ ಸೇರಿದ್ದು, ಹೀಗಿರುವಾಗ ಸರ್ವಿಸ್ ವಯರ್ ತುಂಡಾದರೆ ಅದನ್ನು ಗ್ರಾಹಕರೇ ಹಾಕಿಕೊಳ್ಳುವಂತೆ ಮೆಸ್ಕಾಂ ಅಧಿಕಾರಿಗಳು ತಿಳಿಸುತ್ತಿದ್ದಾರೆ.	ಆಕ್ಷೇಪಣೆದಾರರು ತಿಳಿಸಿರುವಂತೆ ಗ್ರಾಹಕರ ಮೀಟರ್ ಬೋರ್ಡ್‌ವರೆಗಿನ ಎಲ್ಲಾ ವ್ಯವಸ್ಥೆಗಳು ಕಂಪೆನಿಗೆ ಸೇರಿದ್ದಾಗಿದ್ದು, ಸರ್ವಿಸ್ ವಯರ್ ತುಂಡಾದರೆ ಅವುಗಳ ಕಾರ್ಯಕ್ಷಮತೆ, ಸುರಕ್ಷತೆ, ಇನ್ನಿತರೆ ಅಂಶಗಳನ್ನು ಪರಿಗಣಿಸಿ ಎಲ್ಲಿ ಅಗತ್ಯತೆ ಇರುವುದೋ ಅಂತಹ ಸ್ವಾವರಗಳ ಸರ್ವಿಸ್ ವಯರ್‌ಗಳನ್ನು ಬದಲಾಯಿಸಲು ಮೆಸ್ಕಾಂ ಕ್ರಮ ಕೈಗೊಳ್ಳುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
11.	ಮೆಸ್ಕಾಂ ವ್ಯಾಪ್ತಿಯ ಎಲ್ಲಾ ಉಪ ವಿಭಾಗಗಳಲ್ಲಿ ದೂರು ನಿರ್ವಹಣಾ ಮಾನದಂಡ (ಎಸ್.ಒ.ಪಿ.) ಯನ್ನು ಪ್ರದರ್ಶಿಸಿಲ್ಲ.	ಆಕ್ಷೇಪಣೆದಾರರ ಈ ಆಕ್ಷೇಪಣೆಯು ಸಮಂಜಸವಾಗಿಲ್ಲ. ಮೆಸ್ಕಾಂನಲ್ಲಿ ಎಲ್ಲಾ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ದೂರು ನಿರ್ವಹಣಾ ಮಾನದಂಡ (ಎಸ್.ಒ.ಪಿ.)ಗೆ ಸಂಬಂಧಪಟ್ಟ ವಿವರಗಳನ್ನು ಪ್ರದರ್ಶಿಸಲಾಗಿರುತ್ತದೆ. ಅಲ್ಲದೇ, ಈ ಸಂಬಂಧ ಪುಸ್ತಿಕೆಯನ್ನು ಗ್ರಾಹಕರ ಅವಗಾಹನೆಗಾಗಿ ಉಪವಿಭಾಗ / ಶಾಖಾ ಕಛೇರಿಗಳಲ್ಲಿ ಲಭ್ಯಗೊಳಿಸಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		

	12. ಎಲ್.ಟಿ. ಮಾರ್ಗಗಳ ಸಮರ್ಪಕ ನಿರ್ವಹಣೆ ಮಾಡದೆ ಇರುವುದರಿಂದ ಎಲ್.ಟಿ. ನಷ್ಟವು ಹೆಚ್ಚಾಗಿದೆ.	ವಿದ್ಯುತ್ ಲೈನ್ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪ್ರಸ್ತುತ ವ್ಯವಸ್ಥೆಯಲ್ಲೇ ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಮಳೆಗಾಲದಲ್ಲಿನ ವಿಶೇಷ ಪರಿಸ್ಥಿತಿಯನ್ನು ನಿಭಾಯಿಸಲು ಅಂದರೆ ವಿದ್ಯುತ್ ಲೈನ್‌ಗಳ ದುರಸ್ತಿ ಹಾಗೂ ದೂರು ನಿರ್ವಹಣೆಗೆ ಪಡೆಗಳನ್ನು ರಚಿಸಿ ಅವುಗಳ ಮೇಲ್ವಿಚಾರಣೆಯನ್ನು ಸಮಂಜಸವಾಗಿ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	13. ಕೃಷಿ ಮತ್ತು ಹೈನುಗಾರಿಕೆ ಯಾಂತ್ರೀಕರಣಗೊಳ್ಳುತ್ತಿದ್ದು, ಅದಕ್ಕೆ ಬಳಸುವ ವಿದ್ಯುತ್, ಮೆಸ್ಯಾಂ ವಿಧಿಸುವ ದರದಲ್ಲಿ ಗೊಂದಲ ಮೂಡಿಸುತ್ತಿದೆ.	ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಆದೇಶಿಸಿರುವ ವರ್ಗೀಕರಣಗಳನ್ವಯ ಗ್ರಾಹಕರುಗಳನ್ನು ವರ್ಗೀಕರಿಸಲಾಗಿದ್ದು ಆ ಪ್ರಕಾರ ಬಿಲ್ಲು ಮಾಡಲಾಗುತ್ತಿದೆ. ಹೈನುಗಾರಿಕೆಗೆ ಯಾವ ರೀತಿಯ ಎಷ್ಟು ಸಾಮರ್ಥ್ಯದ ಯಂತ್ರಗಳನ್ನು ಬಳಸಲಾಗುತ್ತಿದೆಯೆಂಬುದರ ಮೇಲೆ ವರ್ಗೀಕರಣವನ್ನು ನಿರ್ಧರಿಸಲಾಗುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	14. ಮೆಸ್ಯಾಂ ತನ್ನ ಕಾರ್ಯ ಚಟುವಟಿಕೆಯಲ್ಲಿ ಸಾಕಷ್ಟು ಅಭಿವೃದ್ಧಿಯನ್ನು ಸಾಧಿಸಿ, ಲಾಭದಲ್ಲಿದ್ದರೂ ಸಹ ಮುಂದಿನ ವರ್ಷಗಳಿಗೆ ಪುನಃ ನಷ್ಟ ತೋರಿಸಿರುವುದು ಆಕ್ಷೇಪಣೀಯ.	ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ, ಸಾಗಣೆ, ವಿದ್ಯುತ್ ಸರಬರಾಜು ಹಾಗೂ ವಿದ್ಯುತ್ ಜಾಲಗಳ ನಿರ್ವಹಣೆ ಸಂಬಂಧ ಅವಲಂಬಿತ ಅಂಶಗಳಲ್ಲಿನ ದರ ಏರಿಕೆಯಿಂದ ಮ.ವಿ.ಸ.ಕಂ.ನಿಯ ವೆಚ್ಚದಲ್ಲಿ ಆಗುವ ಹೆಚ್ಚಳವನ್ನು ಸರಿದೂಗಿಸಲು ವಿದ್ಯುತ್ ದರಗಳನ್ನು ಹೆಚ್ಚಿಸುವುದು ಅನಿವಾರ್ಯವಾಗಿರುತ್ತದೆ. ಹೆಚ್ಚಿನ ವಿದ್ಯುತ್ ಉಪಯೋಗ ಮತ್ತು ಹಣದುಬ್ಬರದ ಪರಿಣಾಮವು ಇತರ ಸಂಸ್ಥೆಗಳಿಗೆ ಬಾಧಿಸುವ ರೀತಿಯಲ್ಲಿಯೇ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳಿಗೂ ಬಾಧಿಸುತ್ತಿದ್ದು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಆದಾಯದ ಮೂಲ, ಗ್ರಾಹಕರು ಬಳಸುವ ವಿದ್ಯುಚ್ಛಕ್ತಿಗೆ ವಿಧಿಸುವ ದರಗಳಲ್ಲದೆ ಬೇರೆ ಮೂಲಗಳೆಲ್ಲವಾದ್ದರಿಂದಲೂ ದರ ಏರಿಕೆ ಅನಿವಾರ್ಯವಾಗಿದೆ ಮತ್ತು ಮೆಸ್ಯಾಂನ ಪ್ರಸ್ತಾವನೆಯಂತೆ ದರ ಏರಿಕೆಯನ್ನು ಪರಿಗಣಿಸುವಂತೆ ಗೌರವಾನ್ವಿತ ಆಯೋಗವನ್ನು ಈ ಮೂಲಕ ಕೋರಿದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
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	ಮೆಸ್ಯಾಂನ ದರ ಹೆಚ್ಚಳ ಪ್ರಸ್ತಾವವು ಅವೈಜ್ಞಾನಿಕವಾಗಿದೆ.	ಮೆಸ್ಯಾಂನ ದರ ಹೆಚ್ಚಳ ಪ್ರಸ್ತಾವವು ಅವೈಜ್ಞಾನಿಕವಾಗಿರುವುದಾಗಿ ಆಕ್ಷೇಪಿಸುತ್ತಾ ಆಕ್ಷೇಪಣೆದಾರರು ವ್ಯಕ್ತ ಪಡಿಸಿರುವ ಆತಂಕವು ನಿರಾಧಾರವಾದುದಾಗಿದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ಅಧಿಸೂಚಿಸಿರುವ ನಿಯಮಗಳ ಪ್ರಕಾರವೇ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಿದ್ಧಪಡಿಸಲಾಗಿದೆ ಮತ್ತು ಪ್ರತಿಯೊಂದು ಪ್ರಸ್ತಾವನೆ ಸಂಬಂಧ ಅಂದಾಜಿಸಲಾಗಿರುವ ಖರ್ಚು ವೆಚ್ಚಗಳನ್ನು ಅದರ ಪೂರ್ವಾಪರ ಅಂಕಿಅಂಶಗಳೊಂದಿಗೆ ವಿಶದವಾಗಿ ವಿವರಿಸಲಾಗಿದೆ. ಗೌರವಾನ್ವಿತ ಆಯೋಗವು ರಾಜ್ಯದಾದ್ಯಂತ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿರುವ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳು ಸಲ್ಲಿಸಿರುವ ಪ್ರಸ್ತಾವನೆಗಳನ್ನು ಒಟ್ಟಾರೆಯಾಗಿ ಅನ್ವಯಿಸಿಕೊಂಡು ಏಕ ರೀತಿಯ ದರ ಪರಿಷ್ಕರಣೆಯ ಆದೇಶವನ್ನು ನೀಡುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		



	ಎಲ್.ಟಿ.-2ಎ ಜಕಾತಿ ಪ್ರವರ್ಗಕ್ಕೆ ಶೇ.110 ರಷ್ಟು ಹೆಚ್ಚಳದ ಪ್ರಸ್ತಾವನೆಯಿದೆ.	ಮುಂದುವರೆದು, ಆಕ್ಷೇಪಣೆದಾರರು ನಿಗದಿತ ದರವನ್ನು ಮಾತ್ರ ಗಣನೆಗೆ ತೆಗೆದುಕೊಂಡು ಎಲ್.ಟಿ.-2ಎ ಜಕಾತಿ ಪ್ರವರ್ಗಕ್ಕೆ ಶೇ.110 ರಷ್ಟು ಹೆಚ್ಚಳದ ಪ್ರಸ್ತಾವನೆಯಿರುವುದಾಗಿ ತಿಳಿಸಿರುವುದು ಸರಿಯಲ್ಲ. ಹಾಲಿ ದರ ಮತ್ತು ಪ್ರಸ್ತಾವಿತ ದರಗಳನ್ನು ಹೋಲಿಕೆ ಮಾಡುವಾಗ ನಿಗದಿತ ದರ ಮತ್ತು ವಿದ್ಯುತ್ ಬಳಕೆ ಶುಲ್ಕ ಇವೆರಡನ್ನೂ ಒಳಗೊಂಡ ಸರಾಸರಿ ದರವನ್ನು ಹೋಲಿಕೆ ಮಾಡಿದಲ್ಲಿ ಮಾತ್ರ ಎಷ್ಟು ದರ ಹೆಚ್ಚಳ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಮಾಡಲಾಗಿದೆ ಎಂಬುದು ತಿಳಿದು ಬರುತ್ತದೆ. ಆ ಪ್ರಕಾರ ಹೋಲಿಕೆ ಮಾಡಿದಾಗ ಪ್ರಸ್ತಾವಿಸಿರುವ ದರ ಏರಿಕೆಯ ಪ್ರಮಾಣವು ಶೇ.28.97 ರಷ್ಟಾಗಿರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		
	ಕೇರಳ ರಾಜ್ಯದ ನಿಯಮಗಳನ್ನು ಅನ್ವಯಿಸಿಕೊಂಡು ನಿಗದಿತ ದರವೆಂಬ ವ್ಯಾಖ್ಯಾನವನ್ನು ರದ್ದುಗೊಳಿಸಬೇಕು.	ಕೇರಳ ರಾಜ್ಯದಲ್ಲಿಯೂ ಸಹ ನಿಗದಿತ ಶುಲ್ಕಗಳನ್ನು ವಿಧಿಸುತ್ತಿರುವುದು ಅಲ್ಲಿನ ಆಯೋಗವು ಹೊರಡಿಸಿರುವ ಜಕಾತಿ ಆದೇಶಗಳಿಂದ ತಿಳಿದುಬರುತ್ತದೆ.
ಆಯೋಗದ ಅಭಿಪ್ರಾಯಗಳು: ಮ.ವಿ.ಸ.ಕಂ. ಯು ನೀಡಿರುವ ಉತ್ತರವನ್ನು ಆಯೋಗದ ವತಿಯಿಂದ ಗಮನಿಸಲಾಗಿದೆ.		

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ESCOMs TOTAL POWER PURCHASE FOR FY23								Annexure-1 (i)	
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost			
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs		
A	KPCL THERMAL								
1	RAICHUR THERMAL POWER STATION RTPS 1-7 (7x210)	4551.37	1071.47	1310.79	2.88	2382.26	5.23		
2	RAICHUR THERMAL POWER STATION RTPS 8 (1x250)	1057.06	234.43	303.38	2.87	537.81	5.09		
3	BELLARY THERMAL POWER STATIONS BTPS-1 (1x500)	1117.55	350.03	326.32	2.92	676.35	6.05		
4	BELLARY THERMAL POWER STATIONS BTPS-2 (1x500)	1134.95	447.12	326.87	2.88	773.99	6.82		
5	BELLARY THERMAL POWER STATIONS BTPS-3 (1x700)	3775.50	1108.20	1057.14	2.80	2165.34	5.74		
6	YTPS	5508.62	2119.09	1608.52	2.92	3727.60	6.77		
	TOTAL KPCL THERMAL	17145.05	5330.34	4933.02	2.8772	10263.35	5.9862		
B	CGS SOURCES								
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	858.84	2.71	1094.37	3.45		
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	232.22	2.66	294.22	3.37		
3	NTPC-Talcher (4X500MW)	2646.99	195.40	468.52	1.77	663.92	2.51		
4	Simhadri Unit -1 &2 (2X500MW)	1260.63	212.69	373.15	2.96	585.84	4.65		
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	366.33	206.90	119.06	3.25	325.96	8.90		
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	921.58	71.55	245.14	2.66	316.69	3.44		
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	332.05	2.66	431.09	3.45		
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	175.20	2.41	247.78	3.41		
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	150.72	2.55	339.61	5.75		

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	97.46	3.15	330.00	10.67
11	MAPS (2X220MW)	93.19	0.00	23.95	2.57	23.95	2.57
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	279.92	3.46	279.92	3.46
13	Kaiga Unit 3 &4 (2X200MW)	855.24	0.00	295.91	3.46	295.91	3.46
14	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	577.13	4.09	577.13	4.09
15	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	542.99	4.09	542.99	4.09
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	407.16	203.84	119.71	2.94	323.55	7.95
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	385.05	2.69	678.98	4.74
18	Kudgi	2276.77	1490.04	808.25	3.55	2298.29	10.09
19	New NLC thermal Project	462.58	93.29	101.31	2.19	194.60	4.21
	TOTAL CGS Energy @ KPTCI periphery	21187.50	3658.22	6186.57	2.92	9844.79	4.65
C	MAJOR IPPS						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	1870.70	1091.48	800.66	4.28	1892.14	10.11
D	KPCL HYDEL STATIONS						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		303.70	0.62	303.70	0.62
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		55.16	1.51	55.16	1.51
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		102.28	1.96	102.28	1.96
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		290.16	0.95	290.16	0.95
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		182.58	1.81	182.58	1.81
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		119.47	2.15	119.47	2.15

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.30		29.09	5.90	29.09	5.90
8	KADRA POWER HOUSE_KPH (3x50)	367.59		96.68	2.63	96.68	2.63
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		63.01	1.82	63.01	1.82
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		20.60	3.12	20.60	3.12
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		38.27	1.39	38.27	1.39
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.27	1.16	9.27	1.16
	TOTAL KPCL HYDRO	11588.54	0.00	1310.26	1.13	1310.26	1.13
E	OTHER HYDRO						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		58.68	3.10	58.68	3.10
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.10	0.55	2.10	0.55
	TOTAL OTHER HYDRO	227.47		60.78	2.67	60.78	2.67
F	RE SOURCES						
1	WIND-IPPS	6193.08		2452.46	3.96	2452.46	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9076.53		3892.34	4.29	3892.34	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17662.05	0.00	7326.63		7326.63	4.15
G	BUNDLED POWER						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	1964.57	0.00	916.02	4.66	916.02	4.66
H	TOTAL TRANSMISSION & SLDC CHARGES						
1	KPTCL TRANSMISSION CHARGES		5093.771			5093.771	
2	PGCIL CHARGES		2487.740			2487.740	
3	SLDC		32.984			32.984	
4	POSO CO CHARGES		4.400			4.400	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES	71645.875	17698.93	21533.94	3.0056	39232.871	5.47594



ESCOMs TOTAL POWER PURCHASE FOR FY24							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	KPCL THERMAL						
1	RAICHUR THERMAL POWER STATION RTPS 1-7 (7x210)	5579.34	1103.96	1640.33	2.94	2744.29	4.92
2	RAICHUR THERMAL POWER STATION RTPS 8 (1x250)	1100.00	233.91	322.30	2.93	556.21	5.06
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1200.00	355.37	357.60	2.98	712.97	5.94
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1308.95	443.33	384.83	2.94	828.16	6.33
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3500.00	868.96	1001.00	2.86	1869.96	5.34
6	YTPS	6239.75	2400.00	1859.44	2.98	4259.44	6.83
	TOTAL KPCL THERMAL	18928.04	5405.53	5565.50	2.9403	10971.03	5.7962
B	CGS SOURCES						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	876.02	2.76	1111.55	3.51
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	236.87	2.71	298.87	3.42
3	NTPC-Talcher (4X500MW)	2646.99	195.40	477.89	1.81	673.29	2.54
4	Simhadri Unit -1 &2 (2X500MW)	1260.63	212.69	380.61	3.02	593.30	4.71
5	NIPC Tamilnadu Energy Company Ltd (NTECL) Vallur TPS Stage 1 &2 &3 (3X500MW)	366.33	206.90	121.44	3.32	328.34	8.96
6	Neyveli Lignite Corporation_NLC TPS-II STAGE 1 (3X210MW)	921.58	71.55	250.04	2.71	321.59	3.49
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	338.69	2.71	437.73	3.51
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	178.71	2.46	251.29	3.46
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	153.73	2.60	342.62	5.80
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	99.41	3.21	331.95	10.73
11	MAPS (2X220MW)	93.19	0.00	24.43	2.62	24.43	2.62
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	285.52	3.53	285.52	3.53

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
13	Kaiga Unit 3 & 4 (2X200MW)	855.24	0.00	301.83	3.53	301.83	3.53
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	588.67	4.17	588.67	4.17
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	553.85	4.17	553.85	4.17
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	407.16	203.84	122.10	3.00	325.94	8.01
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	392.76	2.74	686.69	4.80
18	Kudgi	2276.77	1590.04	824.42	3.62	2414.46	10.60
19	New NLC thermal Project	462.58	93.29	103.33	2.23	196.62	4.25
	TOTAL CGS Energy @ KPTCL periphery	21187.50	3758.22	6310.30	2.98	10068.52	4.75
C	MAJOR IPPS						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	2000.00	1091.48	874.00	4.37	1965.48	9.83
D	KPCL HYDEL STATIONS						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		309.77	0.63	309.77	0.63
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		56.27	1.54	56.27	1.54
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		104.32	2.00	104.32	2.00
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		295.97	0.97	295.97	0.97
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		186.23	1.85	186.23	1.85
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		121.86	2.19	121.86	2.19
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHHP ((1x2+2x12)+(1x7.2+1x6))	49.30		29.67	6.02	29.67	6.02
8	KADRA POWER HOUSE_KPH (3x50)	367.59		98.61	2.68	98.61	2.68
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		64.27	1.86	64.27	1.86
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		21.01	3.18	21.01	3.18
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		39.03	1.42	39.03	1.42
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.45	1.18	9.45	1.18
	TOTAL KPCL HYDRO	11588.54	0.00	1336.46	1.13	1336.46	1.15

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
E	OTHER HYDRO						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		60.01	3.17	60.01	3.17
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.14	0.56	2.14	0.56
	TOTAL OTHER HYDRO	227.47		62.14	2.67	62.14	2.73
F	RE SOURCES						
1	WIND-IPPS	6193.08		2452.46	3.96	2452.46	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9258.82		3970.41	4.29	3970.41	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17844.34	0.00	7404.70		7404.70	4.15
G	BUNDLED POWER						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	1964.57	0.00	916.02	4.66	916.02	4.66
H	TOTAL TRANSMISSION & SLDC CHARGES						
1	KPTCL TRANSMISSION CHARGES		5415.747			5415.747	
2	PGCIL CHARGES		2549.934			2549.934	
3	SLDC		32.020			32.020	
4	POSOCCO CHARGES		4.100			4.400	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES	73740.447	18257.33	22469.14	3.05	40726.468	5.523

ESCOMs TOTAL POWER PURCHASE FOR FY25							
SI no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	KPCL THERMAL						
1	RAICHUR THERMAL POWER STATION RTPS 1-7 (7x210)	5900.00	1136.56	1770.00	3.00	2906.56	4.93
2	RAICHUR THERMAL POWER STATION RTPS 8 (1x250)	1100.00	232.62	328.90	2.99	561.52	5.10
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	1300.00	360.74	395.20	3.04	755.94	5.81
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	1400.00	457.52	420.00	3.00	877.52	6.27
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	3775.50	826.50	1098.67	2.91	1925.17	5.10
6	YTPS	6169.68	2400.00	1875.58	3.04	4275.58	6.93
	TOTAL KPCL THERMAL	19645.18	5413.94	5888.35	2.9974	11302.29	5.7532
B	CGS SOURCES						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	3169.16	235.53	893.54	2.82	1129.07	3.56
2	N.T.P.C-RSTP-III (1X500MW)	873.01	62.00	241.60	2.77	303.60	3.48
3	NTPC-Talcher (4X500MW)	2646.99	195.40	487.45	1.84	682.85	2.58
4	Simhadri Unit -1 & 2 (2X500MW)	1260.63	212.69	388.22	3.08	600.91	4.77
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I & 2 & 3 (3X500MW)	366.33	206.90	123.87	3.38	330.77	9.03
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	921.58	71.55	255.04	2.77	326.59	3.54
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	1248.31	99.04	345.47	2.77	444.51	3.56
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	726.99	72.58	182.28	2.51	254.86	3.51
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	591.05	188.89	156.81	2.65	345.70	5.85
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	309.39	232.54	101.40	3.28	333.94	10.79

SI no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
11	MAPS (2X220MW)	93.19	0.00	24.92	2.67	24.92	2.67
12	Kaiga Unit 1&2 (2X220MW)	809.01	0.00	291.23	3.60	291.23	3.60
13	Kaiga Unit 3 &4 (2X200MW)	855.24	0.00	307.87	3.60	307.87	3.60
14	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	1411.07	0.00	600.44	4.26	600.44	4.26
15	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	1327.61	0.00	564.93	4.26	564.93	4.26
16	DVC-Unit-1 &2 Meja TPS (2x500MW)	407.16	203.84	124.54	3.06	328.38	8.07
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	1431.43	293.93	400.61	2.80	694.54	4.85
18	Kudgi	2276.70	1590.04	840.88	3.69	2430.92	10.68
19	New NLC thermal Project	462.58	93.29	105.40	2.28	198.69	4.30
	TOTAL CGS Energy @ KPTCL periphery	21187.43	3758.22	6436.49	3.04	10194.71	4.81
C	MAJOR IPPS						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	3500.00	1091.48	1560.09	4.46	2651.57	7.58
D	KPCL HYDEL STATIONS						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	4898.32		315.97	0.65	315.97	0.65
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	365.31		57.39	1.57	57.39	1.57
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	521.83		106.41	2.04	106.41	2.04
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3054.35		301.89	0.99	301.89	0.99
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.71		189.95	1.88	189.95	1.88
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	555.69		124.30	2.24	124.30	2.24
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	49.30		30.26	6.14	30.26	6.14

SI no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
8	KADRA POWER HOUSE_KPH (3x50)	367.59		100.58	2.74	100.58	2.74
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	346.20		65.55	1.89	65.55	1.89
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	66.03		21.43	3.25	21.43	3.25
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	275.32		39.82	1.45	39.82	1.45
12	MUNIRABAD POWER HOUSE (2x9+1x10)	79.89		9.64	1.21	9.64	1.21
	TOTAL KPCL HYDRO	11588.54	0.00	1363.19	1.13	1363.19	1.18
E	OTHER HYDRO						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	189.30		61.59	3.25	61.59	3.25
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	38.17		2.20	0.58	2.20	0.58
	TOTAL OTHER HYDRO	227.47		63.79	2.67	63.79	2.80
F	RE SOURCES						
1	WIND-IPPS	6193.80		2452.74	3.96	2452.74	3.96
2	KPCL-WIND (9x0.225+10x0.230)	7.13		2.79	3.91	2.79	3.91
3	MINI HYDEL-IPPS	1395.66		467.55	3.35	467.55	3.35
4	CO-GEN	592.69		345.54	5.83	345.54	5.83
5	CAPTIVE /wind MOA	204.35		61.71	3.02	61.71	3.02
6	BIOMASS	185.58		100.03	5.39	100.03	5.39
7	Solar Existing /SRTPV	9261.90		3971.33	4.29	3971.33	4.29
8	SOLAR-KPCL (YELESANDRA, JINALLY APALDINNI, SHIMSHA) (3x1+3x1+1x3x1x5)	7.03		4.22	6.00	4.22	6.00
	TOTAL RE	17848.14	0.00	7405.91		7405.91	4.15
G	BUNDLED POWER						
1	Bundled power Coal	463.27		126.47	2.73	126.47	2.73
2	Bundled power Solar(OLD)	120.50		126.77	10.52	126.77	10.52
3	Bundled power Solar(NEW)	1380.80		662.78	4.80	662.78	4.80
	Total Bundled Power	1964.57	0.00	916.02	4.66	916.02	4.66

SI no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
H	TOTAL TRANSMISSION & SLDC CHARGES						
1	KPTCL TRANSMISSION CHARGES		5803.792			5803.792	
2	PGCIL CHARGES		2613.682			2613.682	
3	SLDC		34.620			34.620	
4	POSO CO CHARGES		4.400			4.400	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES	75961.324	18720.13	23633.84	3.11	42353.9782	5.576

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MESCOMs APPROVED POWER PURCHASE FOR FY23							Annexure-2 (i)	
Sl no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount In Crores	Cost/Unit In Rs	Amount In Crores	Cost/Unit In Rs
A								
KPCL THERMAL								
1	RAICHUR THERMAL POWER STATION RTPS 1-7 (7x210)	4.9192	223.89	52.71	64.48	2.88	117.19	5.23
2	RAICHUR THERMAL POWER STATION RTPS 8 (1x250)	4.9192	52.00	11.53	14.92	2.87	26.46	5.09
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	4.9192	54.97	17.22	16.05	2.92	33.27	6.05
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	4.9192	55.83	21.99	16.08	2.88	38.07	6.82
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	4.9192	185.72	54.51	52.00	2.80	106.52	5.74
6	YTPS	4.9192	270.98	104.24	79.13	2.92	183.37	6.77
	TOTAL KPCL THERMAL		843.40	262.21	242.66	2.88	504.874	5.99
B								
CGS SOURCES								
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	6.9192	219.28	16.30	59.42	2.71	75.72	3.45
2	N.T.P.C-RSTP-III (1X500MW)	6.9192	60.41	4.29	16.07	2.66	20.36	3.37
3	NTPC-Talcher (4X500MW)	6.9192	183.15	13.52	32.42	1.77	45.94	2.51
4	Simhadri Unit -1 &2 (2X500MW)	6.9192	87.23	14.72	25.82	2.96	40.54	4.65
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	6.9192	25.35	14.32	8.24	3.25	22.55	8.90
6	Neyveli Lignite Corporation_NLC TPS-II STAGE 1 (3X210MW)	6.9192	63.77	4.95	16.96	2.66	21.91	3.44
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	6.9192	86.37	6.85	22.98	2.66	29.83	3.45
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	6.9192	50.30	5.02	12.12	2.41	17.14	3.41
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	6.9192	40.90	13.07	10.43	2.55	23.50	5.75
10	NLC TAMILNADU POWER LIMITED (NIPL) (TUTICORIN) (2X500MW)	6.9192	21.41	16.09	6.74	3.15	22.83	10.67
11	MAPS (2X220MW)	6.9192	6.45	0.00	1.66	2.57	1.66	2.57
12	Kaiga Unit 1 &2 (2X220MW)	6.9192	55.98	0.00	19.37	3.46	19.37	3.46
13	Kaiga Unit 3 &4 (2X200MW)	6.9192	59.18	0.00	20.47	3.46	20.47	3.46
14	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	6.9192	97.63	0.00	39.93	4.09	39.93	4.09

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount In Crores	Cost/Unit in Rs
15	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	6.9192	91.86	0.00	37.57	4.09	37.57	4.09
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	6.9192	28.17	14.10	8.28	2.94	22.39	7.95
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	6.9192	99.04	20.34	26.64	2.69	46.98	4.74
18	Kudgi	6.9192	157.53	103.10	55.92	3.55	159.02	10.09
19	New NLC thermal Project	6.9192	32.01	6.45	7.01	2.19	13.46	4.21
	TOTAL CGS Energy @ KPTCL periphery		1466.00	253.12	428.06	2.92	681.180	4.65
C	MAJOR IPPS							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	4.9192	92.02	53.69	39.39	4.28	93.08	10.11
D	KPCL HYDEL STATIONS							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	19.2667	943.74	0.00	58.51	0.62	58.51	0.62
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	18.9192	69.11	0.00	10.44	1.51	10.44	1.51
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	18.9192	98.73	0.00	19.35	1.96	19.35	1.96
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	18.9192	577.86	0.00	54.90	0.95	54.90	0.95
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	18.9192	190.84	0.00	34.54	1.81	34.54	1.81
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	18.9192	105.13	0.00	22.60	2.15	22.60	2.15
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	18.9192	9.33	0.00	5.50	5.90	5.50	5.90
8	KADRA POWER HOUSE_KPH (3x50)	18.9192	69.55	0.00	18.29	2.63	18.29	2.63
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	18.9192	65.50	0.00	11.92	1.82	11.92	1.82
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	18.9192	12.49	0.00	3.90	3.12	3.90	3.12
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	18.9192	52.09	0.00	7.24	1.39	7.24	1.39
12	MUNIRABAD POWER HOUSE (2x9+1x10)	18.9192	15.11	0.00	1.75	1.16	1.75	1.16
	TOTAL KPCL HYDRO		2209.48	0.00	248.95	1.13	248.946	1.13

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
E	OTHER HYDRO							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	18.9192	35.81	0.00	11.10	3.10	11.10	3.10
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	18.9192	7.22	0.00	0.40	0.55	0.40	0.55
	TOTAL OTHER HYDRO		43.03		11.50	2.67	11.50	2.67
F	RE SOURCES							
1	WIND-IPPS		259.10	0.00	102.60	3.96	102.60	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		366.36	0.00	122.73	3.35	122.73	3.35
4	CO-GEN			0.00	0.00	5.83	0.00	5.83
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS			0.00	0.00	5.39	0.00	5.39
7	Solar Existing /SRTPV		716.97	0.00	307.46	4.29	307.46	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YA PALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)			0.00	0.00	6.00	0.00	6.00
	TOTAL RE		1342.43	0.00	532.80	0.00	532.80	3.97
G	BUNDLED POWER							
1	Bundled power Coal	7.9087	36.64	0.00	10.00	2.73	10.00	2.73
2	Bundled power Solar(OLD)	7.9087	9.53	0.00	10.03	10.52	10.03	10.52
3	Bundled power Solar(NEW)	7.8896	108.94	0.00	52.29	4.80	52.29	4.80
	Total Bundled Power		155.11		72.32	4.66	72.32	
H	TOTAL TRANSMISSION & SLDC CHARGES							
1	KPCL TRANSMISSION CHARGES				383.258		383.258	
2	PGCIL CHARGES				183.833		183.833	
3	SLDC				2.458		2.458	
4	POSOCO CHARGES				0.360		0.360	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES		6151.477	1138.93	1575.67	2.561	2714.599	4.4129

MESCOMs APPROVED POWER PURCHASE FOR FY24							Annexure-2 (ii)	
SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A	KPCL THERMAL							
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	4.0604	226.54	44.83	66.60	2.94	111.43	4.92
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	4.0604	44.66	9.50	13.09	2.93	22.58	5.06
3	BELLARY THERMAL POWER STATIONS_BTPTS-1 (1x500)	4.0604	48.72	14.43	14.52	2.98	28.95	5.94
4	BELLARY THERMAL POWER STATIONS_BTPTS-2 (1x500)	4.0604	53.15	18.00	15.63	2.94	33.63	6.33
5	BELLARY THERMAL POWER STATIONS_BTPTS-3 (1x700)	4.0604	142.11	35.28	40.64	2.86	75.93	5.34
6	YTPS	4.0604	253.36	97.45	75.50	2.98	172.95	6.83
	TOTAL KPCL THERMAL		768.56	219.49	225.98	2.94	445.469	5.80
B	CGS SOURCES							
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	6.8998	218.67	16.25	60.44	2.76	76.69	3.51
2	N.T.P.C-RSTP-III (1X500MW)	6.8998	60.24	4.28	16.34	2.71	20.62	3.42
3	NTPC-Talcher (4X500MW)	6.8998	182.64	13.48	32.97	1.81	46.46	2.54
4	Simhadri Unit -1 & 2 (2X500MW)	6.8998	86.98	14.68	26.26	3.02	40.94	4.71
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I & 2 & 3 (3X500MW)	6.8998	25.28	14.28	8.38	3.32	22.65	8.96
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	6.8998	63.59	4.94	17.25	2.71	22.19	3.49
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	6.8998	86.13	6.83	23.37	2.71	30.20	3.51
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	6.8998	50.16	5.01	12.33	2.46	17.34	3.46
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	6.8998	40.78	13.03	10.61	2.60	23.64	5.80
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	6.8998	21.35	16.04	6.86	3.21	22.90	10.73
11	MAPS (2X220MW)	6.8998	6.43	0.00	1.69	2.62	1.69	2.62
12	Kaiga Unit 1&2 (2X220MW)	6.8998	55.82	0.00	19.70	3.53	19.70	3.53
13	Kaiga Unit 3 & 4 (2X200MW)	6.8998	59.01	0.00	20.83	3.53	20.83	3.53

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Variable Charges			Total Cost	
				Capacity Charges Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
14	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP U1 (1X1000MW)	6.8998	97.36	0.00	40.62	4.17	40.62	4.17
15	NPCIL-KudanKulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	6.8998	91.60	0.00	38.21	4.17	38.21	4.17
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	6.8998	28.09	14.06	8.42	3.00	22.49	8.01
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	6.8998	98.77	20.28	27.10	2.74	47.38	4.80
18	Kudgi	6.8998	157.09	109.71	56.88	3.62	166.59	10.60
19	New NLC thermal Project	6.8998	31.92	6.44	7.13	2.23	13.57	4.25
	TOTAL CGS Energy @ KPTCL periphery		1461.90	259.31	435.40	2.98	694.708	4.75
C	MAJOR IPPS							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	12.5610	251.22	137.10	109.78	4.37	246.88	9.83
D	KPCL HYDEL STATIONS							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	20.0000	979.66	0.00	61.95	0.63	61.95	0.63
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	20.0000	73.06	0.00	11.25	1.54	11.25	1.54
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	20.0000	104.37	0.00	20.86	2.00	20.86	2.00
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	20.0000	610.87	0.00	59.19	0.97	59.19	0.97
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	20.0000	201.74	0.00	37.25	1.85	37.25	1.85
6	ALMATHI DAM POWER HOUSE_ADPH (1x15+5x55)	20.0000	111.14	0.00	24.37	2.19	24.37	2.19
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	20.0000	9.86	0.00	5.93	6.02	5.93	6.02
8	KADRA POWER HOUSE_KPH (3x50)	20.0000	73.52	0.00	19.72	2.68	19.72	2.68
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	20.0000	69.24	0.00	12.85	1.86	12.85	1.86
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	20.0000	13.21	0.00	4.20	3.18	4.20	3.18
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	20.0000	55.06	0.00	7.81	1.42	7.81	1.42

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
12	MUNIRABAD POWER HOUSE (2x9+1x10)	20.0000	15.98	0.00	1.89	1.18	1.89	1.18
	TOTAL KPCL HYDRO		2317.71	0.00	267.29	1.13	267.293	1.15
E	OTHER HYDRO							
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	20.0000	37.86	0.00	12.00	3.17	12.00	3.17
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	20.0000	7.63	0.00	0.43	0.56	0.43	0.56
	TOTAL OTHER HYDRO		45.49		12.43	2.73	12.43	2.73
F	RE SOURCES							
1	WIND-IPPS		259.10	0.00	102.60	3.96	102.60	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		366.36	0.00	122.73	3.35	122.73	3.35
4	CO-GEN			0.00	0.00	5.83	0.00	5.83
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS			0.00	0.00	5.39	0.00	5.39
7	Solar Existing /SRTPV		735.08	0.00	315.22	4.29	315.22	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)			0.00	0.00	6.00	0.00	6.00
	TOTAL RE		1360.54	0.00	540.55	0.00	540.55	3.97
G	BUNDLED POWER							
1	Bundled power Coal	7.9087	36.64	0.00	10.00	2.73	10.00	2.73
2	Bundled power Solar(OLD)	7.9087	9.53	0.00	10.03	10.52	10.03	10.52
3	Bundled power Solar(NEW)	7.8896	108.94	0.00	52.29	4.80	52.29	4.80
	Total Bundled Power		155.11		72.32	4.66	72.32	
H	TOTAL TRANSMISSION & SLDC CHARGES							
1	KPTCL TRANSMISSION CHARGES			401.466			401.466	
2	PGCIL CHARGES			126.184			126.184	
3	SLDC			2.374			2.374	
4	POSOCO CHARGES			0.360			0.360	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES		6360.517	1146.28	1663.76	2.62	2810.042	4.418

MESCOMs APPROVED POWER PURCHASE FOR FY25							Annexure-2 (iii)	
Sl no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
A								
KPCL THERMAL								
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	4.7329	279.24	53.79	83.77	3.00	137.56	4.93
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	4.7329	52.06	11.01	15.57	2.99	26.58	5.10
3	BELLARY THERMAL POWER STATIONS_BTPS-1 (1x500)	4.7329	61.53	17.07	18.70	3.04	35.78	5.81
4	BELLARY THERMAL POWER STATIONS_BTPS-2 (1x500)	4.7329	66.26	21.65	19.88	3.00	41.53	6.27
5	BELLARY THERMAL POWER STATIONS_BTPS-3 (1x700)	4.7329	178.69	39.12	52.00	2.91	91.12	5.10
6	YTPS	4.7329	292.00	113.59	88.77	3.04	202.36	6.93
	TOTAL KPCL THERMAL		929.78	256.23	278.69	3.00	534.922	5.75
B								
CGS SOURCES								
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	6.8862	218.23	16.22	61.53	2.82	77.75	3.56
2	N.T.P.C-RSTP-III (1X500MW)	6.8862	60.12	4.27	16.64	2.77	20.91	3.48
3	NTPC-Talcher (4X500MW)	6.8862	182.28	13.46	33.57	1.84	47.02	2.58
4	Simhadri Unit -1 &2 (2X500MW)	6.8862	86.81	14.65	26.73	3.08	41.38	4.77
5	NTPC Tamilnadu Energy Company Ltd (NTECL)_Vallur TPS Stage I &2 &3 (3X500MW)	6.8862	25.23	14.25	8.53	3.38	22.78	9.03
6	Neyveli Lignite Corporation_NLC TPS-II STAGE I (3X210MW)	6.8862	63.46	4.93	17.56	2.77	22.49	3.54
7	Neyveli Lignite Corporation_NLC TPS-II STAGE 2 (4X210MW)	6.8862	85.96	6.82	23.79	2.77	30.61	3.56
8	Neyveli Lignite Corporation_NLC TPS I EXP (2X210MW)	6.8862	50.06	5.00	12.55	2.51	17.55	3.51
9	Neyveli Lignite Corporation_NLC TPS2 EXP (2X250MW)	6.8862	40.70	13.01	10.80	2.65	23.81	5.85
10	NLC TAMILNADU POWER LIMITED (NTPL) (TULICORIN) (2X500MW)	6.8862	21.31	16.01	6.98	3.28	23.00	10.79
11	MAPS (2X220MW)	6.8862	6.42	0.00	1.72	2.67	1.72	2.67
12	Kaiga Unit 1&2 (2X220MW)	6.8862	55.71	0.00	20.05	3.60	20.05	3.60
13	Kaiga Unit 3 &4 (2X200MW)	6.8862	58.89	0.00	21.20	3.60	21.20	3.60
14	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP U1) (1X1000MW)	6.8862	97.17	0.00	41.35	4.26	41.35	4.26
15	NPCIL-Kudankulam Atomic Power Generating Station (KKNPP) U2(1X1000MW)	6.8862	91.42	0.00	38.90	4.26	38.90	4.26

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
16	DVC-Unit-1 & 2 Meja TPS (2x500MW)	6.8862	28.04	14.04	8.58	3.06	22.61	8.07
17	DVC-Unit-7 & 8-KODERMA TPS (2x500MW)	6.8862	98.57	20.24	27.59	2.80	47.83	4.85
18	Kudgi	6.8862	156.78	109.49	57.90	3.69	167.40	10.68
19	New NLC thermal Project	6.8862	31.85	6.42	7.26	2.28	13.68	4.30
	TOTAL CGS Energy @ KPTCL periphery	6.8862	1459.01	258.80	443.23	3.04	702.028	4.81
C	MAJOR IPPS							
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	6.8862	241.02	75.16	107.43	4.46	182.59	7.58
D	KPCL HYDEL STATIONS							
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	20.9286	1025.15	0.00	66.13	0.65	66.13	0.65
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	20.9286	76.45	0.00	12.01	1.57	12.01	1.57
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	20.9286	109.21	0.00	22.27	2.04	22.27	2.04
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	20.9286	639.23	0.00	63.18	0.99	63.18	0.99
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	20.9286	211.11	0.00	39.75	1.88	39.75	1.88
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	20.9286	116.30	0.00	26.01	2.24	26.01	2.24
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	20.9286	10.32	0.00	6.33	6.14	6.33	6.14
8	KADRA POWER HOUSE_KPH (3x50)	20.9286	76.93	0.00	21.05	2.74	21.05	2.74
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	20.9286	72.45	0.00	13.72	1.89	13.72	1.89
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	20.9286	13.82	0.00	4.49	3.25	4.49	3.25
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	20.9286	57.62	0.00	8.33	1.45	8.33	1.45
12	MUNIRABAD POWER HOUSE (2x9+1x10)	20.9286	16.72	0.00	2.02	1.21	2.02	1.21
	TOTAL KPCL HYDRO		2425.32	0.00	285.30	1.13	285.297	1.18

SI no	NAME OF THE GENERATING STATION	% of energy allowed	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
				Amount in Crores	Amount in Crores	Cost/Unit in Rs	Amount in Crores	Cost/Unit in Rs
E OTHER HYDRO								
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	6.8862	13.04	0.00	4.24	3.25	4.24	3.25
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	6.8862	2.63	0.00	0.15	0.58	0.15	0.58
	TOTAL OTHER HYDRO		15.66		4.39	2.80	4.39	2.80
F RE SOURCES								
1	WIND-IPPS		259.10	0.00	102.60	3.96	102.60	3.96
2	KPCL-WIND (9x0.225+10x0.230)			0.00	0.00	3.91	0.00	3.91
3	MINI HYDEL-IPPS		366.36	0.00	122.73	3.35	122.73	3.35
4	CO-GEN			0.00	0.00	5.83	0.00	5.83
5	CAPTIVE /wind MOA			0.00	0.00	3.02	0.00	3.02
6	BIOMASS			0.00	0.00	5.39	0.00	5.39
7	Solar Existing /SRTPV		735.08	0.00	315.19	4.29	315.19	4.29
8	SOLAR-KPCL (YELESANDRA,ITNAL,YAPA LDINNI,SHIMSHA) (3x1+3x1+1x3x1x5)			0.00	0.00	6.00	0.00	6.00
	TOTAL RE		1360.54	0.00	540.52	0.00	540.52	3.97
G BUNDLED POWER								
1	Bundled power Coal	7.9087	36.64	0.00	10.00	2.73	10.00	2.73
2	Bundled power Solar(OLD)	7.9087	9.53	0.00	10.03	10.52	10.03	10.52
3	Bundled power Solar(NEW)	7.8896	108.94	0.00	52.29	4.80	52.29	4.80
	Total Bundled Power		155.11		72.32	4.66	72.32	
H TOTAL TRANSMISSION & SLDC CHARGES								
1	KPTCL TRANSMISSION CHARGES			423.502			423.502	
2	PGCIL CHARGES			168.135			168.135	
3	SLDC			2.526			2.526	
4	POSOOCO CHARGES			0.360			0.360	
I	TOTAL INCLUDING TRANSMISSION & SLDC CHARGES		6586.425	1184.72	1731.88	2.63	2916.591	4.428

PROPOSED AND APPROVED REVENUE AND REALISATION AND LEVEL OF CROSS SUBSIDY FOR FY23 OF MESCOM

Sl No	Category	Description	Proposed by MESCOM		Approved as per RST		Average Realisation in Rs. Per Kwh	With ref. to ACS	With ref. to voltage wise COS*	
			Sales-MU	Revenue	Sales-MU	Revenue		Level of Cross Subsidy in %	Level of Cross Subsidy in % (LT&HT)	Level of Cross Subsidy in % (EHT)
				Rs. crores		Rs. crores				
1	LT-1 (fully subsidised by GoK)*	Bhagya Jyothi/Kutir Jyothi < 40 Units	35.54	31.49	32.97	26.80	8.13	0.00%	-1.71%	
2	LT-1	Bhagya Jyothi/Kutir Jyothi > 40 Units	21.47	14.79	23.08	11.73	5.08	-37.45%	-38.53%	
3	LT-2(a)(i)	Dom. / AEH - Applicable to City Municipal Corporations areas and all area under Urban Local Bodies.	854.22	851.72	875.24	745.59	8.52	4.83%	3.01%	
4	LT-2(a)(ii)	Dom. / AEH - Applicable to areas under Village Panchayats	797.17	661.81	776.15	644.40	8.30	2.17%	0.39%	
5	LT-2(b)(i)	Pvt. Educational Institutions Applicable to all areas of Local Bodies including City Corporations	4.97	6.90	4.89	6.57	13.44	65.42%	62.54%	
6	LT-2(b)(ii)	Pvt. Educational Institutions Applicable to areas under Village Panchayats	4.02	4.94	3.39	2.73	8.05	-0.90%	-2.62%	
7	LT-3(i)	Commercial - Applicable in areas under all ULBs including City Corporations.	232.59	297.00	243.69	248.14	10.18	25.31%	23.13%	
8	LT-3(ii)	Commercial - Applicable to areas under Village Panchayats	141.75	169.65	131.21	128.24	9.77	20.28%	18.18%	
9	LT-4(a)*	IP<=10HP	1857.77	1207.78	1712.39	1054.83	6.16	-24.19%	-25.51%	
10	LT-4(b)	IP>10HP	0.89	1.26	0.89	0.98	11.01	35.51%	33.15%	
11	LT-4 (c) (i)	Pvt. Nurseries, Coffee & Tea Plantations	9.30	9.56	10.09	9.84	9.75	20.01%	17.92%	
13	LT-5 (a)	LT Industrial	37.76	44.20	44.06	46.16	10.48	28.91%	26.67%	
14	LT-5 (b)	LT Industrial	85.98	115.81	85.51	105.46	12.33	51.77%	49.13%	
15	LT-6	Water supply	157.85	124.96	159.82	100.30	6.28	-22.77%	-24.11%	
16	LT-6	Public lighting	67.95	61.75	76.80	65.39	8.51	4.78%	2.95%	
17	LT-7(a)	Temporary supply	17.91	71.09	17.91	20.06	11.20	37.83%	35.43%	
18	LT-7 (b)	Permanent Supply to Adversiting & Holding	0.41	0.94	0.41	0.68	16.59	104.10%	100.55%	
		LT - TOTAL	4327.55	3676.65	4199	3217.90	7.88	-5.68%	-7.32%	
1	HT-1	Water supply & sewerage	108.26	83.52	109.62	69.55	6.34	-21.92%	-17.60%	-14.38%
2	HT-2(a)	Industrial -	569.09	554.00	595.03	560.77	9.41	15.82%	22.23%	27.01%
3	HT-2(b)	Commercial	147.95	179.05	173.95	205.91	11.84	45.67%	53.73%	59.75%
4	HT-2 (c)(i)	Govt / Aided Hospitals & Educational Institutions	29.06	31.09	33.30	34.67	10.41	28.13%	35.20%	40.50%
5	HT-2 (c)(ii)	Hospitals and Educational Institutions other than covered under HT-2(c) (i)	69.93	76.26	81.54	83.78	10.27	26.44%	33.43%	38.65%
6	HT-3(a)(i)	Lift Irrigation - Applicable to lift irrigation schemes under Govt Dept. / Govt. owned Corporations	95.39	66.13	136.22	42.91	3.15	-61.23%	-59.09%	-57.49%
7	HT-3(a)(ii)	Lift Irrigation - Applicable to Private lift irrigation schemes Lift Irrigation societies on urban/express feeders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	HT-3(a)(iii)	LI schemes other than those covered under HT-3(a)(i)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	HT-3b	Irrigation & Agriculture Farms, Govt Horticultural Farms, Pvt Horticulture Nurseries, Coffee, Tea, Coconut & Arecanut Plantations	0.20	0.22	1.37	0.71	5.18	-36.22%	-32.70%	-30.08%
10	HT-4	Residential Apartments -Colonies	21.91	21.06	23.34	18.51	7.93	-2.42%	2.90%	7.01%
11	HT-5	Temporary supply	2.29	6.18	2.29	3.53	15.40	89.19%	99.66%	107.48%
		HT - TOTAL	1044.98	1017.61	1167.47	1020.34	8.82	8.48%	14.48%	18.98%
		TOTAL	5372.53	4893.16	5366.97	4238.23	7.91			
		Special Discounted Rate Scheme / Misc. Revenue			25.00	139.82				
		KPC/ Wheeled	6.57	78.86	6.57	6.57				
		Proposed Supply to MSEZ @ IF Points	43.75	29.92	44.18					
		Grand Total	5422.85	4799.93	5387.54	4378.05	8.13			

* These categories are subsidised by GoK. In case subsidy is not released by the Gok in advance, MESCOM shall raise demand & collect CDT of Rs.8.13 per unit by BJ/KJ & Rs.6.16 per unit from IP set Consumers.

* Voltage wise cost of supply per unit: LT Rs: 8.27, HT Rs:7.70 & EHT- Rs 7.41

Annexure - 4

Karnataka Electricity Regulatory Commission, Bangalore															
Calculations for surcharge payable by Open Access Customers -FY23															
Energy input to FY23-MU	71645.88														
Power Purchase Cost(PPC) including RE sources and excluding KPTCL Transmissions/SLDC charges -Rs. Crs	34106.12														
PPC Paise/unit(SI.No2/Sl.No.1*1000)	476.04														
Details of surcharge at level- paise/unit	Details of surcharge at level- paise/unit														
Power purchase cost /unit (SI.No.3)	476.04														
Transmission loss % including Commi.	2.92														
PPC after accounting for transmission loss															
(SI.No.4/1 SI.No.5/100)	490.35														
ESCOM's Loss at 33 KV/11KV level % including commercial losses	0.00														
Power purchase cost after accounting for 33 KV/11KV losses(SI.No.6/1-SI.No.7/100)	490.35														
Overall Transmission charge per unit including carrying cost of Regulatory asset	82.55														
ESCOM's Average Wheeling charge at 33 kv/11 KV-level	0.00														
Add carrying cost of Regulatory asset/unit	0.00														
Add cost of REC to meet RPO/unit	0.00														
Overall Cost of supply	572.92														
(SI.No.8-9-10/1-1-12)															
Paise/unit															
HT Category	HT-1	HT-2a(i)	HT-2a(ii)	HT-2a(iii)	HT-2b(i)	HT-2b(ii)	HT-2b(iii)	HT-2b(iii)	HT-2b(iii)	HT-3a(i)	HT-3a(ii)	HT-3a(iii)	HT-3b	HT-4	HT-5
Average Tariff (SI.No.10)	633.29	1056.67	973.43	1372.66	1296.60	963.15	1077.20	315.00	522.86	372.36	515.51	823.31	2463.70		
Cross subsidy at 66 kv & above (SI.No.14.65-17)	60.37	466.75	400.51	799.76	723.65	390.23	504.28	-287.92	-60.06	-200.56	-57.41	250.39	1890.78		
Cross subsidy at HT level (SI.No.14.65-17)	8.15	414.52	348.29	747.54	671.36	338.01	452.06	-310.14	-102.28	-252.78	-109.63	198.17	1838.56		
20% of Tariff (SI.No.14)	126.66	207.93	194.69	274.54	259.30	192.63	215.44	63.00	104.57	74.47	103.10	164.66	492.74		
Applicable Cross subsidy at 66 kv & above (lower of SI.No.15 & SI.No.17)	60	208	195	276	259	193	215	-258	-50	-201	-57	165	493		
Applicable Cross subsidy at HT level (lower of SI.No.15 & SI.No.17)	8	208	195	276	259	193	215	-310	-102	-253	-110	165	493		

ANNEXURE-5

ELECTRICITY TARIFF - 2023

K.E.R.C. ORDER DATED: 4th April, 2022

**Effective for the Electricity consumed from the first meter
reading date falling on or after 1.04.2022**

**Mangalore
Electricity Supply Company Ltd.,**



ELECTRICITY TARIFF-2023**GENERAL TERMS AND CONDITIONS OF TARIFF:****(APPLICABLE TO BOTH HT AND LT)**

1. Supply of power is subject to execution of agreement by the Consumer in the prescribed form, payment of prescribed deposits and compliance of terms and conditions as stipulated in the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and Regulations issued under the Electricity Act, 2003, prevails at the time of supply and continuation of power supply is subject to compliance of the said Conditions of Supply / Regulations as amended from time to time.
2. The tariffs are applicable to only single point of supply unless otherwise approved by the Licensee.
3. The Licensee does not bind himself to energize any installation, unless the Consumer guarantees the minimum charges. The minimum charge is the power supply charges in accordance with the tariff in force from time to time. This shall be payable by the Consumer until power supply agreement is terminated, irrespective of the installation being in service or under disconnection.
4. The tariffs in the schedule are applicable to supply of power within the area of operation of the licensee.
5. The tariffs are subject to levy of Tax and Surcharges thereon as may be decided by the State Government from time to time.
6. For the purpose of these tariffs, the following conversion table would be used:
1 HP=0.746 KW. 1HP=0.878 KVA.



7. The bill amount will be rounded off to the nearest Rupee, i.e., the bill amount of 50 Paise and above will be rounded off to the next higher Rupee and the amount less than 50 Paise will be ignored.
8. Use of power for temporary illumination in the premises already having permanent power supply for marriages, exhibitions in hotels, sales promotions etc., is limited to sanctioned load at the applicable permanent power supply tariff rates. Temporary tariff rates will be applicable in case the load exceeds sanctioned load as per the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
9. **LT power supply will be given where the requisitioned load is less than 150 kw / 201 HP.** The applicant is however at liberty to avail HT supply for lesser loads. The minimum contract demand for HT supply shall be 25 KVA or as amended from time to time by the Licensee with the approval of KERC.
10. The Consumer shall not resell electricity purchased from the Licensee to a third party except –
- (a) Where the Consumer holds a sanction or a tariff provision for distribution and sale of energy,
- (b) Under special contract permitting the Consumer for resale of energy in accordance with the provisions of the contract.
11. Non-receipt of the bill by the Consumer is not a valid reason for non-payment. The Consumer shall notify the licensees office which issues the bill, if the same is not received within 7 days from the meter reading date. Otherwise, it will be deemed that the bills have reached the Consumer in due time.
12. The Licensee will levy the following charges for non-realization of each Cheque.

1	Cheque amount up to Rs. 10,000	5% of the amount subject to a minimum of Rs.100
2	Cheque amount of Rs. 10,001 and up to Rs. 1,00,000	3% of the amount subject to a minimum of Rs.500
3	Cheque amount above Rs. 1 Lakh:	2% of the amount subject to a minimum of Rs.3000

13. In respect of power supply charges paid by the Consumer through money order, Cheque /DD sent by post, receipt will be drawn and the Consumer has to collect the same.
14. In case of any belated payment, simple interest at the rate of 1 % per month will be levied on the actual Number of days of delay subject to a minimum of Re.1 for LT installation and Rs.100 for HT installation. No interest is however levied for arrears of Rs.10 and less.
15. All LT Consumers, except BhagyaJyothi and KutirJyothi Consumers, shall provide current limiter/Circuit Breakers of capacity prescribed by the Licensee depending upon the sanctioned load.
16. All payments made by the Consumer will be adjusted in the following order of priority: -
 - (a) Interest on arrears of Electricity Tax
 - (b) Arrears of Electricity Tax
 - (c) Arrears of Interest on Electricity charges
 - (d) Arrears of Electricity charges
 - (e) Current month's dues
17. For the purpose of billing,
 - (i) the higher of the rated load or sanctioned load in respect of LT installations which are not provided with Electronic Tri-Vector meter.
 - (ii) sanctioned load or MD recorded, whichever is higher, in respect of installations provided with static meters or Electronic Tri-Vector meter will be considered.

Penalty and other clauses shall apply if the sanctioned load is exceeded.
18. The bill amount shall be paid within 15 days from the date of presentation of the bill failing which the interest becomes payable.
19. For individual installations, more than one meter shall not be provided under the same tariff. Wherever two or more meters are existing for individual



installation, the sum of the consumption recorded by the meters shall be taken for billing, till they are merged.

20. In case of multiple connections in a building, all the meters shall be provided at one easily accessible place in the ground floor.
21. **Reconnection charges:** The following reconnection charges shall be levied in case of disconnection and included in the monthly bill.

For reconnection of:

a	Single Phase Domestic installations under Tariff schedule LT 1 & LT2 (a)	Rs.20 per installation
b	Three Phase Domestic installations under Tariff schedule LT2 (a) and Single Phase Commercial & Power installations.	Rs.50 per installation
c	All LT installations with 3 Phase supply other than LT2 (a)	Rs.100 per installation
d	All HT& EHT installations	Rs.500 per Installation.

22. Revenue payments upto and inclusive of Rs.10, 000 shall be made by cash or cheque or D.D and payments above Rs. 10,000 shall be made by cheque or D.D only. Payments under other heads of account shall be made by cash or D.D or bankers cheque up to and inclusive of Rs. 10,000 and payment above Rs. 10,000 shall be by D.D or Bankers Cheque.

Note: The Consumers can avail the facility of payment of monthly power supply bill through Electronic clearing system (ECS)/ Debit / Credit cards / RTGS/ NEFT/ Net Banking through ESCOMs / Bank/ Karnataka One website, on-line E-Payment / Digital mode of payments in line with the guidelines issued by the RBI wherever such facility is provided by the Licensee in respect of revenue payments up to the limit prescribed by the RBI.

23. For the types of installations not covered under any Tariff schedules, the Licensee is permitted to classify such installations under appropriate Tariff schedule under intimation to the K.E.R.C and approval there on.

24. Seasonal Industries

Applicable to all Seasonal Industries

- i) The industries that intend to avail this benefit shall have Electronic Tri- Vector Meter fitted to their installations.
 - ii) 'Working season' months and 'off-season' months shall be determined by an order issued by the Executive Engineer of the concerned O&M Division of the Licensee as per the request of the Consumer and will continue from year to year unless otherwise altered. The Consumer shall give a clear one month's notice in case he intends to change his 'working season'.
 - iii) The consumption during any month of the declared off-season shall not be more than 25% of the average consumption of the previous working season.
 - iv) The 'Working season' months and 'off-season' months shall be full-
calendar months. If the power availed during a month exceeds the
allotment for the 'off-season' month, it shall be taken for calculating the
billing demand as if the month is the 'working season' month.
 - v) The Consumer can avail the facility of 'off-season' up to six months in a
calendar year not exceeding in two spells in that year. During the 'off-
season period, the Consumer may use power for administrative offices
etc., and for overhauling and repairing plant and machinery.
- 25 Whether an institution availing Power supply can be considered as
charitable or not will be decided by the Licensee on the production of
certificate Form-12 A, from the Income Tax department.
- 26 **Time of the Tariff (ToD)**
The Commission as decides in the earlier tariff order, decide to continue
compulsory Time of Day Tariff for HT2 (a), HT2 (b) and HT2(c) consumers
with a contract demand of 500 KVA and above. Further, the optional ToD
would continue as existing earlier for HT2(a), HT2(b) and HT2(c) consumers
with contract demand of less than 500 KVA. Also the ToD for HT1
consumers on optional basis would continue as existing earlier. **The ToD**

tariff for the HT installations using the power for charging the Electric Motor Vehicle in the depots of BMTC / KSRTC / NEKRTC / NWKRTC on optional basis is also applicable. Details of ToD tariff are indicated under the respective tariff category. The ToD tariff is not applicable to Railway Traction installations. The TOD tariff penalty / incentive in all the cases is applicable for the period specified by the Commission in the Tariff Order.

27 SICK INDUSTRIES:

The Government of Karnataka has extended certain reliefs for revival/rehabilitation of sick industries under the New Industrial Policy 2001-06 vide G.O. No. CI 167 SPI 2001, dated 30.06.2001. Further, the Government of Karnataka has issued G.O No.CI2 BIF 2010, dated 21.10.2010. The Commission, in its Tariff Order 2002, has accorded approval for implementation of reliefs to the sick industries as per the Government policy and the same was continued in the subsequent Tariff Orders. In view of issue of the G.O No.CI2 BIF 2010, dated 21.10.2010, the Commission has accorded approval to ESCOMs for implementation of the reliefs extended to sick industrial units for their revival / rehabilitation on the basis of the orders issued by the Commissioner for Industrial Development and Director of Industries & Commerce, Government of Karnataka / National Company Law Tribunal (NCLT).

28. Incentive for Prompt Payment / Advance Payment: An incentive at the rate of 0.25% of such bill shall be given to the following Consumers by way of adjustment in the subsequent month's bill:

- (i) In all cases of payment through Electronic Clearing System (ECS).
- (ii) And in the case of monthly bills exceeding Rs.1,00,000 (Rs. One lakh), if the payment is made 10 days in advance of the due date.
- (iii) Advance Payment exceeding Rs.1000 made by the Consumers towards monthly bills

29 Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka and amendments issued thereon from time to time and



Regulations issued under the Electricity Act, 2003, will prevail over the extract given in this tariff book in the event of any discrepancy.

30. **Self-Reading of Meters:**

The Commission has approved Self-Reading of Meters by Consumers and issue of bills by the Licensee based on such readings and the Licensee shall take the reading at least once in six months and reconcile the difference, if any and raise the bills accordingly. This procedure may be implemented by the Licensee as stipulated under Clause 26.01 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

31. **Metering for 400 Voltas, 3 phase supply with requisition load above 50 kw to 150 kw:**

The accuracy class of metering for arranging power supply to consumers at Low Tension for loads between 50 KW to 150 KW shall be the same as prescribed for HT consumers.

The metering arrangement for consumers availing load between 50 KW to 150 KW at low tension shall be strictly arranged using a metering cubicle similar to that of a HT metering arrangement.



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ELECTRICITY TARIFF-2023

PART-I

LOW TENSION SUPPLY

**(400 Volts Three Phase and
230Volts Single Phase Supply)**

MESCOM




CONDITIONS APPLICABLE TO BILLING OF LT INSTALLATIONS

1. In the case of LT Industrial / Commercial Consumers, **Demand based Tariff** at the option of the Consumer, can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load, or Maximum Demand recorded in the Tri-Vector Meter during the month, whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.
2. Use of power within the Consumer premises for bonafide temporary purpose is permitted subject to the conditions that, total load of the installation on the system does not exceed the sanctioned load.
3. Where it is intended to use power supply temporarily, for floor polishing and such other portable equipment, in a premises having permanent power supply, such equipment shall be provided with earth leakage circuit breakers of adequate capacity.
4. The laboratory installations in educational institutions are allowed to install connected machineries up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.
5. Besides combined lighting and heating, electricity supply under tariff schedules LT2 (a) & LT2 (b), can be used for Fans, Televisions, Radios, Refrigerators and other household appliances, including domestic water pumps and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air-conditioner load, the Consumer shall be served with a notice to merge this load and to have a single meter for the entire load. Till such time, the air conditioner load will be billed under Commercial Tariff.

6. Bulk LT supply:

If power supply for lighting / combined lighting & heating {LT 2(a)}, is availed through a bulk Meter for group of houses belonging to one Consumer, (i.e, where bulk LT supply is availed), the billing for energy shall be done at the slab rate for energy charges matching the consumption obtained by dividing the bulk



consumption by number of houses. In addition, fixed charges for the entire sanctioned load shall be charged as per Tariff schedule.

7. A rebate of 25 paise per unit will be given for the House/ School/Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres under Tariff schedule LT 2(a).
8. **SOLAR REBATE:** A rebate of 50 paise per unit of electricity consumed subject to a maximum of Rs. 50 per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 Litre. per household.
9. A rebate of 20% on fixed charges and energy charges will be allowed in the monthly bill in respect of public Telephone booths having STD/ISD/ FAX facility run by handicapped persons, under Tariff schedule LT 3.
10. A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.

11. Power Factor (PF):

Capacitors of appropriate capacity shall be installed in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, in the case of installations covered under Tariff category LT 3, LT4, LT 5, & LT 6, where motive power is involved.

- (i) The specified P.F. is 0.85. If the PF is found to be less than 0.85 Lag, a surcharge of 2 paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.85 Lag. In respect of LT installations, however, this is subject to a maximum surcharge of 30 paise per unit.
- (ii) The power factor when computed as the ratio of KWh/KVAh will be determined up to 3 decimals (ignoring figures in the other decimal places) and then rounded off to the nearest second decimal as illustrated below:

- (a) 0.8449 to be rounded off to 0.84
- (b) 0.8451 to be rounded off to 0.85
- (iii) In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes.
- (iv) During inspection, if the capacity of capacitors provided is found to be less than what is stipulated in Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, a surcharge of 30 Paise/unit will be levied in the case of installations covered under Tariff categories LT 3, LT 5, & LT 6 where motive power is involved.
- (v) In the case of installations without electronic Tri-vector meters even after providing capacitors as recommended in Clause 23.01 and 23.03 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, if during any periodical or other testing / rating of the installation by the Licensee, the PF of the installation is found to be lesser than 0.85, a surcharge determined as above shall be levied from the billing month following the expiry of Three months' notice given by the Licensee, till such time, the additional capacitors are installed and informed to the Licensee in writing by the Consumer. This is also applicable for LT installations provided with electronic Tri-vector meters.
12. All new IP set applicants shall fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka before taking service.
13. All the existing IP set Consumers shall also fix capacitors of adequate capacity in accordance with Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka, failing which, PF surcharge at the rate of Rs.70 per HP/ year shall be levied. If the capacitors are found to be removed / not installed, a penalty at the same rate as above (Rs. 70/-per HP / Year) shall be levied.



14. The Semi-permanent cinemas having Semi-permanent structure, with permanent wiring and licence of not less than one year, will be billed under commercial tariff schedule i.e., LT 3.
15. Touring cinemas having an outfit comprising cinema apparatus and accessories, taken from place to place for exhibition of cinematography films, and also outdoor shooting units, will be billed under Temporary Tariff schedule i.e., LT 7.
16. The Consumers under IP set tariff schedule, shall use the energy only for pumping water to irrigate their own land as stated in the IP set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under appropriate Industrial / Commercial tariff, based on the recorded consumption, if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
17. The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.
18. The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, Arecanut culling etc., with the approval of the Licensee. The energy used for such operation, shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. However, if the energy used both for IP Set and alternative operation is measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub-division, as certified by the sub-divisional Officer.
19. The IP Consumer is permitted to use energy for lighting the pump house and well limited to two lighting points of 40 Watts each.
20. Billing shall be made at least once in a quarter year for all IP sets.
21. In the case of welding transformers, the connected load shall be taken as:

- a) Half the maximum capacity in KVA as per the nameplate specified under IS: 1851
- OR
- b) Half the maximum capacity in KVA as recorded during the rating by the Licensee, whichever is higher.
22. Electricity under Tariff LT 3 / LT 5 can also be used for Lighting, Heating and Air-conditioning, Yard-Lighting, water supply in the respective premises of Commercial / Industrial Units.
23. LED fittings shall be provided by the Licensee for the Streetlights in the case of villages covered under the Licensee's electrification programme for initial installation.
- In all other cases, the entire cost of fittings including Brackets, Clamps, etc., and labour for replacement, additions and modifications shall be met by the organizations making such a request. Labour charges shall be paid at the standard rates fixed by the Licensee for each type of fitting.
24. Lamps, fittings and replacements for defective components of fittings shall be supplied by the concerned Village Panchayath, Town Panchayath or Municipality for replacement.
25. Fraction of KW / HP shall be rounded off to the nearest quarter KW / HP for purpose of billing and the minimum billing being for 1 KW / 1HP in respect of all categories of LT installations including I.P. sets. In the case of street lighting installations, fraction of KW shall be rounded off to nearest quarter KW for the purpose of billing and the minimum billing shall be quarter KW.

26. Seasonal Industries.

- a) The industries which intend to utilize seasonal industry benefit, shall comply with the conditionalities specified under Para number 24 of the General terms and conditions of tariff (applicable to both HT & LT).
- b) The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to their installation.



- c) Monthly charges during the seasonal months shall be fixed charges and energy charges. **The monthly charges during the off seasonal months, shall be the energy charges plus 25% of the applicable fixed charges.**

TARIFF SCHEDULE LT-1

LT-1: Applicable to installations serviced under Bhagya Jyothi and Kutira Jyothi (BJ/KJ) schemes.

RATE SCHEDULE

Energy charges (including recovery towards service main charges)	Nil* Fully subsidized by the GOK
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Commission Determined Tariff for the above category i.e., LT-1 is **Rs.8.13** per unit.

***Since GOK is meeting the full cost of supply to BJ / KJ, the Tariff payable by these Consumers is shown as Nil. However, if the GOK does not release the subsidy in advance, a Tariff of Rs.8.13 per unit subject to monthly minimum of Rs.70 per Installation per month shall be demanded and collected from these Consumers.**

Note: If the consumption exceeds **40 units per month** or any BJ/KJ installation is found to have more than one outlet, it shall be billed as per Tariff Schedule LT 2(a).

TARIFF SCHEDULE LT-2(a)

Applicable to **lighting/combined lighting, heating and motive Power** installations of residential houses and also to such houses where a portion is used by the occupant for (a) Handloom weaving (b) Silk rearing and reeling and artisans using motors up to 200 watts (c) Consultancy in - (i) Engineering, (ii) Architecture, (iii) Medicine, (iv) Astrology, (v) Legal matters, (vi) Income Tax, (vii) Chartered Accountants, (d) Job typing, (e) Tailoring, (f) Post Office, (g) Gold smithy, (h) Chawki rearing, (i) Paying guests/Home stay guests, (j) personal computers, (k) Dhobis, (l) Hand operated printing press, (m) Beauty Parlours, (n) Water Supply installations, Lift which is independently serviced for bonafide use of residential complexes/residence, (o) Farm Houses and yard lighting limiting to 120 Watts, (p) Fodder Choppers & Milking Machines with a connected load up to 1 HP.

Also applicable to the installations of (i) Hospitals, Dispensaries, Health Centres run by State/Central Govt. and local bodies; (ii) Houses, schools and Hostels meant for

handicapped, aged, destitute and orphans; (iii) Rehabilitation Centres run by charitable institutions, AIDS and drug addicts Rehabilitation Centres; (iv) Railway staff Quarters with single meter (v) fire service stations.

It is also applicable to the installations of (a) Temples, Mosques, Churches, Gurudwaras, Ashrams, Mutts and religious/Charitable institutions; (b) Hospitals, Dispensaries and Health Centres run by Charitable institutions including X-ray units (c) Jails and Prisons (d) Schools, Colleges, Educational institutions run by State/Central Govt./Local Bodies; (e) Seminaries; (f) Hostels run by the Government, Educational Institutions, Cultural, Scientific and Charitable Institutions; (g) Guest Houses/Travelers Bungalows run in Government buildings or by State/Central Govt./Religious/Charitable institutions (h) Public libraries; (i) Museums; (j) Installations of Historical Monuments of Archeology Departments(k) Public Telephone Booths without STD/ISD/FAX facility run by handicapped people; (l) Sulabh / Nirmal Souchalayas; (m) Viswa Sheds having Lighting Loads only.

RATE SCHEDULE

LT 2 (a) (i): Applicable to areas coming under City Municipal Corporations and all other urban local bodies

Fixed charges per month	For the first KW	Rs.100 per KW
	For every additional KW up to and inclusive of 50 KW	Rs.110 per KW
	For every additional KW above 50 KW	Rs.175 per KW
Energy charges	For 0 - 50 units (Lifeline consumption)	410 paise/unit
	51 to 100 units	560 paise/unit
	101 to 200 units	715 paise/unit
	Above 200 units	820 paise/unit

LT-2(a)(II): Applicable to Areas under Village Panchayats

Fixed charges per month	For the first KW	Rs.85 per KW
	For every additional KW up to and inclusive of 50 KW	Rs.100 per KW
	For every additional KW above 50 KW	Rs.160 per KW

Energy charges	For 0 - 50 units (Lifeline consumption)	400 paise/unit
	51 to 100 units	530 paise/unit
	101 to 200 units	685 paise/unit
	Above 200 units	770 paise/unit

Note: Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under LT supply, shall be categorized and billed under this Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under LT-3 tariff schedule.

TARIFF SCHEDULE LT-2(b)

Applicable to the installations of Private Professional and other Private Educational Institutions including aided, unaided institutions, Nursing Homes and Private Hospitals having only lighting or combined lighting & heating, and motive power.

RATE SCHEDULE

LT 2 (b) (i): Applicable to City Municipal Corporations and all other urban local bodies

Fixed charges	Rs.120 Per KW subject to a minimum of Rs.150 per month up to and inclusive of 50 KW	
	Rs.175 per KW For every additional KW above 50 KW	
Energy charges	0 to 200 units	730 paise/unit
	Above 200 units	855 paise/unit

LT-2(b)(ii): Applicable In Areas under Village Panchayats

Fixed charges	Rs.110 per KW subject to a minimum of Rs.135 per month up to and inclusive of 50 KW	
	Rs.165 per KW for every additional KW above 50 KW	
Energy charges	0 to 200 units	675 paise/unit
	Above 200 units	800 paise/unit

Note: Applicable to LT-2 (a), LT-2 (b) Tariff Schedules.

- 1 A rebate of 25 paise. Per unit shall be given for installation of a house/ School/ Hostels meant for Handicapped, Aged, Destitute and Orphans, Rehabilitation Centres run by Charitable Institutions.
- 2 (a) Use of power within the consumer's premises for temporary purposes for bonafide use is permitted subject to the condition that, the total load of the installation on the system does not exceed the sanctioned load.

(b) Where it is intended to use floor polishing and such other portable equipment temporarily, in the premises having permanent supply, such equipment shall be provided with an earth leakage circuit breaker of adequate capacity.
- 3 The laboratory installations in educational institutions are allowed to install connected machinery up to 4 times the sanctioned load. The fixed charges shall however be on the basis of sanctioned load.
4. Besides lighting and heating, electricity supply under this schedule can be used for fans, Televisions, Radios, Refrigerators and other house-hold appliances including domestic water pump and air conditioners, provided, they are under single meter connection. If a separate meter is provided for Air Conditioner Load, the consumption shall be under commercial tariff till it is merged with the main meter.
5. **SOLAR REBATE:** A rebate of 50 paise per unit of electricity consumed to a maximum of Rs.50 per installation per month will be allowed to Tariff schedule LT 2(a), if solar water heaters are installed and used. Where Bulk Solar Water Heater System is installed, Solar Water Heater rebate shall be allowed to each of the individual installations, provided that, the capacity of Solar Water Heater in such apartment / group housing shall be a minimum capacity of 100 litre per household.



TARIFF SCHEDULE LT-3

Applicable to **Commercial Lighting, Heating and Motive Power** installations of Clinics, Diagnostic Centres, X Ray units, Shops, Stores, Hotels/Restaurants/Boarding and Lodging Homes, Bars, Private guest Houses, Mess, Clubs, Kalyan Mantapas / Choultry, permanent Cinemas/ Semi Permanent Cinemas, Theatres, Petrol Bunks, Petrol, Diesel and oil Storage Plants, Service Stations/ Garages, Banks, Telephone Exchanges. T.V.Stations, Microwave Stations, All India Radio, Dish Antenna, Public Telephone Booths/ STD, ISD, FAX Communication Centers, Stud Farms, Race Course, Ice Cream Parlours, Computer Centres, Photo Studio / colour Laboratory, Photo Copiers, Railway Installation excepting Railway workshop, KSRTC Bus Stations excepting Workshop, All offices, Police Stations, Commercial Complexes, Lifts of Commercial Complexes, Battery Charging units, Tyre Vulcanizing Centres, Post Offices, Bakery shops, Beauty Parlours, Stadiums other than those maintained by Govt. and Local Bodies. It is also applicable to water supply pumps and street lights not covered under LT 6, Cyber cafés, Internet surfing cafés, Call centers, BPO/KPO, telecom I.T. based medical transcription centers, Private Hostels not covered under LT -2 (a), Home Stay/Paying guests accommodation provided in an independent / exclusive premises, concrete mixtures (Ready mix Concrete) units.

RATE SCHEDULE**LT-3 (i): Applicable to City Municipal Corporations and all other urban local bodies.**

Fixed charges	Rs.125 per KW up to and inclusive of 50 KW	
	Rs.230 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	840 paise/unit
	Above 50 units	940 paise/unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 150 KW	
Fixed charges	Rs.140 per KW up to and inclusive of 50 KW
	Rs.245 per KW for every additional KW above 50 KW
Energy charges	For first 50 units: 840 paise/unit For the balance units: 940 paise/unit



RATE SCHEDULE**LT-3 (ii): Applicable in Areas under Village Panchayats**

Fixed charges	Rs.115 per KW up to and inclusive of 50 KW	
	Rs.220 per KW for every additional KW above 50 KW	
Energy charges	For 0 - 50 units	790 paise/unit
	Above 50 units	890 paise/unit

Demand based tariff (optional) where sanctioned load is above 5 KW but below 150 KW		
Fixed charges	Rs.130 per KW up to and inclusive of 50 KW	
	Rs.235 per KW for every additional KW above 50 KW	
Energy charges	For the first 50 units: 790 paise/unit For the balance units : 890 paise/unit	

- Note:**
- Besides Lighting, Heating and Motive power, Electricity supply under this Tariff can also be used for Yard lighting/ air Conditioning/water supply in the premises.
 - The semi-permanent Cinemas should have semi-Permanent Structure with permanent wiring and licensee for a duration of not less than one year.
 - Touring Cinemas having an outfit comprising Cinema apparatus and accessories taken from place to place for exhibition of cinematography film and also outdoor shooting units shall be billed under LT- 7 Tariff.
 - A rebate of 20% on fixed charges and energy charges shall be allowed in the monthly bill in respect of telephone Booths having STD / ISD/FAX facility run by handicapped persons.
 - Demand based Tariff** at the option of the Consumer can be adopted as per Para 1 of the conditions applicable to LT installations.

TARIFF SCHEDULE LT-4 (a), LT-4 (b) & LT-4(c)

Applicable to (a) Agricultural Pump Sets including Sprinklers (b) Pump sets used in (i) Nurseries of forest and Horticultural Departments; (ii) Grass Farms and Gardens; (iii) Plantations other than Coffee, Tea, Rubber and Private Horticulture Nurseries.

TARIFF SCHEDULE LT-4 (a)**Applicable to I.P. Sets upto and inclusive of 10 HP
RATE SCHEDULE**

Fixed charges	Free
Energy charges	

Commission Determined Tariff (CDT) for LT4 (a) category is **616 paise per unit**. In case the GOK does not release the subsidy in advance in the manner specified by the Commission in K.E.R.C. (Manner of Payment of subsidy) Regulations, 2008, CDT of **616 paise per unit** shall be demanded and collected from these Consumers.

Note: This Tariff is applicable for Coconut and Areca nut plantations also.

TARIFF SCHEDULE LT-4 (b):**Applicable to IP sets above 10 HP****RATE SCHEDULE**

Fixed charges	Rs.110 per HP per month.
Energy charges	390 paise per unit

TARIFF SCHEDULE LT-4 (c):**Applicable to Private Horticultural Nurseries, Coffee, Tea and Rubber plantations****RATE SCHEDULE**

Fixed charges	Rs.100 per HP per month.
Energy charges	390 paise per unit

Note:

- 1) The energy supplied under this tariff shall be used by the consumers only for pumping water to irrigate their own land as stated in the I.P. Set application / water right certificate and for bonafide agriculture use. Otherwise, such installations shall be billed under the appropriate Tariff (LT-3/ LT-5) based on the recorded consumption if available, or on the consumption computed as per the Table given under Clause 42.06 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

- 2) The motor of IP set installations can be used with an alternative drive for other agricultural operations like sugar cane crusher, coffee pulping, Arecanut cutting etc., with the approval of the Licensee. The energy used for such operation shall be metered separately by providing alternate switch and charged at LT Industrial Tariff (Only Energy charges) during the period of alternative use. If the energy used both for IP Set and alternative operation, is however measured together by one energy meter, the energy used for alternate drive shall be estimated by deducting the average IP Set consumption for that month as per the IP sample meter readings for the sub-division as certified by the sub-divisional Officer.
- 3) The Consumer is permitted to use the energy for lighting the pump house and well limited to 2 lighting points of 40 W each.
- 4) The water pumped for agricultural purposes may also be used by the Consumer for his bonafide drinking purposes and for supplying water to animals, birds, Poultry farms, Dairy farms and fish farms maintained by the Consumer in addition to agriculture.
- 5) Billing shall be made at least once in a quarter year for all IP sets.
- 6) A rebate of 2 paise per unit will be allowed if capacitors are installed as per Clause 23 of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in respect of all metered IP Set Installations.
- 7) Only fixed charges as in Tariff Schedule for Metered IP Set Installations shall be collected during the disconnection period of IP Sets under LT 4(a), LT 4(b) and LT 4(c) categories irrespective of whether the IP Sets are provided with Meters or not.

TARIFF SCHEDULE LT-5

Applicable to Heating & Motive power (including lighting) installations of industrial Units, Industrial Workshops, Poultry Farms, Sugarcane Crushers, Coffee Pulping, Cardamom drying, Mushroom raising installations, Flour, Huller & Rice Mills, Wet Grinders, Milk dairies, Ironing, Dry Cleaners and Laundries having washing, Drying, Ironing etc., Exclusive Tailoring shop, Bulk Ice Cream and Ice manufacturing Units, Coffee Roasting and Grinding Works, Cold Storage Plants, Bakery Product Mfg. Units, KSRTC workshops/Depots, Railway workshops, Drug manufacturing units and Testing

laboratories, Printing Presses, Garment manufacturing units, Bulk Milk vending Booths, Swimming Pools of local Bodies, Tyre retreading units, Stone crushers, Stone cutting, Chilly Grinders, Phova Mills, pulverizing Mills, Decorticators, Iron & Red-Oxide crushing units, crematoriums, hatcheries, Tissue culture, Saw Mills, Toy/wood industries, Viswa Sheds with mixed load sanctioned under Viswa Scheme, Cinematic activities such as Processing, Printing, Developing, Recording theatres, Dubbing Theatres and film studios, Agarbathi manufacturing unit., Water supply installations of KIADB & industrial units, Gem & Diamond cutting Units, Floriculture, Green House, Biotech Labs., Hybrid seed processing units. Information Technology industries engaged in development of hardware & Software, Information Technology (IT) enabled Services / Start-ups(As defined in GOI notification dated 17.04.2015)/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Silk rearing, Silk filature units, Aqua Culture, Prawn Culture, Brick manufacturing units, Silk / Cotton colour dying, Stadiums maintained by Govt. and local bodies, Fire service stations, Gold / Silver ornament manufacturing units, Effluent treatment plants and Drainage water treatment plants, independently serviced outside the premises of industries/ building for which the power supply is availed, LPG bottling plants and petroleum pipeline projects, Piggery farms, Analytical Lab. for analysis of ore metals, Satellite communication centre, Mineral water processing plants / drinking water bottling plants , soda fountain units and Solid Waste Processing Plant.

Tariff for LT 5:

Tariff for LT 5 (a):

Applicable to areas under City Municipal Corporations

i) Fixed charges

Details	Approved by the Commission
Fixed Charges per Month	i) Rs.90 per HP for 5 HP & below ii) Rs.100 per HP for above 5 HP & below 40 HP iii)Rs.125 per HP for 40 HP & above but below 67 HP iv)Rs.190 per HP for 67 HP & above but below 100 HP v) Rs.225 per HP for 100 HP and above

Demand Based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.120 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.155 per KW of billing demand
	67 HP and above but below 100 HP	Rs.240 per KW of billing demand
	100 HP and above	Rs.255 per KW of billing demand

ii) Energy Charges

Details	Approved by the Commission
For the first 500 units	585 paise/unit
For the next 500 units	685 paise/ unit
For the balance units	715 paise/unit

Tariff for LT 5 (b):**Applicable to all areas other than those covered under LT-5(a)****i. Fixed charges**

Fixed Charges per Month	<ul style="list-style-type: none"> i) Rs.80 per HP for 5 HP & below. ii) Rs.95 per HP for above 5 HP & below 40 HP. iii) Rs.120 per HP for 40 HP & above but below 67 HP. iv) Rs.175 per HP for 67 HP & above but below 100 HP v) Rs.210 per HP for 100 HP and above
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ii. Demand based Tariff (optional)

Fixed Charges per Month	Above 5 HP and less than 40 HP	Rs.110 per KW of billing demand
	40 HP and above but less than 67 HP	Rs.145 per KW of billing demand
	67 HP and above but below 100 HP	Rs.230 per KW of billing demand
	100 HP and above	Rs.245 per KW of billing demand

iii. Energy Charges

0 to 500 units	575 paise/unit
501 to 1000 units	670 paise/unit
Above 1000 units	700 paise/unit

Note:

- i. Rebate of 50 Paise per unit in Energy Charges for the electricity consumed by the Micro and Small Scale Industries as Certified by the Government of Karnataka falling under LT-5 tariff category shall be allowed for a period of one year only.
- ii. In addition to the concession in the fixed charges, a rebate in the energy charges by Re.1 per unit for the energy consumed during the year shall be allowed to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only

TOD Tariff applicable to LT-5: At the option of the Consumer.

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

NOTE:**1. DEMAND BASED TARIFF**

In the case of LT Industrial Consumers, **Demand based Tariff** at the option of the Consumer can be adopted. The Consumer is permitted to have more connected load than the sanctioned load. The billing demand will be the sanctioned load or Maximum Demand recorded in the Tri-Vector Meter during the month whichever is higher. If the Maximum Demand recorded is more than the sanctioned load, penal charges at two times the normal rate shall apply.

2. **Seasonal Industries:** The industries which intend to utilize seasonal industry benefit shall comply with the conditionalities under para no. 26 of general terms and conditions applicable to LT.
3. Electricity can also be used for lighting, heating, and air-conditioning in the premises.
4. In the case of welding transformers, the connected load shall be taken as, (a) Half the maximum capacity in KVA as per the name plate specified under-IS1851, or (b) Half the maximum capacity in KVA as recorded during rating by the Licensee, whichever is higher.

TARIFF SCHEDULE LT-6

Applicable to water supply and sewerage pumping installations and also **applicable to water purifying plants maintained by Government and Urban Local Bodies/ Grama Panchayats for supplying pure drinking water to residential areas**, Public Street lights/Park lights of village Panchayat, Town Panchayat, Town Municipalities, City Municipalities / Corporations / State and Central Govt. / APMC, Traffic signals, Surveillance Cameras at traffic locations belonging to Government Department, subways, water fountains of local bodies. Also applicable to Streetlights of residential Campus of universities, other educational institutions, housing colonies approved by local bodies/development authority, religious institutions, organizations run on charitable basis, industrial area / estate and notified areas, also Applicable to water supply installations in residential Layouts, Street lights along with signal lights and associated load of the gateman hut provided at the Railway level crossing High Mast street lights, Lifts/ Escalators installed in pedestrian road crossing maintained by Government and Urban local bodies/ Grama Panchayats independently serviced **and Electric Vehicles Charging Stations.**

RATE SCHEDULE

Water Supply- LT-6 (a)	
Fixed charges	Rs.110/HP/month up to 67 HP
	Rs.215/HP/Month for every additional kw above 67 HP
Energy charges	500 paise/unit
Public lighting- LT-6 (b)	
Fixed charges	Rs.125/KW/month
Energy charges	665 paise/unit
Energy Charges for LED/ Induction Lighting	560 paise/unit

Electric Vehicle Charging Stations LT-6(c) / Battery swapping Stations (Both LT & HT)

Details	Approved Tariff
LT- (Low Tension) Fixed charges per KW	Rs.70 /KW/month up to 50 KW Rs.170 / KW / Month for every additional KW above 50 KW
HT (High Tension): Demand Charge per KVA	Rs.200 /KVA/month
Energy charges (for both LT & HT)	500 paise/unit

The approved ToD tariff is applicable for the power supply availed under HT supply for charging the Electric Motor Vehicle in the Depots of BMTC / Depots of KSTRC/NEKRTC / NWKRTC.

ToD Tariff

Time of Day	Increase (+)/ reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

TARIFF SCHEDULE LT-7

Temporary Supply and Permanent Supply to Advertising Hoardings

TARIFF SCHEDULE LT-7(a)

Applicable to Temporary Power Supply for all purposes.

LT 7(a)	Details	Approved Tariff
Temporary Power Supply for all purposes.	Less than 67 HP:	Energy charges at 1120 paise / unit subject to a weekly minimum of Rs.275 per KW of the sanctioned load.

TARIFF SCHEDULE LT-7(b)

Applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts / Sign boards in the interest of public such as Police Canopy Direction boards, and other sign boards

sponsored by Private Advertising Agencies / firms on permanent connection basis.

LT 7(b)	Details	Approved Tariff
Power supply on permanent connection basis	Less than 67 HP:	Fixed Charges at Rs.150 per KW/month & Energy charges at 1120 paise / unit

Note:

1. Temporary power supply with or without extension of distribution main shall be arranged through a pre-paid energy meter duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
2. This Tariff is also applicable to touring cinemas having license for duration less than one year.
3. All the conditions regarding temporary power supply as stipulated in Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.



ELECTRICITY TARIFF - 2023

PART-II

HIGH TENSION SUPPLY

Applicable to Bulk Power Supply at Voltages of 11KV (including 2.3/4.6 KV) and above at Standard High Voltage or Extra High Voltages when the Contract Demand is 50 KW / 67 HP and above.



CONDITIONS APPLICABLE TO BILLING OF HT INSTALLATIONS:**1. Billing Demand**

- A) **The billing demand during unrestricted period shall be the maximum demand recorded during the month or 85% of the Contract Demand (CD), whichever is higher.**
- B) When the Licensee has imposed demand cut of 25% or less, the conditions stipulated in (A) shall apply.
- C) When the demand cut is in excess of 25%, the billing demand shall be the maximum demand recorded or 85% of the restricted demand, whichever is higher.
- D) If at any time the maximum demand recorded exceeds the CD or the demand entitlement, or opted demand entitlement during the period of restrictions, if any, the Consumer shall pay for the quantum of excess demand at two times the normal rate, per KVA per month as deterrent charges as per Section 126(6) of the Electricity Act, 2003. For over-drawal during the billing period, the penalty shall be two times the normal rate.
- E) During the periods of disconnection, the billing demand shall be 85% of CD, or 85% of the demand entitlement that would have been applicable, had the installation been in service, whichever is less. This provision is applicable only, if the installation is under disconnection for the entire billing month.
- F) During the period of energy cut, the Consumer may get his demand entitlement lowered, but not below the percentage of energy entitlement, (For example, In case the energy entitlement is 40% and the demand entitlement is 80%, the re-fixation of demand entitlement cannot be lower than 40% of the CD). The benefit of lower demand entitlement will be given effect to from the meter reading date of the



same month, if the option is exercised on or before 15th of the month. If the option is exercised on or after 16th of the month, the benefit will be given effect to from the next meter reading date. The Consumer shall register such option by paying a processing fee of Rs.100/- at the Jurisdictional sub-division office.

- (i) The billing demand in such cases, shall be the "Revised (Opted) Demand Entitlement" or, the recorded demand, whichever is higher. Such option for reduction of demand entitlement, is allowed only once during the entire span of that particular "Energy Cut Period". The Consumer, can however opt for a higher demand entitlement upto the level permissible under the demand cut notification, and the benefit will be given effect to from the next meter reading date. Once the Consumer opts for enhancement of demand, which has been reduced under Clause (F) above, no further revision is permitted during that particular energy cut period.
- (ii) The opted reduced demand entitlement will automatically cease to be effective, when the energy cut is revised. The facility for reduction and enhancement can however be exercised afresh by the Consumer as indicated in the previous paras.
- G) For the purpose of billing, the billing demand of 0.5 KVA and above will be rounded off to the next higher KVA, and billing demand of less than 0.5 KVA shall be ignored.

2. Power factor (PF)

It shall be the responsibility of the HT Consumer to determine the capacity of PF correction apparatus and maintain an average PF of not less than 0.90.



- (i) The specified P.F. is 0.90. If the power factor goes below 0.90 Lag, a surcharge of 3 Paise per unit consumed will be levied for every reduction of P.F. by 0.01 below 0.90 Lag.
- (ii) The power factor when computed as the ratio of KWh / KVAh will be determined upto 3 decimals (ignoring figures in the other decimal places), and then rounded off to the nearest second decimal as illustrated below:
- (a) 0.8949 to be rounded off to 0.89
- (b) 0.8951 to be rounded off to 0.90

In respect of Electronic Tri-Vector meters, the recorded average PF over the billing period shall be considered for billing purposes. If the same is not available, the ratio of KWh to KVAh consumed in the billing month shall be considered.

3. Rebate for supply at high voltage:

If the Consumer is availing power at voltage higher than 13.2 KV, he will be entitled to a rebate as indicated below:

Supply Voltage: Rebate

- | | |
|--------------------|---------------------------------|
| A) <u>33/66 KV</u> | 2 Paise/unit of energy consumed |
| B) <u>110 KV</u> | 3 Paise/unit of energy consumed |
| C) <u>220 KV</u> | 5 Paise/unit of energy consumed |

The above rebate will be allowed in respect of all the installations of the above voltage class, including the existing installations, and also for installations converted from 13.2 KV and below to 33 KV and above and also for installations converted from 33/66 KV to 110/220 KV, from the next meter reading date after conversion / service / date of notification of this Tariff order, as the case may be. The above rebate is applicable only on the normal energy consumed by the Consumer, including the consumption under TOD Tariff, and is not applicable on any other energy allotted and consumed, if any, viz.,



- i) Wheeled Energy.
- ii) Any energy, including the special energy allotted over and above normal entitlement.
- iii) Energy drawl under special incentive scheme, if any.

The above rebate is not applicable for Railway Traction.

4. In respect of Residential Quarters/ Colonies availing Bulk power supply by tapping the main HT supply, the energy consumed by such Colony loads, metered at single point, shall be billed under HT-4 tariff schedule. No reduction in demand recorded in the main HT meter will be allowed.
5. Energy supplied may be utilized for all purposes associated with the working of the installations, such as, Office, Stores, Canteens, Yard Lighting, Water Supply and Advertisements within the premises.
6. Energy can also be used for construction, modification and expansion purposes within the premises.
7. Power supply under HT-4 tariff schedule may be used for Commercial and other purposes inside the colony, for installations such as Canteen, Club, Shop, Auditorium etc., provided, this load is less than 10% of the CD.
8. In respect of Residential Apartments availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule, (Only Energy charges) duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is allowed. Common areas shall be billed at Tariff applicable to that of the predominant Consumer category.
9. **Seasonal Industries**
 - a. The industries, which intend to utilize seasonal industry benefit, shall conform to the conditionalities under Para no. 24 of the General terms and conditions of tariff (applicable to both HT & LT).



- b. The industries that intend to avail this benefit, shall have Electronic Tri-Vector Meter fitted to the installation.
- c. Monthly charges during the working season shall be the demand charges on 85% of the contract demand or the recorded maximum demand during the month, whichever is higher, plus the energy charges for the energy consumed
- d. Monthly charges during the off season, shall be demand charges on the maximum demand recorded during the month, or 50% of the CD whichever is higher plus the energy charges for the energy consumed.
- e. Monthly charges during off season period to the installation of Ice Manufacturing units / Cold Storage Plants used for fisheries purpose situated in the coastal belt of Karnataka State within the radius of 5 Kms from Sea only, shall be the demand charges on the maximum demand recorded during the month or 85% of the contract demand whichever is higher at 50% of the normal demand charges plus energy charge for the energy consumed.**
- f. In addition to the concession in the Demand Charges, a rebate in the energy charges by Re.1 per unit for the energy consumed during the year shall be allowed to the installations of Ice manufacturing units / cold storage plants used for fisheries purpose, situated in the coastal belt area of Karnataka State within a radius of 5 Kms. from Sea only.**
10. The reduction of Re.1 per unit in the TOD tariff for the energy consumed between 22.00 Hrs to 06.00 Hrs next day is not applicable to HT consumers who opt for the Special Incentive Scheme and the new 'Discounted Energy Rate Scheme'.
11. **The increase in energy charges under ToD tariff at (+) Re.1 per unit for the energy consumed during evening peak period i.e. between 18.00 Hrs to 22.00 Hrs during December to June period is applicable to all the HT consumers including the consumers opted under special incentive scheme.**



12. The **ToD tariff** approved by the Commission in this Tariff Order **is not applicable to the extent of the energy consumed and billed under the new 'Discounted Energy Rate Scheme'**. However, ToD tariff shall be applicable up to the base monthly average consumption, as computed by the licensee.

TARIFF SCHEDULE HT 1

Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations, belonging to Karnataka Urban Water Supply and Sewerage Board, other local bodies, State and Central Government.

RATE SCHEDULE

Demand charges	Rs.250 / KVA of billing demand/month
Energy charges	560 paise/unit

TOD Tariff at the option of the Consumer

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Note: Energy supplied to residential quarters availing bulk supply by the above category of Consumer, shall be metered separately at a single point, and the energy consumed shall be billed at HT-4 Tariff. No reduction in the demand recorded in the main HT meter will be allowed.

TARIFF SCHEDULE HT-2(a)

Applicable to Industries, Factories, Industrial Workshops, Research & Development Centres, Industrial Estates, Milk dairies, Rice Mills, Phova Mills, Roller Flour Mills, News Papers, Printing Press, Railway Workshops/KSRTC Workshops/ Depots, Crematoriums, Cold Storage, Ice & Ice-cream mfg. Units, Swimming Pools of local bodies, Water Supply Installations of KIADB and other industries, all Defence Establishments, Hatcheries, Poultry Farm, Museum, Floriculture, Green House, Bio Technical Laboratory, Hybrid Seeds processing

Units, Stone Crushers, Stone cutting, Bakery Product Manufacturing Units, Mysore Palace illumination, Film Studios, Dubbing Theatres, Processing, Printing, Developing and Recording Theaters, Tissue Culture, Aqua Culture, Prawn Culture, Information Technology Industries engaged in development of Hardware & Software, Information Technology (IT) enabled Services / Start-ups **(As defined in GOI notification dated 17.04.2015)**/ Animation / Gaming / Computer Graphics as certified by the IT & BT Department of GOK/GOI, Drug Mfg. Units, Garment Mfg. Units, Tyre retreading units, Nuclear Power Projects, Stadiums maintained by Government and local bodies, Railway Traction, Effluent treatment plants and Drainage water treatment plants owned other than by the local bodies **independently serviced outside the premises of industries/ Buildings for which the HT power supply is availed**, LPG bottling plants, petroleum pipeline projects, Piggery farms, Analytical Lab for analysis of ore metals, Saw Mills, Toy/wood industries, Satellite communication centres, Mineral water processing plants / drinking water bottling plants and **Solid Waste Processing Plant.**

RATE SCHEDULE
HT-2(a): Applicable to all areas of MESCOM.

Demand charges	Rs.265 / kVA of billing demand/month
Energy charges	
For the first one lakh units	735 paise per unit
For the balance units	760 paise per unit

Tariff applicable to Railway Traction

Demand charges	Rs.275 / kVA of billing demand/month
Energy charges	660 paise per unit for all the units

Note: Special Incentive Scheme & ToD Tariff is not applicable to Railway traction installations.



Tariff applicable to Effluent Plants independently serviced outside the premises of any installations under HT2 (a)

Demand charges	Rs.275 / kVA of billing demand/month
Energy charges	700 paise per unit for all the units

Note: The ToD tariff is applicable to these installations if the Special incentive scheme is not opted.

TARIFF SCHEDULE HT-2(b)

Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, Amusement Parks, Telephone Exchanges, Race Course, All Clubs, T.V. Station, All India Radio, Railway Stations, Air Port, KSRTC bus stations, All offices, Banks, Commercial Multi-storied buildings. APMC Yards, Stadiums other than those maintained by Government and Local Bodies, Construction power for irrigation, Power Projects and Konkan Railway Project, Petrol / Diesel and Oil storage plants, I.T. based medical transcription centers, telecom, call centers, BPO/KPO, Diagnostic centres, concrete mixture (Ready Mix Concrete) units and Private Guest Houses / Travellers Bungalows.

All the activities listed under LT3 tariff schedule and not included under HT2(b) tariff schedule shall be classified and billed under HT-2(b), if they avail power under HT supply.

RATE SCHEDULE

HT-2 (b): Applicable to all areas of MESCOM

Demand charges	Rs.290 / kVA of billing demand/month
Energy charges	
For the first two lakh units	905 paise per unit
For the balance units	915 paise per unit

TARIFF SCHEDULE HT-2(c)

RATE SCHEDULE

HT-2 (c) (i)- Applicable to Government Hospitals, Hospitals run by Charitable Institutions, ESI hospitals, Universities and Educational Institutions belonging to

Government and Local bodies, Aided Educational Institutions and Hostels of all Educational Institutions.

Demand charges	Rs.260 / kVA of billing demand/month
Energy charges	
For the first one lakh units	720 paise per unit
For the balance units	760 paise per unit

RATE SCHEDULE

HT-2 (c) (ii) - Applicable to Hospitals and Educational Institutions other than those covered under HT-2 (c)(i).

Demand charges	Rs.265 / kVA of billing demand/month
Energy charges	
For the first one lakh units	820 paise per unit
For the balance units	860 paise per unit

Note: Applicable to HT-2 (a), HT-2 (b) & HT-2(c) Tariff Schedule:

1. Energy supplied may be utilized for all purposes associated with the working of the installation such as offices, stores, canteens, yard lighting, water pumping and advertisement within the premises.
2. Energy can be used for construction, modification and expansion purposes within the premises.
3. The tariff HT-2(b) is not applicable for construction of new industries. Such power supply shall be availed only under the temporary category HT-5.
4. In respect of consumers availing HT power supply, the energy used for Effluent Treatment Plant and Drainage water treatment plants situated within the premises from the main meter or by fixing the separate sub-meter, the electricity consumed by such Effluent Treatment/ Drainage Treatment Plant shall be billed at the respective applicable tariff schedule for which the power supply is availed for the installation.

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TOD Tariff applicable to HT-2(a), HT-2(b) and HT-2(c) category.

Time of Day	Increase + / reduction (-) in energy charges over the normal tariff applicable
06.00 Hrs to 10.00 Hrs	0
10.00 Hrs to 18.00 Hrs	0
18.00 Hrs to 22.00 Hrs	From July to November (monsoon period) - 0 From December to June (+) 100 paise per unit
22.00 Hrs to 06.00 Hrs	From July to November (monsoon period) - 0 From December to June (-) 100 paise per unit

Note: The ToD tariff is not applicable to Railway Traction installations.

TARIFF SCHEDULE HT-3 (a)

Applicable to Lift irrigation Schemes/ Lift irrigation societies,

RATE SCHEDULE

HT-3 (a)(i): Applicable to LI schemes under Govt. Departments/ Govt. owned Corporations

Energy charges/ Minimum Charges	315 paise per unit subject to an annual minimum of Rs.1900 per HP/Annum
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HT-3(a)(ii): Applicable to Private LI schemes and Lift Irrigation Societies: Connected to Urban/Express feeders

Fixed Charges	Rs.110 /HP/ per month of sanctioned load
Energy charges	315 paise/unit

HT-3(a)(iii): Applicable to Private LI schemes and Lift Irrigation societies other than those covered under HT-3 (a)(ii)

Fixed Charges	Rs.90 /HP/ per month of sanctioned load
Energy charges	315 paise/unit

TARIFF SCHEDULE HT-3 (b)

HT-3 (b): Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticulture nurseries, Coffee, Tea, Rubber, Coconut & Arecanut Plantations.

RATE SCHEDULE

Energy charges / Minimum Charges	515 paise per unit subject to an annual minimum of Rs.1960 per HP of sanctioned load.
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Note: These installations are to be billed on quarter yearly basis.

TARIFF SCHEDULE HT-4

Applicable to Residential apartments and colonies (whether situated outside or inside the premises of the main HT Installation) availing power supply independently or by tapping the main H.T. line. Power supply can be used for residences, theatres, shopping facility, club, hospital, guest house, yard/street lighting, canteen located within the colony, Temple, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious /Charitable institutions using power for religious activities.

RATE SCHEDULE**Applicable to all areas**

Demand charges	Rs.175 per KVA of billing demand/month
Energy charges	705 paise/unit

- NOTE:**
- (1) In respect of residential colonies availing power supply by tapping the main H.T. supply, the energy consumed by such colony loads metered at a single point, is to be billed at the above energy rate. No reduction in the recorded demand of the main H.T. supply is allowed.
 - (2) Energy under this tariff may be used for commercial and other purposes inside the colonies for installations such as, Canteens, Clubs, Shops, Auditorium etc., provided, this commercial load is less than 10% of the Contract demand.
 - (3) In respect of Residential Apartments, availing HT Power supply under HT-4 tariff schedule, the supply availed for Commercial and other purposes like Shops, Hotels, etc., will be billed under appropriate tariff schedule (Only Energy charges), duly deducting such consumption in the main HT supply bill. No reduction in the recorded demand of the main HT meter is



allowed. Common areas shall be billed at Tariff applicable to the predominant Consumer category.

- (4) Temples, Church's, Mosques, Gurudwaras, Ashrams, Mutts and Religious / Charitable Institution availing the power supply for religious activities under HT supply, shall be categorized and billed under HT-4 Tariff schedule. If these institutions use the power for Kalyana Mantapas / Marriage hall, Restaurant or for any other commercial activity, not related to religious activities, such energy consumption shall be billed under HT-2(b) tariff schedule (only energy charges) duly deducting such consumption recorded in the main HT meter. However, no reduction in the demand charges towards the recorded demand in the main HT meter shall be allowed. In all such cases, it shall be ensured that sub-meters are provided to record such commercial consumption separately.

TARIFF SCHEDULE HT-5

Tariff applicable to sanctioned load of 67 HP and above for hoardings and advertisement boards and construction power for industries excluding those category of consumers covered under HT2(b) Tariff schedule availing power supply for construction power for irrigation, power projects and Konkan Railway Projects and also applicable to power supply availed on temporary basis with the contract demand of 67 HP and above of all categories.

HT – 5 – Temporary supply RATE SCHEDULE

67 HP and above:	Approved by the Commission
Fixed charges / Demand Charges	Rs.325/HP/month for the entire sanction load / contract demand
Energy Charges	1120 paise / unit

Note:

- Temporary power supply with or without extension of distribution main shall be **arranged through a pre-paid energy meter** duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

2. This Tariff is also applicable to touring cinemas having license for a duration of less than one year.
3. All the conditions regarding temporary power supply as stipulated in Clause 12 the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be complied with before service.

