BEFORE THE HONOURABLE KERALA STATE ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF: Proposals for revising the existing tariff structure of all categories of consumers including Bulk Supply to other Licensees.

And

IN THE MATTER OF: Kerala State Electricity Board
Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004

The petitioner named above respectfully submits as under:

1. The state of Kerala is on the anvil of faster development to keep pace with the growth of national economy. Power is the most important infrastructure to engineer the developmental activities in the state in tune with the missions and objectives of the Government in respect of social development and economic growth.

2. Kerala State Electricity Board (KSEB) is the deemed distribution licensee for supplying electricity to the whole consumers including Bulk Licensees in the State of Kerala. KSEB is the State transmission Utility of the State. KSEB is a Generator of Electricity and also entering into long term agreement with Central Generating Stations for purchasing electricity for supply in the state. KSEB is also procuring electricity from short-term markets for meeting the deficit of electricity requirements of the state.

3. KSEB has been functioning under the provisions of the Electricity Act-2003 and also in accordance with the regulations and directions issued by the Kerala State Electricity Regulatory Commission (KSERC) under the Electricity Act-2003, National Electricity Policy and Tariff Policy from time to time. KSEB as the Government utility has been implementing the policy directives of the State and Central Government in the State of Kerala. As per the provisions of the Electricity Act-2003 and National Electricity Policy & Tariff policy notified by the Central Government, KSEB has to function on commercial principles.

4. The Board had been supplying electricity at lowest price in the country for several decades mainly because of the substantial contribution from hydel resources. The major changes in the power supply mix brought about from the 1990's had resulted into a peculiar situation

whereby the cost of power procurement and generation has increased phenomenally which could not be adequately compensated through tariff revisions. At present more than 64% of the energy requirement of the State is being met from thermal sources. A comparison of the change in Hydro-Thermal Mix since the year 1981-82 is given as Annexure-1.

5. In the absence of increase in the availability of power from Central Generating Stations (CGS) and state sector projects commensurate with the increase in demand, Board is now depending increasingly on the volatile short-term market to meet the power demand in the State of Kerala. The increase in cost of generation in all thermal projects due to dependence on imported coal as well as phenomenal rise in price of crude oil is also adversely affecting the finances of the Board. The upward revision of tariff norms for all CPSUs by the Hon'ble Central Commission as well as the new regulations for sharing of inter-state transmission charges are also creating huge adverse impacts on KSEB finances continuously. A comparison of the increasing trend of cost of thermal power purchase is given in the following table.

Table-1. Cost of Power purchase

Year	Total thermal power (Generation & Power Purchase)	Amount	Unit rate	% of increase over 2006-07
	(MU)	(Cr)	(Rs/ kWh)	
2006-07	8388	1741.14	2.08	
2007-08	8438	2297.04	2.72	30.77
2008-09	10265	3832.17	3.73	79.33
2009-10	10775	3748.86	3.48	67.31
2010-11	10817	3958.98	3.74	79.81
2011-12	11149	4689.12	4.21	102.40
2012-13	12874	5659.19	4.40	111.54

6. A comparison of the increasing trend of cost of power purchase as a percentage of total expenses (ARR) is given below.

Table-2. Comparison of cost of power purchase as a percentage of total ARR

Year	Total cost of thermal power (Generation & Power Purchase)	Total ARR	Cost of thermal power as a (%) of total ARR
	(Cr)	(Cr)	(%)
2005-06	1585.22	3837.32	41.31
2006-07	1741.14	4558.40	38.20
2007-08	2297.04	5226.91	43.95
2008-09	3832.17	6098.95	62.83
2009-10	3748.86	6411.34	58.47
2010-11	3958.98	6925.05	57.17
2011-12	4689.12	8102.99	57.87
2012-13	5659.19	9638.12	58.72

7. Moreover, the reigning inflationary trend in the economy is substantially impacting on the expenses of the Board in all fronts. The month wise details of the inflation during the last few years since 2006 is given below.

Table-3. Rate of inflation

Year	2006	2007	2008	2009	2010	2011
Apr	5.26	6.67	7.81	8.70	13.33	9.41
May	6.14	6.61	7.75	8.63	13.91	8.72
June	7.89	5.69	7.69	9.29	13.73	8.62
July	6.90	6.45	8.33	11.89	11.25	8.43
Aug	5.98	7.26	9.02	11.72	9.88	8.99
Sep	6.84	6.40	9.77	11.64	9.82	10.06
Oct	7.63	5.51	10.45	11.49	9.70	9.39
Nov	6.72	5.51	10.45	13.51	8.33	9.34
Dec	6.72	5.51	9.70	14.97	9.47	6.49
Jan	6.72	5.51	10.45	16.22	9.30	
Feb	7.56	5.47	9.63	14.86	8.82	
Mar	6.72	7.87	8.03	14.86	8.82	
Average	**6.76**	**6.21**	**9.09**	**12.32**	**10.53**	**9.04**

8. As a combined effect of all the above factors, there were significant increases in the Board's expenditure during the last few years. However, the tariff applicable to various categories of consumers has not so far been revised in tune with the increase in cost. The last major tariff revision on various categories of consumers was made during the month of October-2002. Though the revenue gap of KSEB has been increasing during the last few years, no significant effort was made for bridging the revenue gap through appropriate revision on consumer tariff.

9. The accumulated unbridged revenue gap of KSEB since the year 2003-04 is detailed below.

Table-4. Revenue gap as per C&AG audited accounts and the orders on ARR issued by the Commission.

Year	As per the Commission's Order on ARR	Actual as per the C&AG audited accounts	Remarks
	(Rs.Cr)	(Rs.Cr)	
2003-04	556.46	1007.43	As per C&AG audited
2004-05	296.46	342.78	
2005-06	51.31	144.58	
2006-07	-184.63	142.23	
2007-08	-329.73	91.07	
2008-09	3.93	749.15	
2009-10	335.3	1227.50	
2010-11	457.48	1229.62	Provisional accounts
2011-12	928.62	2118.48	Revised Estimate
2012-13		3240.25	Estimate
Total	2115.20	10293.09	

10. However, in the truing up process, Hon'be Commission has provisionally approved a different figure of revenue gap without admitting (i) Return on Equity (ii) Rebate allowed to traders for prompt payment of electricity charges (iii) amount utilized by KSEB for repaying the past capital liabilities, (iv) utilisiation of section-4 duty as an internal resources of KSEB etc. Hon'ble APTEL vide its order dated 17th January-2012 has decided on the issue on RoE and remanded the matter to this Hon'ble Commission for re-consideration. KSEB expects that, Hon'ble Commission will allow the RoE as per the audited accounts of KSEB since the year 2006-07. Further, vide the orders on the review petition on truing up for the year 2007-08 and 2008-09, Hon'ble Commission has kindly consented to allow the rebate for prompt-payment of electricity charges to traders, which was earlier dis-allowed by the Hon'ble Commission. Hon'ble Commission is yet to appreciate the reduction on capital liabilities and reduction on interest burden by utilizing the operating surplus available with KSEB. Further, KSEB had utilized the operating surplus available during the years 2005-06, 2006-07 and 2007-08 for meeting the past capital liabilities by creating 'fixed deposit' specifically for 'repaying the past capital liabilities as well as for meeting the capital investments' without resorting to additional borrowings. The following tables illustrate the details of the 'fixed deposit' made during the period from 2005-06 to 2008-09.

Table- 5. Details of Fixed Deposit made out of the operating surplus

Year of deposit	Amount of Deposit	Year of utilization	Maturity value including interest	Purpose
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	
2005-06	126.00	2006-07	128.10	Repayment of capital liabilities
2006-07	425.00	2007-08	462.80	Repayment of Principal and Interest of Non SLR Bonds & REC loans
2006-07	90.00	2008-09	105.10	Payment of Principal and Interest on loan from KPFC
2007-08	495.00	2008-09	566.70	Payment of Principal and Interest on loan from KPFC & REC loans
2007-08	72.00	2009-10	88.40	Payment of Principal of loan from REC
2007-08	295.00	2010-11	389.20	For the repayment of KPFC loan with interest due on 13.11.2010 & repayment of REC loans
2007-08	425.00	2012-13	687.90	Pension fund
2008-09	80.00	2013-14	125.80	Pension fund
Total	2008.00		2554.00	

11. As detailed above, KSEB has utilized the operating surplus available during the period from 2005-06 to 2008-09 for specific purposes, i.e., for meeting the past capital liabilities and for creating pension fund etc. But, while approving the truing up of the accounts of KSEB for the years 2005-06, 2006-07 and 2007-08, Hon'ble Commission has not considered the 'fixed deposit' made by KSEB as detailed under Table-5 above and treated the operating surplus as freely available with KSEB

and adjusted the same against the revenue gap for the years 2008-09, 2009-10 and 2010-11.

12. It is further submitted that, though Hon'ble Commission has not considered the 'fixed deposit' made and reduction on past capital liabilities etc, the reduction on interest and finance charges resulted on the above decision was fully approved and passed on to the consumers. The details of the reduction on capital liabilities and reduction on interest and finance charges during the period from 2003-04 to 2010-11 is detailed as Annexure-2 of this petition. Hence, KSEB may be allowed to appraise the details of the repayment of past capital liabilities, amount spent for capital investments etc over and above the depreciation, RoE etc allowed by the Hon'ble Commission since its inception.

13. KSEB has revised the pay and allowance of its employees with effect from 01-07-2008. The additional liability due to pay revision is Rs 123.30 crore, Rs 185.02 crore and Rs 221.94 crore respectively for the years 2008-09, 2009-10, and 2010-11. While finalizing the audited accounts, KSEB had made provision of Rs 126.10 cr for the year 2008-09 and Rs 137.56 Crore for the year 2009-10 and Rs 145.00 crore for the year 2010-11 for pay revision. However, the provision created was less by Rs 121.60 crore compared to the estimated additional liability and accordingly the revenue gap of the years 2008-09, 2009-10 and 2010-11 is likely to increase further due to the implementation of pay revision.

14. Hon'ble Commission may kindly note that, offlate KSEB has been finding it difficult to meet resources even for its day to day operations. Hon'ble Commission may be aware that, Government vide the order G.O (Ms) No. 42/2011/PD dated 03-11-2011 has finally issued orders on netting-off the dues between the Government and KSEB and approved the net dues to the Board from Government as on 31-03-2008 as Rs 1600.00 crores. Government has further directed to utilise the section-4 duty against the Government dues towards funding terminal liability for the next 10 years. This is not going to ease the financial difficulties now faced by the Board.

15. KSEB has been taking earnest efforts to collect the electricity charges promptly from its consumers. The collection efficiency of KSEB excluding the 'Government departments and Public sector undertaking including KWA' is more than 99.00%. KSEB has been taking up the matter with the Government and the Government has kindly consented to consider remittance of the amount of electricity charges from its budgetary allocation to respective departments.

16. Further, the additional revenue requirement of KSEB during the last few years has been met by availing over draft from financial institutions. The details of the over draft availed during the period from April-2010 to January-2012 is detailed below.

Table-6. Overdraft availed during the period from Apri-10 to Jan-12

DATE	OD+STL BALANCE	Increase/ Decrease over previous month	MAXIMUM OD+STL BALANCE DURING THE MONTH	Increase/ Decrease over previous month
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
30-Apr-10	642.97		848.77	
31-May-10	679.75	36.78	899.60	50.83
30-Jun-10	707.27	27.52	939.61	40.01
31-Jul-10	690.35	-16.92	939.71	0.10
31-Aug-10	852.59	162.24	941.30	1.59
30-Sep-10	774.84	-77.75	985.17	43.87
31-Oct-10	739.13	-35.71	983.52	-1.65
30-Nov-10	752.45	13.32	981.05	-2.47
31-Dec-10	895.62	143.17	1030.00	48.95
31-Jan-11	876.69	-18.93	1111.71	81.71
28-Feb-11	917.07	40.38	1157.18	45.47
31-Mar-11	817.64	-99.43	1184.86	27.68
30-Apr-11	944.07	126.43	1141.64	-43.22
31-May-11	861.51	-82.56	1138.37	-3.27
30-Jun-11	918.72	57.21	1203.17	64.80
31-Jul-11	1058.43	139.71	1251.37	48.20
31-Aug-11	1201.16	142.73	1308.35	56.98
30-Sep-11	1231.40	30.24	1444.62	136.27
31-Oct-11	1263.75	32.35	1492.36	47.74
30-Nov-11	1332.20	68.45	1582.65	90.29
31-Dec-11	1614.99	282.79	1670.46	87.81
31-Jan-12	1683.93	68.94	1876.94	206.48

17. At present KSEB is not in a position to pull on this sort of financial distress. The banks are reluctant to lend to the power sector and are putting many restrictive condition while giving additional funds in addition to raising the interest rate. If the situation continues, KSEB may not be able to meet its cost of power purchase in a timely manner. The only situation before the Board is to raise the tariff so as to reflect the present average cost of supply.

18. Further, as per the section-61of the Electricity Act-2003, Hon'ble Commission shall be guided by the following factors while determining the tariff:

(1) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(2) <u>the generation, transmission, distribution and supply of electricity are conducted on commercial principles;</u>

(3) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

(4) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
(5) the principles rewarding efficiency in performance;
(6) multi year tariff principles;
(7) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;
(8) the promotion of co-generation and generation of electricity from renewable sources of energy;
(9) the National Electricity Policy and tariff policy:

19. Also, the clause 8.3 (2) of the Tariff policy notified by the Central Government suggests that the tariffs should be within +_20% of the average cost of supply by the year 2010-11.

20. Further, the State Government vide the policy directives G.O.(MS) No. 34/06/PD dated ,Thiruvananthapuram, 16.12.2006 directed that, the present level of subsidy and cross subsidy shall be continued. The relevant provisions under paragraph (iv) of the Government Order is extracted below.

" 'It is essential to extend the existing cross subsidy in order to ensure social justice without causing burden on the Government. Making any immediate change in the cross subsidy ratio taking into account of social need of providing electricity at subsidized rate to productivity sector and less buying ability of down trodden society will create grave adverse consequences. Taking into account of public interest, the ratio of cross subsidy existing in the respective tariffs shall be maintained".

21. Further, Hon'ble Appellate Tribunal for Electricity vide the judgment dated 11-11-2011 on petition OP No.1 of 2011 has directed that:
Quote:

i) Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.

(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year. For example, the ARR & tariff for the financial year 2011-12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.

(iii) In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.

(iv) In determination of ARR/tariff, the revenue gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.

(v) Truing up should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should becarried out along with the ARR and tariff determination for the financial year 2011-12.

(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism.

Unquote:

22. KSEB has considered all the above aspects and provisions of law while preparing the present tariff proposals. Further, the present petition proposes only to recover a part of the expected revenue gap through tariff revision and this may be allowed with immediate effect. The balance revenue gap may be allowed to be accounted as 'Regulatory asset, and allow carrying cost for maintaining the same.

23. KSEB had filed the ARR&ERC petition for the year 2012-13 before the Hon'ble Commission on 31-12-2011. The ARR, ERC, Revenue Gap, Average Cost of supply and the average realization etc for the year 2012-13 as per the petition is given below.

Table-7. ARR, ERC & Revenue Gap for the year 2012-13

Sl No.	Particulars	Unit	2012-13
1	Aggregate Revenue Requirement	(Rs.Cr)	9638.12
2	Non-Tariff Income	(Rs.Cr)	366.14
3	Net ARR = (1) - (2)	(Rs.Cr)	9271.98
4	Revenue from Tariff	(Rs.Cr)	6031.73
5	Revenue Gap		3240.25
6	Energy Sales	(MU)	16386.30
7	Average Cost of Supply (3)/(6)	(Rs/ kWh)	5.66
8	Average realisation (4)/(6)	(Rs/ kWh)	3.68
9	**Revenue Gap per unit**	**(Rs/ kWh)**	**1.98**

24. Though the anticipated revenue gap for the year 2012-13 was Rs 3240.25 crore, KSEB has been making the proposals to recover additional income to the extent of Rs 1550.35 crores through this petition. As submitted earlier, KSEB requests permission of the Hon'ble Commission to treat the balance gap as regulatory assets and allow carrying cost for maintaining the same.

25. The details of the present proposals are detailed below.

I. LT- I(a) Domestic category

(a) Energy Charge

26. The slab wise details of consumer strength and consumption of domestic consumers estimated for the year 2012-2013 are given below.

Table-8. Slabwise details of domestic consumers

Monthly consumption slab	Consumer strength		Consumption		Slab rate	Revenue at existing tariff	Avg. Tariff
	Number	% of total	in MU	% of total	(Rs/kWh	(Rs. Cr)	(Rs/kWh
0-40	2849738	33.4	769	9.7	1.15	88.47	1.15
41-80	2536374	29.7	1782	22.4	1.90	247.35	1.39
81-120	1526350	17.9	1774	22.3	2.40	297.62	1.68
121-150	674801	7.9	1062	13.3	3.00	203.48	1.92
151-200	524181	6.1	1058	13.3	3.65	235.39	2.23
201-300	307644	3.6	861	10.8	4.30	233.96	2.72
301-500	95205	1.1	409	5.1	5.30	140.40	3.43
Above 500	24249	0.3	255	3.2	5.45	117.30	4.60
Total	8538542	100.0	7971	100.0		1563.96	1.96

27. It may be noted that, the average tariff for domestic consumers is Rs 1.96 per unit against the average cost of supply which has been assessed at Rs 5.66 per unit. The tariff for monthly energy consumption upto 100 units prevailing in the state is one of the lowest in the country. A comparison of the present domestic tariff with that prevailing other states is given below.

Table-9. Comparison of Domestic Tariff

State	Energy Charge (Rs/kWh)							
	Monthly consumption slab range							
	0-40	*41-80*	*81-120*	*121-150*	*151-200*	*201-300*	*301-500*	*>500*
Kerala	1.15	1.90	2.40	3.00	3.65	4.30	5.30	5.45
Karnataka								
(a) Municipal Corporations	2.20	3.40 (31 to 100 units)		4.50 (101 to 200 units)		5.50		
(b) village Panchayats	2.10	3.10 (31 to 100 units)		4.20 (101 to 200 units)		5.00		
Andhra	1.45	2.80 (51-100 units)		3.05 (101 to 200 units)		4.75	6.00	6.25
Gujarat								
(a) General	2.95	3.25 (51-100)	3.90 (101 to 250 units)				4.80 >250 units	
(a) Rural	2.55	2.85 (51-100)	3.5 (101 to 250 units)				4.50 >250 units	
Maharastra (MSEDCL)	2.47 (0 to 100 units)		4.37 (101 to 300 units)				6.25	7.25 (500 to 1000) and 7.50(>1000)
West Bengal								
(a)Rural	3.35	3.35 (41 to 75)	3.75 (76 to 180)	4.73 (101 to 200)		4.73	5.22(301 to 600), 5.32(601 to 900) and 6.99>900 units	
(b) Urban	3.40	3.40 (41 to 75)	3.85 (76 to 120)	3.85	4.75	4.75	5.29(301 to 450), 5.49(451 to 900) and 6.99>900 units	
Assam	3.25 (0 to 120 units)			4.30 (121 to 240)			5.00 > 240 units	
Himachal	2.35	2.50(0 to 125)		3.45 (126 to 250 units)			3.50(>251)	
MP	3.15	3.60 (51 to 100 units)		4.35 (101 to 200)		4.50 > 200 units		
Orissa	1.40	3.50 (51 to 200)				4.30 (201 to 400)		4.80 >400 units
Haryana	2.63	3.80 (41 to 300 units)					4.65	4.99

28. Further, as per the provisions in the National Electricity Policy and Tariff Policy, the tariff for the lowest slab with monthly consumption upto 30 units shall be at least 50% of the average cost of supply. Further, the Tariff Policy envisages that, the tariff for all categories of consumers shall be with in +_ 20% of the average cost of supply. However, considering the socio-economic reasons and the provision in the National Electricity Policy and Tariff Policy, it would not be feasible to increase the domestic tariff in such a way that it would create a tariff shock.

29. However, there is a need to increase the tariff for domestic categories in a phased manner intune with the average cost of supply, without making any tariff shock to the consumers. Considering the provisions in the Electricity Act-2003, National Electricity Policy and Tariff Policy and also considering the need for mobilizing additional revenue through tariff, KSEB propose to revise the domestic tariff of the State as follows.

Table-10Energy charges proposed for domestic category

Monthly consumption slab	Existing rate (Rs/kWh)	Proposed rate (Rs/kWh)
0-40	1.15	1.50
41-80	1.90	2.50
81-120	2.40	3.00
121-150	3.00	3.80
151-200	3.65	4.80
201-300	4.30	5.50
301-500	5.30	6.70
Above 500	5.45	7.00

30. The additional revenue per annuam expected through the proposed revision is as follows.

Table-11. Additional revenue expected through the proposed revision

Monthly consumption	Existing tariff		Proposed tariff		Addl
	Revenue	Avg. Tariff	Revenue	Avg. Tariff	
	(Rs. Cr)	(Rs/ kWh)	(Rs. Cr)	(Rs/ kWh)	(Rs.Cr)
0-40	88.47	1.15	115.40	1.50	26.93
41-80	247.35	1.39	323.86	1.82	76.51
81-120	297.62	1.68	385.76	2.17	88.14
121-150	203.48	1.92	260.87	2.46	57.39
151-200	235.39	2.23	302.61	2.86	67.22
201-300	233.96	2.72	301.69	3.50	67.73
301-500	140.40	3.43	179.81	4.39	39.41
Above 500	117.30	4.60	150.09	5.89	32.79
Total	1563.96	1.96	2020.08	2.53	456.12

Hon'ble Commission may kindly approve the proposed tariff for domestic categories as detailed above.

(b) Fixed charges for domestic categories

31. Almost all the regulators in the country have introduced fixed charges/ monthly customer service charges to the domestic categories as detailed below.

Table-12
Comparison of the prevailing fixed charges to domestic category

State	Fixed charges to domestic categories
Kerala	Nil
Karnataka (Hubli)	
(a) Municipal Corporations	Rs 20/kW for first kW and Rs 30/kW for addl kW
(b) village Panchayats	Rs 10/kW for first kW and Rs 20/kW for addl kW
Andhra	For monthly consumption 0 to 50- Rs 25/month, 51to 100- Rs 30, 101 to 200-35, 201 to 300- Rs 40, 301 to 500 and above Rs 45/month as Customer Service Charge
Gujarat	Connected load upto 2kW- Rs 5/month, 2 to 4kW- Rs 15/month, 4 to 6kW-Rs 30/month, above 6kW- Rs 45/montg
Maharastra (MSEDCL)	Rs 30/month for single phase and Rs 100/month for three phase consumers
West Bengal	Rs 10/kVA/month
Assam	Rs 30/kW/month
Himachal	Rs 25/connetion/month as Customer Service Charge
MP	Monthly consumption upto 50 units- Rs 20/connection, 51to 100 units- Rs 40/connection, 101 upto 200 units- Rs 55 for each 0.5kW of authorised load, above 200 units- Rs 60 for each 0.5kW of authorised load

32. KSEB proposes to introduce fixed charges on domestic consumers as detailed below.

Table-13
Fixed charges proposed on domestic categories

Monthly consumption slab	Fixed charge (Rs/month)
0-40	5
41-80	15
81-120	30
121-150	40
151-200	50
201-300	60
301-500	80
Above 500	90

33. The additional revenue expected by introducing fixed charges to domestic categories is detailed below.

Table-14. Addl revenue expected by introducing fixed charges to domestic category

Monthly consumption slab	Fixed charge per month	Consumer strength	Addl revenue
	(Rs)	(Nos)	(Rs. Cr)
0-40	5	2849738	17.10
41-80	15	2536374	45.65
81-120	30	1526350	54.95
121-150	40	674801	32.39
151-200	50	524181	31.45
201-300	60	307644	22.15
301-500	80	95205	9.14
Above 500	90	24249	2.62
Total		8538542	215.45

34. The total additional revenue expected through the proposed tariff revision to domestic categories would be Rs 671.57 crore as detailed below.

Table-15
Total addl revenue expected from domestic category

Particulars	Amount
	(Rs.Cr)
(i) Revising the energy charges	456.12
(ii) By introducing fixed charges	215.45
Total	671.57

Hon'ble Commission may kindly approve the proposals for revising the tariff for LT-1 (a) domestic category as detailed above.

II. LT – 1(b) – Tariff applicable to offices of Political parties etc.

35. The slab wise details of consumers, consumption and the present tariff of LT-1(b) Categories are detailed below.

Table-16. Slab wise details of LT-1(b) Category

Monthly consumption slab	Consumer strength		Consumption		Slab rate	Revenue	Avg. Tariff
	Number	% of total	in MU	% of total	(Rs/kWh	(Rs.Cr)	(Rs/kWh)
0-40	250	26.5	0.12	8.8	1.55	0.02	1.55
41-80	309	32.8	0.29	21.4	2.40	0.06	1.96
81-120	182	19.3	0.26	19.2	2.80	0.06	2.24
121-150	111	11.8	0.19	14.5	3.45	0.05	2.46
151-200	56	5.9	0.13	9.6	4.05	0.04	2.81
201-300	29	3.0	0.09	6.9	5.05	0.03	3.44
Above 300	6	0.7	0.26	19.6	6.30	0.16	6.06
Total	943	100.0	1.33	100.0		0.40	3.03

36. The tariff for this category is also highly subsidized when compared to the average cost of supply. Hence, KSEB propose to revise the tariff of LT-1(b) categories as detailed below.

Table-17. Proposed tariff for LT-1(b)Category

Monthly consumption	Existing rate	Proposed rate
	(Rs/kWh)	(Rs/kWh)
0-40	1.55	2.00
41-80	2.40	3.10
81-120	2.80	3.60
121-150	3.45	4.50
151-200	4.05	5.20
201-300	5.05	6.20
Above 300	6.30	7.50

37. The additional revenue expected through the proposed revision is as detailed below.

Table-18. Addl revenue expected from LT-1(b) Categories through the proposed revision

Monthly consumption slab	Existing tariff		Proposed Tariff		Addl Revenue
	Revenue	Avg. Tariff	Revenue	Avg. Tariff	
	(Rs.Cr)	(Rs/ kWh)	(Rs.Cr)	(Rs/ kWh)	(Rs.Cr)
0-40	0.02	1.55	0.02	2.00	0.01
41-80	0.06	1.96	0.07	2.53	0.02
81-120	0.06	2.24	0.07	2.88	0.02
121-150	0.05	2.46	0.06	3.17	0.01
151-200	0.04	2.81	0.05	3.63	0.01
201-300	0.03	3.44	0.04	4.35	0.01
Above 300	0.16	6.06	0.19	7.24	0.03
Total	0.40	3.03	0.50	3.80	0.10

38. In addition to the above, KSEB proposes to introduce fixed charge for LT- 1(b) at the same rate proposed for LT-1(a) category. The additional revenue expected through the proposed revision is detailed below.

Table-19. Fixed charges proposed for LT-1(b) category

Monthly consumption slab	Fixed charge per month	Consumer strength	Addl revenue
	(Rs)	(Nos)	(Rs. Cr)
0-40	5	250	0.0015
41-80	15	309	0.0056
81-120	30	182	0.0066
121-150	40	111	0.0053
151-200	50	56	0.0034
201-300	60	29	0.0021
301-500	80	6	0.0006
Total		943	0.0250

Hon'ble Commission may kindly approve the tariff proposed for LT-1(b) category as detailed above.

III. LT-II Colonies

39. The consumer and consumption details of LT-II colonies are detailed below.

Table-20
Details of LT-II colonies

Particulars	
No of consumers	943
Annual Energy Consumption (MU)	16.15
Existing tariff	
Fixed charge (Rs/ connection)	1990
Energy Charge (Rs/kWh)	5.65

40. The tariff proposed for LT-II category is detailed below.

Table-21. Tariff proposed for LT-II category

Fixed charge (Rs/connection/ month)		Energy Charge (Rs/ kWh)	
Existing	proposed	Existing	proposed
1990	2400	5.65	7.00

41. The additional revenue expected through the proposed revision is detailed below.

Table-22. Additional revenue expected through the proposed revision

Particulars	Revenue (Rs.Cr)		
	at Existing rate	at Proposed rate	Addl revenue
Fixed charge	2.25	2.69	0.44
Energy Charge	9.12	11.31	2.18
Total	11.38	13.99	2.62

Hon'ble Commission may kindly approve the rates proposed for LT-II category as detailed above.

IV. LT-IV Industrial Tariff

42. The details of the LT-IV industrial tariff category including number of consumers, contract demand, annual consumption and the prevailing tariff are given below.

Table-23. Details of LT-IV Industrial Category

No of consumers (nos)	135315
Connected Load (MW)	1618
Annual Energy Consumption (MU)	1014.9
Existing Tariff	
Demand charge (Rs/kW)	45.00
Energy Charge (Rs/kWh)	3.25

43. It is submitted that, though the cost of generation, power purchase and other costs for providing supply have increased manifold during the last few years, the tariff for LT-IV Industrial categories has not revised since October-2002.

44. A comparison of the LT- Industrial tariff prevailing in other states is given below.

Table-24

Comparison of the prevailing LT Industrial Tariff

State	Particulars	Monthly consumption slab	Energy charges (paise per unit)	Fixed charges (Rs / month)
Kerala			3.25	Rs 45/kW/month
Andhra	0-75 HP		4.13	Rs 50/HP + Customer service charge Rs 30/month
Karnataka	5HP<40HP	0-500	3.60	Rs 40/KW
	40HP<67 HP	501-1000	4.20	Rs 60 per KW
	67 HP and above	above 1000	4.60	Rs 150 per KW
Tamilnadu		0-750	4.00	Rs 30/ month
		>750	5.00	
Madhya Pradesh	0-25 HP		3.50	Urban: Rs 55 per HP, Rural: Rs 15 per HP
	Demand based tariff (CD upto 100HP)		4.55	Urban: Rs 180 per kW Rural : Rs 75 per KW
	Demand based tariff (CD 101-HP to 150 HP)		4.55	Urban: Rs 250 per kW Rural : Rs 175 per KW
	As above with connected load exceeds 150 HP		4.55	Urban: Rs 250 per kW Rural : Rs 175 per KW
Haryana			4.30	0-20 KW- nil
				Above 20 KW- Rs 100/ KW
Himachal Pradesh	0-20 KW		3.70	Rs 60/connection /month (Customer service charge
	above 20KW		3.05	Rs 50/KVA/month + Customer service charge Rs 120/month
Bihar	CL upto 25 HP		4.20	Rs 65/HP
	CD 5 KW to 15 KW		4.20	Rs 130/KW
	CD : 25 HP upto 99 HP		4.35	Rs 85/HP
	Demand based tariff)		4.35	150/KW
Orissa	LT Industrial (Small) Supply		4.80	Rs 80/KW for 1st KW+ Rs 50 /KWfor additional KW
	LT Industrial (Medium) Supply		4.80	100/KW
Maharashtra	0-20 KW		4.75	150 per month
	Above 20 KW		4.75	100/KVA/ month for 65% of MD or 40% of CD whichever is higher

45. Also, the present LT-IV industrial tariff in the state is highly subsidized. Considering the estimated revenue gap and average cost of supply, KSEB propose to revise the tariff for LT-IV industrial category as detailed below.

Table-25. Tariff proposed for LT-IV category

Fixed charge (Rs/ kW / month)		Energy Charge (Rs/ kWh)	
Existing	Proposed	Existing	Proposed
45	60	3.25	4.25

46. The additional revenue expected through the proposed revision is detailed below.

Table-26. Additional revenue expected from LT-IV industrial Category

Particulars	Revenue (Rs.Cr)		
	at Existing rate	at Proposed rate	Addl revenue
Fixed charge (Rs/kW)	87.37	116.50	29.12
Energy Charge (Rs/kWh)	329.84	431.33	101.49
Total	417.21	547.83	130.61

47. Hon'ble Commission vide the order dated 2-12-2009 has introduced Maximum Demand Based tariff for LT-IV Industrial consumers as an optional scheme w.e.f 01-01-2010 and approved the demand charges for such consumers as Rs 75.00/kVA /month. Considering the proposed revision for LT-IV industrial category, KSEB proposed to enhance the demand charges as Rs 100/kVA/month for those consumers in LT-IV Industrial category who opt for Maximum Demand based Tariff.

Hon'ble Commission may kindly approve the LT-IV Industrial Tariff proposed under paragraphs 45 and 47 above.

V. LT-V Agriculture Category

48. The anticipated consumption, connected load and the existing tariff of the LT-V Agriculture consumers are detailed below.

Table-27
Consumption details of LT-V Agriculture

Number of consumers	459673
Connected Load (MW)	942
Annual Energy Consumption (MU)	247
Existing tariff	
Fixed charge (Rs/kW)	6.00
Energy Charge (Rs/kWh)	0.65

49. The agriculture tariff prevailing in the state is one of the lowest in the country. A comparison of the prevailing Agriculture tariff in other states is detailed below.

Table-28. Comparison of Tariff applicable to Agriculture

States	Particulars	Energy Charges in Rs /Unit	Fixed Charges in Rs/month	Service Charge
Karnataka	LT >10 HP	1.25	30/HP	
Kerala	LT	0.65	6/KW/month	
Bihar	LT rural	0.80		
	LT urban	1.30		
	State tube wells and irrigation pumps (Rural)	1.55		
	State tube wells and irrigation pumps(Urban)	2.05		
Madhya Pradesh	LT(0-300 units)	2.80	nil	
	LT> 300 units	3.30	nil	
Orissa	LT	1.10	Rs 20 for 1st KW +Rs 10/KW for addl KW	
Assam	LT	2.50.	30/KW/Month	
Himachal pradesh	LT(0-20 KW)	1.85	nil	Rs 25/ Con/month
	LT(> 20 KW)	3.20	50/KVA/month	Rs 120/Con/mth
Gujarat	LT	1.60	25 per BHP/month	
Maharashtra	LT	1.37	15/HP/month	

50. It may be noted that, the LT- agriculture tariff was not revised since October-2002. Comparing the present tariff of agriculture with the estimated average cost of supply for the year 2012-13, the present tariff is highly subsidized. However, in order to avoid tariff shock to the consumers, KSEB proposed to revise from Rs 6.00/ KW/ month to Rs 8/kW/month and the energy charge from Rs 0.65/unit to Rs 1.65 per unit. The details are given below.

Table-29. Tariff proposed for LT-V Agriculture category

Fixed charge (Rs/ kW / month)		Energy Charge (Rs/ kWh)	
Existing	Proposed	Existing	Proposed
6	8	0.65	1.50

51. The additional revenue expected through the proposal is detailed below.

Tasble-30. Additional revenue expected from LT-V Agriculture through the proposal

Particulars	Revenue (Rs.Cr)		
	at Existing rate	at Proposed rate	Addl revenue
Demand charge	6.78	9.04	2.26
Energy Charge	16.06	37.05	21.00
Total	22.84	46.09	23.26

Hon'ble Commission may kindly approve the proposed tariff for LT-V Agriculture category.

VI. LT-VI Non domestic tariff

(a) LT-VI (A)

52. The consumer and consumption details of the LT-VI (A) category are detailed below.

Table-31. Details of LT-VI (A) Category

Consumer Details	
Number of consumers	138949
Connected Load (MW)	218
Annual Energy Consumption (MU)	
Upto 500 units	80.60
Above 500 units	60.76
Total	141.36
Existing Tariff	
Demand charge (Rs/kW)	40.00
Energy Charge (Rs/kWh)	
Upto 500 units	3.85
Above 500 units	5.20

53. KSEB proposes to increase the tariff to this category as given below.

Tasble-32. Proposed tariff and additional revenue expected from LT-VI (A) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Fixed charge (Rs/kW)	40.00	50.00	10.44	13.05	2.61
Energy Charge (Rs/kWh)					
Upto 500 units	3.85	4.80	31.03	38.69	7.66
Above 500 units	5.20	5.50	31.60	33.42	1.82
Total			73.07	85.16	12.09

KSEB request that, Hon'ble Commission may kindly approve the revision proposed for LT-V1(A) category as above.

(b) LT-V1 (B) category

54. The details of LT-V1(B) tariff category are detailed below.

Table-33 Details of LT-VI (B) Category

Consumer Details	
Number of consumers	87102
Connected Load (MW)	328.61
Annual Energy Consumption (MU)	
Upto 500 units	88.91
Above 500 units	160.36
Total	249.27
Existing Tariff	
Demand charge (Rs/kW)	55.00
Energy Charge (Rs/kWh)	
Upto 500 units	4.50
Above 500 units	5.90

55. The tariff of this category has also not revised since October-2002. KSEB proposes an increase of Rs 1.00 per unit for the first slab with monthly consumption upto 500 units and Rs 0.60 per unit for second slab with monthly consumption above 500 units. The demand charge is proposed to be increased from Rs 55.00/kW/month to Rs 70/kW/month.

56. The proposed tariff for the LT-V1(B) category and the additional revenue expected is detailed below.

Table-34. Proposed tariff and additional revenue expected from LT-VI (B) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Fixed charge (Rs/kW)	55.00	70.00	21.69	27.60	5.91
Energy Charge (Rs/kWh)					
Upto 500 units	4.50	5.50	40.01	48.90	8.89
Above 500 units	5.90	6.50	94.61	104.23	9.62
Total			156.31	180.74	24.43

Hon'ble Commission may kindly approve the proposal as detailed above.

(c) <u>LT- VI (C) Category</u>

57. The consumer, consumption and existing tariff of LT-VI(C) category are detailed below.

Table-35 Details of LT-VI (C)category

Consumer Details	
Number of consumers	35084
Connected Load (MW)	179.76
Annual Energy Consumption (MU)	
Upto 500 units	52.58
Above 500 units	84.68
Total	137.26
Existing Tariff	
Demand charge (Rs/kW)	170.00
Energy Charge (Rs/kWh)	
Upto 500 units	6.75
Above 500 units	8.40

58. It is submitted, Hon'ble Commission has reduced the tariff of LT-V1(C) by 20 paise per unit w.e.f 01-12-2007. KSEB proposes a marginal increase of Rs 0.25 per unit on first slab with monthly consumption upto 500 units, Rs 0.10 per unit for the monthly consumption above 500 units and Rs 10/kW/month on the fixed charges. The existing tariff, proposed tariff and the additional revenue expected etc are given below.

Table-36 Proposed tariff and additional revenue expected from LT-VI (C) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kW)	170.00	180.00	36.67	38.83	2.16
Energy Charge (Rs/kWh)					
Upto 500 units	6.75	7.00	35.49	36.81	1.31
Above 500 units	8.40	8.50	71.13	71.98	0.85
Total			143.29	147.61	4.32

(d) LT- VI (D) category

59. The consumption details of LT-VI (d) category are detailed below.

Table-37 Details of LT-VI (D)category

Consumer Details		**Existing Tariff**	
Number of consumers	1720		
Connected Load (MW)	3.26	Demand charge (Rs/kW)	Nil
Annual Energy Consumption (MU)	2.68	Energy Charge (Rs/kWh)	0.85

60. KSEB proposes to revise the tariff of LT-VI (D) category as detailed below.

Table-38 Proposed tariff and additional revenue expected from LT-VI (D) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kW)			0.00	0.00	0.00
Energy Charge (Rs/kWh)	0.85	1.50	0.22	0.38	0.17
Total			0.22	0.38	0.17

Hon'ble Commission may kindly approve the proposal as detailed above.

VII. LT-VII Commercial Category

(a) LT-VII (A) category

61. The consumer details of LT-VII (A) category are detailed below.

Table-39. Details of LT-VII (A) Commercial Category

Consumer details		Existing Tariff	
Number of consumers	489488		
Connected Load (MW)		Demand charge (Rs/kW)	
Single phase	490.49	Single phase	50.00
Three phase	735.74	Three phase	100.00
Annual Energy Consumption (MU)		Energy Charge	
Upto 100 units per month	112.04	Upto 100 units per month	5.45
Upto 200 units per month	100.07	Upto 200 units per month	6.05
Upto 300 units per month	85.8	Upto 300 units per month	6.75
Upto 500 units per month	115.82	Upto 500 units per month	7.30
Above 500 units per month	554.58	Above 500 units per month	8.05
Total	968.31		

62. Hon'ble Commission vide the order dated 26-11-2007 had reduced the LT-VII (A) & VII (B) Commercial categories by 20 paise per unit w.e.f 01-12-2007. However, as detailed under Table-1 & Table2 above, there was considerable increase in the cost of generation and power purchase due to the reasons beyond the control of the Board.

63. Considering the increase in the cost of Generation and Power purchase and revenue gap since the year 2007-08, KSEB proposes a marginal increase on the tariff of the LT-VII (A) category as detailed below.

Table-40. Proposed tariff and additional revenue expected from LT-VII (A) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kW)					
Single phase	50.00	60.00	29.43	35.32	5.89
Three phase	100.00	120.00	88.29	105.95	17.66
Energy Charge					
Upto 100 units per month	5.45	6.00	61.06	67.22	6.16
Upto 200 units per month	6.05	6.60	60.54	66.05	5.50
Upto 300 units per month	6.75	7.40	57.92	63.49	5.58
Upto 500 units per month	7.30	8.00	84.55	92.66	8.11
Above 500 units per month	8.05	8.50	446.44	471.39	24.96
Total			828.22	902.07	73.85

Hon'ble Commission may kindly approve the tariff proposed for LT-VII (A) category as detailed above.

(b) LT-VII (B) category

64. The consumer details of the LT-VII (B) Category are detailed below.

Table-41. Details of LT-VII (B) Commercial Category

Consumer details		Existing Tariff	
Number of consumers	809347		
Connected Load (MW)	603.55	Demand charge (Rs/kW)	30.00
Annual Energy Consumption (MU)		Energy Charge	
Upto 100 units per month	206.87	Upto 100 units per month	3.30
Above 100 units per month	216.88	Above 100 units per month	5.20
Total	423.75		

65. Hon'ble Commission has reduced the energy charge of this category also by 20 paise per unit w.e.f 01-12-2007. However, considering the increase in cost of Generation and power purchase and other costs, KSEB proposed to revise the tariff for LT-VII(B) category as detailed below.

Table-42. Proposed tariff and additional revenue expected from LT-VII (B) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kW)	30.00	40.00	21.73	28.97	7.24
Energy Charge					
Upto 100 units per month	3.30	4.00	68.27	82.75	14.48
Above 100 units per month	5.20	6.00	112.78	130.13	17.35
Total			202.77	241.85	39.07

Hon'ble Commission may kindly approve the proposal for revising the tariff for LT-VII (B) category as detailed above.

(c) LT-VII (C) Category

66. The consumption details of the LT-VII (C) category are detailed below.

Table-43. Details of LT-VII (C) Commercial Category

Consumer details		Existing Tariff	
Number of consumers	3562		
Connected Load (MW)	199.66	Demand charge (Rs/kW)	80.00
Annual Energy Consumption (MU)		Energy Charge	
Upto 1000 units per month	37.63	Upto 1000 units per month	4.40
Above 1000 units per month	49.68	Above 1000 units per month	5.90
Total	87.31		

67. The tariff of this category has not revised since the year October-2002. Considering the increase in the average cost of supply during the last

few years, KSEB propose to revise the tariff applicable to LT-VII(C) category as detailed below.

Table-44. Proposed tariff and additional revenue expected from LT-VII (C) category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kW)	80.00	90.00	19.17	21.56	2.40
Energy Charge					
Upto 1000 units per month	4.40	5.00	16.56	18.82	2.26
Above 1000 units per month	5.90	6.50	29.31	32.29	2.98
Total			65.04	72.67	7.63

KSEB request before the Hon'ble Commission to kindly approve the proposed revision of LT-VII (C) category as detailed above.

VIII. LT-VIII Temporary Extension

68. The tariff proposed for temporary extension is detailed below.

Particulars	Existing	Proposed
Fixed charges per day	Rs 50/ kW	Rs 65/kW

IX. Low Tension – IX – Public Lighting

69. The street lights in the state are generally un-metered and the same are charged at the prevailing composite tariff. It may be noted that, the last revision on the LT-IX public lighting was made during the year August-2001.

70. However, wherever the public lightings are metered, the same is charged at the tariff as detailed below.

Table-45. Prevailing tariff for metered supply to street lights.

Fixed charge (Rs/meter/ month)	12.00
Energy charge (Rs/unit)	0.90

71. The estimated annual energy consumption of the street lights and revenue expected through tariff for the year 2012-13 is given below.

Table-46. Details of energy consumption and revenue expected at prevailing tariff

Annual Consumption	(MU)	299.00
Revenue Expected at the prevailing composite tariff	(Rs.Cr)	63.33
Average tariff at the prevailing tariff	(Rs/kWh)	2.12

72. The prevailing composite tariff applicable to street lights w.e.f 10-8-2001 is detailed below.

Table-47 Existing Composite Tariff for Public Ligting (w.e.f August-2001)

Type of Lamp	Watts	Rs/Lamp/month		
		Burning Hours per day		
		4 hours	6 hours	12 hours
Ordinary	25/40	22	23	27
Ordinary	60	28	29	34
Ordinary	100	30	33	41
Fluoroscent tube	40	32	33	38
Fluoroscent tube	2*40	36	40	48
Flood Light	1000	94	123	213
Mercury Vapour Lamp	80	44	46	56
Mercury Vapour Lamp	125	47	56	71
Mercury Vapour Lamp	160	53	62	72
Mercury Vapour Lamp	250	64	75	102
Mercury Vapour Lamp	400	82	96	140
Sodium Vapour Lamp	70	42	45	53
Sodium Vapour Lamp	80	44	46	56
Sodium Vapour Lamp	100	45	48	59
Sodium Vapour Lamp	125	47	51	65
Sodium Vapour Lamp	150	52	58	74
Sodium Vapour Lamp	250	64	72	100
CFL Automatic on/off CFL	1*11	17	18	20
	2*11	18	20	21
	4*11	21	22	27
	1*18	18	18	20
Mercury vapour lamp on semi high mast only for 12 hours burning/day	3*400			755
Sodium vapour lamp on semi high mast only for 12 hours urning/day	250			375

73. However, street lights are metered in almost all other states in the country and a comparison of the prevailing tariff applicable to street lights are given in the table below.

Table-48. Comparison of the prevailing tariff for street lights

States	Description	Energy Charges (Rs/unit)	Fixed charge/ Customer service charge
Andra Pradesh	Minor Panchayats	1.87	30 per month
	Major Panchayats	2.50	30 per month
	Nagarpalikas and municipalities(Gr-3)	3.29	30 per month
	Municipalities Gr 1&2	3.59	30 per month
	Special Grade Municiplity	3.88	30 per month
	Corporations	4.17	30 per month
Karnataka		3.80	50/KW/month
Kerala		0.90	Rs 12/meter/month
Tamilnadu	Rural	3.40	Nil
	Urban	3.50	Nil
West Bengal	Street lighting	4.21	15/KVA/month
	Street lighting with LED	**2.51**	15/KVA/month
BIHAR		3.45	nil
MP	Municipal Corporation	3.50	220/KW/month
	Municipality/ Nagar Panchayat	3.50	200/KW/month
	Gram Panchayat	3.50	45/KW/month
ORISSA1.4.2011		4.80	Ist KW Rs 20, for addl KW Rs 15
Haryana		4.15	nil
Assam		4.45	120/KW/month
Himachal pradesh		4.00	60/con/month
Maharashtra	Grama panchayat	2.80	30/KW/month
	Municipal Corporation	3.40	30/KW/month
Gujarat	street lights - local authority	3.35	
	Others	3.35	20 /KW/ month

74. Further, considering the increase in cost of generation and power purchase since the year August-2001, KSEB proposes the following increase in the prevailing composite tariff for street lights. The proposed composite tariff applicable to street lights for un-metered supply is given below.

Table-49. Proposed Composite tariff for street lights

Type of Lamp	Watts	Existing composite tariff Rs/Lamp/month Burning Hours per day			Proposed composite tariff Rs/Lamp/month Burning Hours per day		
		4 hours	6 hours	12 hours	4 hours	6 hours	12 hours
Ordinary	25/40	22	23	27	28	30	35
Ordinary	60	28	29	34	35	36	45
Ordinary	100	30	33	41	38	42	52
Fluoroscent tube	40	32	33	38	40	42	50
Fluoroscent tube	2*40	36	40	48	45	50	60
Flood Light	1000	94	123	213	118	155	270
Mercury Vapour Lamp	80	44	46	56	55	60	70
Mercury Vapour Lamp	125	47	56	71	59	70	90
Mercury Vapour Lamp	160	53	62	72	66	80	95
Mercury Vapour Lamp	250	64	75	102	80	95	130
Mercury Vapour Lamp	400	82	96	140	103	120	175
Sodium Vapour Lamp	70	42	45	53	53	57	67
Sodium Vapour Lamp	80	44	46	56	55	60	70
Sodium Vapour Lamp	100	45	48	59	56	60	75
Sodium Vapour Lamp	125	47	51	65	59	65	82
Sodium Vapour Lamp	150	52	58	74	65	75	95
Sodium Vapour Lamp	250	64	72	100	80	90	125
CFL Automatic on/off CFL	1*11	17	18	20	21	23	25
	2*11	18	20	21	23	25	27
	4*11	21	22	27	26	28	34
	1*18	18	18	20	23	23	25
	2*18	NIL			30	33	38
	4*18				36	39	55
	1*15				28	28	33
	2*15				30	31	38
	1*36				30	31	36
	2*36				33	36	47
	4*36				39	47	67
LED based street light	1*18				23	23	25
Mercury vapour lamp on semi high mast only for 12 hours burning/day	3*400			755			950
Sodium vapour lamp on semi high mast only for 12 hours burning/day	250			375			470

75. The additional revenue expected from the proposed increase in composite tariff for street lights is detailed below.

Table –50. Addl revenue expected from the proposed composite tariff for street lights.

Avg tariff at existing composite tariff (Rs/ kWh)	Avg tariff at the proposed composite tariff (Rs/ kWh)	Revenue (Rs.Cr)		
		at Existing rate	at Proposed rate	Addl revenue
2.12	2.65	63.33	79.16	15.83

76. There is already a proposal to install meters on the street lights. Hence, considering the average cost of supply and revenue gap, KSEB proposes that, the energy charge for street lights for metered supply may be increased to Rs 2.75 per unit and fixed charge may be increased to Rs 30/meter/month.

77. Hon'ble Commission may kindly approve the composite tariff as detailed under Table 49 for un-metered supply to street lights. Further the demand and energy charge as proposed under paragraph –75 may be approved for metered supply to street lights.

X. EHT Tariff

78. The contract demand and annual energy consumption estimated for the EHT supply at 66 kV and 110 kV supply for the year 2012-13 are detailed below.

Table-51. Consumption details of the EHT supply

Particulars	EHT-1 (66 kV supply)	EHT-I1 (110 kV supply)
Consumer details		
Billing Demand (MVA)	101	174
Annual Energy Consumption (MU)		
(i) Normal Consumers	245.59	720.99
(ii) Power Intensive	98.66	69.51
Total	344.25	790.50
Existing tariff		
Demand charge (Rs/kVA/month)	260	245
Energy Charge (Rs/kWh)		
(i) Normal Consumers	2.90	2.90
(ii) Power Intensive with power allocation on after 17-12-1996)	3.40	3.40
Revenue from tariff (at existing tariff)	133.93	287.60

79. The EHT Industrial tariff prevailing in the State is one of the lowest in the country. Further, the present EHT tariff in the state has been subsidized upto 33.00% over the average cost of supply. It may be noted that, the tariff for the EHT consumers has not been revised since October-2002, even though there was considerable increase in the cost of supply, cost of generation and power purchase etc since then.

80. A comparison of the prevailing industrial tariff in other States is detailed below.

Table-52. Comparison of the EHT tariff with other States

States	Range	DEMAND Charge in Rs/ KVA / Month	ENERGY Charge (Rs / Unit)
Karnataka	0 - 1 Lakh Units	170	4.6
	1 - 2 Lakh Units	170	4.9
	Above 2 lakh	170	4.9
Kerala	66KV	260	2.9
	110 KV	245	2.9
Tamilnadu	All units	300	4
West Bengal	132KV(Summer)	220	5.07
	132KV(Monsoon)	220	5.05
	132KV(Winter)	220	5.03
Orissa	Large Industry&Power intensive industry/Mini Steel Plant		
BIHAR	132KV	220	4.1
MP	132KV	375	Up to 50%LF 3.95/unit ,Excess of 50% LF-3.10/unit
	220kv	400	Up to 50%LF 3.80/unit ,Excess of 50%LF-3.05/unit
ORISSA		Rs700 customers service charge+Rs 200/KVA /Month	Up to 50% LF -4.70 Above 51-60%LF 4.25
Haryana	66or 132/220 KV	120	3.91/3.83

81. Considering the present level of subsidy enjoyed by EHT category and also considering the increase in the average cost of supply, KSEB propose to increase the demand charge and energy charge for EHT category as follows. The additional revenue expected from the proposed revision is detailed below.

Table-53. Addl revenue expected through the proposed revision

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
EHT-1 (66 kV)					
Demand charge (Rs/kVA/month)	260.00	300.00	25.73	29.69	3.96
Energy Charge (Rs/kWh)					
(i) Normal Consumers	2.90	4.00	99.55	137.94	38.39
(ii) Power Intensive	3.40	4.00	8.65	10.33	1.68
Total			133.93	177.96	44.03
EHT-II (110 kV)					
Demand charge (Rs/kVA/month)	245.00	290.00	48.88	57.86	8.98
Energy Charge (Rs/kWh)					
(i) Normal Consumers	2.90	4.00	229.01	318.26	89.25
(ii) Power Intensive	3.40	4.00	9.71	11.74	2.03
Total			287.60	387.86	100.26
EHT total					**144.28**

82. Hon'ble Commission may kindly approve the tariff increase proposed for EHT categories as detailed above.

XI. HT-I Industrial Category

83. A comparison of the HT-I industrial tariff prevailing in the state with other states are given in the following table.

Table-54. Comparison of the HT-I industrial tariff with other states

States	Particulars	DEMAND Charge in Rs/ KVA / Month	ENERGY Charge (Rs/ kWh)
Kerala		270	3.00
Karnataka	0 - 1 Lakh Units	170	4.60
	1 - 2 Lakh Units	170	4.90
	Above 2 lakh	170	4.90
Tamilnadu	All units	300	4.00
West Bengal	11KV(Summer	220	5.38
	11KV(Monsoon)	220	5.37
	11KV(Winter)	220	5.36
	33KV(Summer)	220	5.11
	33KV(Monsoon)	220	5.09
	33KV(Winter	220	5.07
Orissa	HT(Medium)	customers service charge=Rs 250 /Month+200/KVA/month demand charge	Upto 50%LF - Rs 4.75/unit 50-60%LF-Rs 4.30 per unit, >60 %LF-3.75
BIHAR	11KV	220	4.23
	33KV	220	4.15
MP	11KV	180	Up to 50%LF Rs 4.50/unit, Excess of 50%-Rs 3.60/unit
	33KV	280	Up to 50%LF Rs 4.27/unit, excess of 50%- Rs 3.25/unit
MAHARASHTRA	Express feeders	150/KVA/Month	5.05
	Non Express feeders	150/KVA/Month	4.60
Haryana	11/33KV	120	4.15/4.03

It can be seen that, the HT tariff of the state is the lowest when compared with the HT Industrial tariff of other states.

84. The estimate of the consumption details of HT-I industrial categories for the year 2012-13 is detailed below.

Table-55. Consumer details of HT-1 Industrial Category

Consumer details	
Billing Demand (MVA)	480.00
Annual Energy Consumption (MU)	
(i) Normal Category	801.53
(ii) Power Intensive with power allocation on or after 17-12-1996	625.47
Existing tariff	
Demand charge (Rs/kVA/month)	270.00
Energy Charge – normal category (Rs/kWh)	3.00
Energy Charge – Power Intensive with power allocation on or after 17-12-1996 (Rs/kWh)	3.50

85. Considering the huge accumulated revenue gap and increase in the average cost of supply, KSEB propose to increase the tariff of HT-1 category as detailed below.

Table-56. Addl revenue expected through the proposed revision

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kVA/month)	270.00	300.00	155.52	172.80	17.28
Energy Charge (Rs/kWh)					
(a) Normal category (excl. Power Intensive)	3.00	4.10	240.46	328.63	88.17
(b) Power Intensive	3.50	4.10	219.26	256.85	37.59
Total			615.24	758.28	143.04

Hon'ble Commission may kindly approve the tariff revision proposals for HT-I Industrial category as detailed above.

XII. HT-II Non-Industrial/ Non- commercial categories

86. The details of the consumption and existing tariff of the HT-II categories are given in the Table below.

Table-57. Details of HT-II category

Consumer details		**Existing tariff**	
Billing Demand (MVA)	48.42	Demand charge (Rs/kVA/month)	300.00
Annual Energy Consumption (MU)	110.50	Energy Charge (Rs/kWh)	3.00

87. Considering the huge accumulated revenue gap and increase in the average cost of supply over the years, KSEB propose to increase the tariff applicable to the HT-II category as detailed below.

Table-58. Addl revenue expected through the proposed revision

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kVA/month)	300.00	350.00	17.43	20.34	2.91
Energy Charge (Rs/kWh)	3.00	4.10	33.15	45.31	12.16
Total			50.58	65.64	15.06

KSEB requests before the Hon'ble Commission to kindly approve the tariff proposed for HT-II category as detailed above.

XIII. HT-III Agriculture

88. The details of the HT-III industrial consumers are detailed below.

Table-59. Details of HT-III category

Consumer details		**Existing tariff**	
Billing Demand (MVA)	11.03	Demand charge (Rs/kVA/month)	165.00
Annual Energy Consumption (MU)	7.23	Energy Charge (Rs/kWh)	1.30

89. It may be noted that the tariff for the HT-III Agriculture categories is also highly subsidized in the state. A comparison of the HT-Agriculture tariff prevailed in other states is detailed below.

Table-60. Comparison of the tariff of HT-III with other States

States	Particulars	Energy Charges in Rs /Unit	Fixed Charges in Rs/month
Karnataka	HT- Irrigation and Agriculture farms	2.75	Nil
Kerala	HT	1.30	165/KVA/month
Madhya Pradesh	HT 11 KV	3.80	145/KVA/month
	HT 33 KV	3.60	165/KVA/month
Assam	HT	3.45	40/KVA/Month
Himachal pradesh	HT	3.65	150/KVA/month + customer service charge - Rs 120/con/month
Gujarat	HT	1.60	25/KVA/month
Maharashtra	HT	1.95	25/KVA/month

90. Considering the increase in average cost of supply, KSEB proposes to increase the energy charge of HT-III from Rs 1.30 per unit to Rs 2.30 per unit and demand charge from Rs 165/kVA/month to Rs 200/kVA/ month. The additional revenue expected through the proposed revision is detailed below.

Table-61. Addl revenue expected through the proposed revision

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kVA/month)	165.00	200.00	2.18	2.65	0.46
Energy Charge (Rs/kWh)	1.30	2.30	0.94	1.66	0.72
Total			3.12	4.31	1.19

Hon'ble Commission may kindly approve the tariff proposed for HT-IV agriculture category as detailed above.

XIV. <u>HT-IV Commercial Categories</u>

91. A comparison of the HT-IV commercial tariff prevailing in the state with those in other states is detailed below.

Table-62. Comparison of the HT-IV commercial tariff with that of other States

States	DEMAND Charge in Rs/ KVA / Month	ENERGY Charge (Rs/kWh)
Kerala	350	3.70
Andra Pradesh	250+1125/month custmer service charge	4.30
		4.80
Karnataka	190	6.00
	190	6.00
	190	6.30
Tamilnadu	300	5.80
West Bengal	220	5.58
	220	5.56
	220	5.54
	220	5.37
	220	5.35
	220	5.33
BIHAR	220	4.23
MP	150	Up to 50%LF 4.80/unit, Excess of 50%-4.05/unit
	225	Up to 50%LF 4.50/unit , Excess of 50%-3.75/unit
MAHARASHTRA	150/KVA/Month	7.15

92. It may be noted that, HT-IV commercial categories shows an abnormal growth during the last few years, even during the power restrictions of 2008-09 where in all other HT categories had negative growth.

Table-63. Consumption growth of HT-IV commercial category

Year	HT-IV consumption	Increase over previous year
	(MU)	(%)
2005-06	377.87	
2006-07	431.10	14.09
2007-08	506.79	17.56
2008-09	578.77	14.20
2009-10	693.00	19.74

93. The estimate of the consumption details of HT-IV category for the year 2012-13 is detailed below.

Table 64. Details of HT-IV Commercial Category

Consumer details		**Existing tariff**	
Billing Demand (MVA)	297.08	Demand charge (Rs/ kVA/ month)	350.00
Annual Energy Consumption (MU)	833.00	Energy Charge (Rs/kWh)	3.70

94. KSEB proposes to increase the tariff for HT-IV commercial category as detailed below.

Table-65. Proposed tariff for HT-IV commercial category

Particulars	Existing rate	Proposed rate	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Demand charge (Rs/kVA/month)	350.00	400.00	124.77	142.60	17.82
Energy Charge (Rs/kWh)	3.70	5.50	308.21	458.15	149.94
Total			432.98	600.75	167.76

Hon'ble Commission may kindly approve the proposals as detailed above.

XIV. Tariff for Licensees

95. There are 10 Licensees procuring energy from KSEB at bulk tariff and supplying energy to the consumers with in their licensed areas. Since KSEB is the supplier of electricity to these licensees, the entire risk associated with the procurement of electricity, periodical enhancement of rate of electricity by CGS and CTU, shortage of power due to transmission congestion, volatility of the fuel prices, vagaries of monsoon etc., falls on KSEB.

96. The energy consumption details of the Bulk consumers availing energy from KSEB at bulk tariff for the year 2010-11 are given below.

Table-66. Actual annual consumption of Licensees for the year 2010-11

Sl No.	Category	CD in MVA	Consumer Strength		Consumption in MU	
			(Nos)	As a (%) of total consumers of KSEB	Quantum	As a (%) of total consumption of KSEB
1	Techno Park	20.00	299	0.0030	53.7	0.37
2	Rubber Park	3.00	30	0.0003	14.6	0.10
3	Kanan Devan	7	13047	0.1288	46.1	0.32
4	Trichur Corporation	24.00	36247	0.3579	118.2	0.81
5	Cochin Port Trust	6.50	1368	0.0135	29.5	0.20
6	Kinfra Export Promotion parks	9.00	107	0.0011	46.7	0.32
7	CSEZ	10.00	127	0.0013	54.9	0.38
8	MES	13.72			50.6	0.35
9	Electricity Department, Pondussery for Mahe etc.	5.50			33.2	0.23
10	Karnataka	0.20			0.5	0.00
	Total	98.92	51225.0	0.5058	448.0	3.08

97. The consumer base of KSEB is varied and predominantly consists of low tariff category consumers of agriculture, domestic, public lighting etc, where as the consumers of these licensees belong mainly to

commercial and industrial categories. The consumption pattern of different categories of consumers of the licensees are detailed below.

Table-67. Category wise consumption of different categories of consumers

Category	Kanan Devan		TMC		Techno-park		Rubber park		CSEZ		CPT		KINESCO		KSEB	
	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total	In MU	(%) of total
		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)
Self consumption	15.95	47.05			1.04	2.07	0.11	0.49	0.01	0.03	2.71	8.80	46.09			
Domestic	4.39	12.95	31.04	31.48	2.65	5.27					1.68	5.46			6877.83	47.27
Commercial (LT-VI & VII)	3.58	10.56	60.84	61.70	32.51	64.65	0.01	0.10			6.94	22.53			1951.74	13.42
Public Lighting	0.24	0.71	3.00	3.04	0.15	0.30									265.68	1.83
Agriculture	0.00		0.11	0.11											231.56	1.59
Industrial LT	0.47	1.39	3.61	3.66			1.20	5.36	5.55	10.21					1053.45	7.24
NPG	0.00														4	0.03
HT-Commercial	0.84	2.48													756.21	5.20
HT Industrial	8.43	24.87			13.94	27.72	21.05	94.10	48.78	89.76	19.47	63.21			1622.72	11.15
EHT															1181.12	8.12
Railway Traction															156.39	1.07
Bulk Supply															448.1	3.08
Total	33.90		98.60		50.29		22.37		54.34		30.80				14548.80	

98. As detailed above, more than 95% of the consumers of these licensees (excluding Thrissur Corporation and Kanan Devan Hills Company Private Ltd (KDHP)) are industrial and commercial consumers. Further, for Kanan Devan, the subsidized category including 'domestic and others' accounts for only 13% of the total consumption, and for Thrissur Corporation 62% of the total consumers are high value commercial consumers. However, 55% of the total consumption of KSEB is attributed to subsidized categories including domestic, agriculture, public lighting etc.

99. As per the provisions of the Electricity Act-2003, as independent licensees, these consumers can source power at their own choice from anywhere. Further, the universal supply obligation under the section-43 of the Electricity Act-2003 is not applicable for providing supply to independent distribution licensees like them. KSEB has been continuing the existing arrangements and meeting their energy requirement till date. These licensees are also expected to share the risk associated with the procurement of power including its excessive increase in the cost of power purchase during the recent past. However, considering

the social responsibility and need for industrial growth of the state, KSEB is ready to fulfill their future electricity requirements, provided these licensees are willing to share the incremental cost of power procurement for meeting their additional demand.

100. Hon'ble Commission has been generally following uniform retail tariff for all the licensees across the state, i.e., the retail tariff approved for KSEB has been extended to the consumers of other licensees also. As detailed above, since the major consumers of these licensees are 'industrial and commercial categories', the average revenue realization of these licensees has been much higher than the cost of power purchase from KSEB. It is further submitted that, over the years since its inception, KSEB has been generally adopting relatively higher tariff for 'commercial and industrial consumers' when compared to domestic tariff, mainly for providing electricity at subsidized rates for 'domestic, agriculture, public lighting and other downtrodden segments of the society and also for extending power supply to remote rural areas where supply of power is not fully remunerative.

101. However, these small licenses are supplying electricity to limited urban areas and that too amongst high tariff consumers comprising predominantly of commercial and industrial categories. Accordingly, the revenue from tariff for these categories are much higher than their cost of supply. As per the orders on ARR/ Truing up of accounts of these licensees, Hon'ble Commission has approved huge surplus for these categories as detailed below.

Table-68. Surplus approved for other licensees

Year	Kanan Devan	CSEZ	Rubber Park	Techno park	Kinfra	Cochin Port trust	Thrissur Corporation
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
2006-07	2.22	1.68	-0.06	0.13	3.53	2.95	1.86
2007-08	1.99	2.24	0.24	0.57	3.13	3.25	6.56
2008-09	-0.47	1.91	-0.03	1.13	4.39	2.92	8.45
2009-10	0.69	2.89	0.38	1.48	-0.72	3.93	10.08
2010-11	0.06	1.55	0.99	0.75	0.92	4.37	11.87
Total	4.49	10.27	1.53	4.06	11.26	17.41	38.82

102. The surplus per unit on the energy sold by the licensees is detailed below.

Table-69. Surplus per unit on the energy sold by the licensees. **(Rs/Unit)**

Year	KDHP	CSEZ	Rubber Park	Techno-Park	Kinfra/ KINESCO	CPT	TCR
2006-07	0.71	0.50	-0.07	0.06	1.06	1.06	0.30
2007-08	0.77	0.51	0.25	0.15	1.15	1.17	1.04
2008-09	-0.14	0.44	-0.04	0.27	1.40	1.05	1.22
2009-10	0.20	0.65	0.26	0.33	-0.11	1.31	1.04
2010-11	0.02	0.29	0.44	0.15	0.20	1.42	1.20
Total	0.28	0.47	0.24	0.21	0.56	1.21	0.99

103. The revenue gap of KSEB on a per unit basis as per the C&AG audited accounts during the said period is detailed below.

Table-70. Revenue gap of KSEB

Year	Revenue gap (Rs/unit)
2006-07	0.11
2007-08	0.07
2008-09	0.58
2009-10	0.87
2010-11	0.87

104. From the table 68 and 69, it may please be seen that the above mentioned licensees had been making surplus revenue over & above the statutory return on equity. When KSEB has been consistently incurring huge loss as shown in table 70 above, these licensees who have been purchasing electricity from KSEB and supplying to their consumers have been consistently making surplus revenue. This is due to the following reasons.

(a) These licensees are getting electricity at subsidized rates from KSEB even when the cost incurred by KSEB for purchase of power has been consistently increasing due to the increase in the rate of power from central generating stations, liquid fuel based stations and from short term market.

(b) The consumer profile of these licensees are most advantageous to them due to the fact that a predominant number of consumers in the licensed area belong to commercial and industrial categories, the tariff of which is relatively higher.

(c) The area of operation of these licensees is limited and the consumer density per sq. km is much higher. Therefore the cost incurred per unit for repairs and maintenance and for improving quality of power and the AT&C losses also relatively low.

(d) The theft of power and accumulation of arrears can easily be prevented in such limited areas.

(e) KSEB takes the entire risk associated with the procurement of electricity.

105. These licensees have been filing ARR & ERC before the Hon'ble Commission and the Hon'ble Commission has been approving the same. The Hon'ble Commission was also pleased to allow these licensees to charge their consumers the rates fixed for the consumers of KSEB. It has already been submitted that the rates of commercial and industrial consumers in KSEB are relatively higher when compared to the rates of subsidized categories such as agriculture, domestic, public lighting etc. Thus it may be seen that these licensees are allowed to reap the advantages of this tariff structure of KSEB though these licensees are not supplying much energy to subsidized groups such as domestic, agriculture, BPL category, etc. Therefore if the Hon'ble Commission proposes to allow these licensees to realize electricity charges at the

rates proposed by KSEB for its industrial and commercial consumers, the bulk supply tariff to each bulk supply licensees should be fixed in such a way that the surplus after allowing the statutory reasonable expenses and the statutory ROE should be passed on to KSEB.

106. This issue had been discussed by the Hon'ble commission, in the meeting of the Advisory group held on 10-01-2012. It may please be appreciated that, while KSEB has been incurring a loss to the tune of 0.87 crore/unit as indicated in Table 70, the licensees have been amazing surplus revenue at a rate varying from 0.02/unit to 1.22/unit. There fore, there is just and valid ground for fixing separate Bulk supply Tariff applicable to each of these licensee. However the Board is submitting now only a provisional minimum proposal to increase the bulk supply tariff. The board may be permitted to firm up the proposals with necessary and sufficient data to support and substantiate the proposals for fixing power supply rates for each licensee. The provisional tariff proposed for the licensees is detailed below.

Table –71.Provisional Tariff proposed for licensees

Category	Demand Charge (Rs/kVA/ Month		Energy Charge (Rs/ kWh)	
	Existing	Proposed	Existing	Proposed
Bulk Supply- 11 kV	270	350	3.28	4.40
Bulk Supply- 66 kV	260	340	3.16	4.20
Bulk Supply- 110 kV	245	320	3.16	4.20

107. So it is most humbly prayed that the minimum provisional tariff for the licensees may be revised as follows and the individual tariff may be re-fixed considering their ARR & ERC as requested earlier. The minimum additional revenue expected through the proposed provisional tariff is detailed below.

Table-72. Addl revenue expected through the proposed revision

Particulars	Billing Demand (MVA)	Energy consumption (MU)	Revenue (Rs.Cr)		
			at Existing rate	at Proposed rate	Addl revenue
Bulk Tariff- 11 kV	21.19	99.45			
Demand charge			6.87	8.9	2.03
Energy Charge			32.62	43.76	11.14
Sub Total			39.49	52.66	13.17
Bulk Tariff- 66 kV	9.22	34.85			
Demand charge			2.88	3.76	0.89
Energy Charge			11.01	14.64	3.62
Sub Total			13.89	18.4	4.51
Bulk Tariff- 110 kV	70.78	289.85			
Demand charge			20.81	27.18	6.37
Energy Charge			91.59	121.74	30.14
Sub Total			112.4	148.92	36.51
Total			165.78	219.98	54.19

108. KSEB further submitted before the Hon'ble Commission that, the Bulk Supply tariff proposed may be approved for bulk sales to Electricity Department, Pudussery and Karnataka, since Hon'ble Commission has the statutory authority to regulate the power purchase and sale of KSEB as a distribution licensee.

KSEB request that, the provisional tariff as proposed above may kindly be approved by the Hon'ble Commission.

XV. Railway Traction tariff

109. KSEB has been supplying electricity to the railway for traction at 110 kV EHT tariff. However, ToD tariff is not made applicable to them. The prevailing tariff for railway traction with effect from 01-12-2007 is as given below.

Table-73 Prevailing Railway Traction tariff w.e.f 01-12-2007

Demand Charge	Energy Charge
(Rs/ kVA/ month)	(Rs/ kWh)
245	2.90

110. It is submitted that, the traction tariff prevailing in the state is one of the lowest in the country. A comparison of the prevailing traction tariff across the country is detailed below.

Table-74. Comparison of the traction tariff prevailing in other States

State	Demand /fixed Charges (Rs/KVA)	Energy Charges (Ps/Unit)
KERALA (w.e.f 01-12-2007) (EHT)	245	290
TAMILNADU (w.e.f 31-07-2010) (33 kV and above)	250	400
KARNATAKA (w.e.f 7-12-2010)	180	460
ANDRAPRADESH (w.e.f 30-03-2011)	Nil	445
WEST BENGAL (w.e. 29-07-2010)		25/132KV
summer	220	452
Monsoon	220	450
winter	220	447
Maharashtra (1.8.2009)	Nil	w
ORISSA(18.03.2011)		
HT	Rs 200/KVA /Month	475
EHT	Rs 200/KVA /Month	470
BIHAR (132 kV) w.e.f 01-12-2010	180	438
MP (18.05.2010(132/220KV)	220	470
Haryana(2010-11) Supply at 11/33/66 or 132/220 KV	Rs 125/ kVA/month +(30 paise / unit FSA)	11 KV :455 33 KV: 443 66 KV: 431 132/220 KV: 423
Gujarat (01.04.2010 (132/66 KV)	Rs 160 / kVA/ month	455
Jharkand 01.05.2010	Rs. 180 / kVA / month	450
Punjab 09.05.2011	Rs 245 kVA/month	578

111. As stated earlier, the last revision of traction tariff was made during the year 2007-08 considering the average cost of power purchase, overall cost of supply and revenue gap of KSEB based on the ARR & ERC of KSEB for the year 2007-08. However, as detailed under Table-1 &2 , there was considerable increase in the cost of power purchase due to the tariff hike of CGS, increase in fuel costs, increase in the cost of power purchase from short term markets etc.

112. is further submitted that, almost all the Distribution utilities in the country have proposed for revising the traction tariff for the year 2012-13. Some of the proposals are extracted below for ready reference.

Table-74. Tariff proposed by neighboring utilities for traction for the year 2012-13

State	Demand charge/ month (Rs/ kVA/ month)	Energy Charge (Rs/ kWh)
Andhdra Pradesh		5.75
Tamil Nadu	300	5.00
MP	275	5.65

113. Considering the increase in cost of power purchase and anticipated revenue gap, KSEB proposes to revise the traction tariff as detailed below.

Table-75. Proposed tariff for railway traction

Demand Charge (Rs/ kVA/ month)		Energy Charge (Rs/ kWh)	
Existing	Proposed	Existing	Proposed
245	250	2.90	4.00

114. The additional revenue expected through the proposed revision of traction tariff is detailed below.

Table-76. Additional revenue expected through the proposed revision

Sl No.	Particulars	(at Existing Tariff)	(at proposed Tariff)	(Addl. Revenue)
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	**Demand Charge**			
	Billed Demand- 54.21 kVA			
	Demand Charge	15.94	16.26	0.33
2	**Energy Charge**			
	Annual Energy sale- 136.00 MU			
	Energy Charge	39.44	54.40	14.96
3	Total	55.38	70.66	15.29

Hon'ble Commission may kindly approve the traction tariff as detailed above.

XVI. Summary of the additional Revenue Expected through the proposed revision.

115. As detailed in the preceding paragraphs, KSEB anticipates an additional revenue of Rs 1546.40 crore through the present proposal. The details are given below.

Table-77.
Summary of the additional revenue expected

Sl No	Category	Amount (Rs.Cr)
1	LT- 1(a) Domestic	671.57
2	LT- 1(b) offices of political parties	0.13
3	LT-II colonies	2.62
4	LT-IV Industrial Tariff	130.61
5	LT-V Agriculture catgory	23.26
6	LT-VI (A)	12.09
7	LT-VI (B)	24.43
8	LT-VI (C)	4.32
9	LT- VI (D)	0.17
10	LT-VII (A)	73.85
11	LT-VII (B)	39.07
12	LT- VII (C)	7.63
13	LT- IX - Public Lighting	15.83
14	EHT Tariff	144.28
15	HT-1 Industry	143.04
16	HT-II Nondomestic	15.06
17	HT-III Agriclture	1.19
18	HT-IV commercial	167.76
19	Bulk Supply to other Licensees	54.20
20	Railways	15.29
21	Total	1546.40

116. Further, KSEB may be permitted to file the re-categorization of certain categories of consumers as per the direction of the Hon'ble Commission, orders of CGRF/ Ombudsman, recommendation from field offices etc as an addendum to this petition.

Prayer

In view of the facts and circumstances explained above, KSEB most humbly prays that the Hon'ble Commission may be pleased to:

(1) grant the tariff revision as detailed in this petition.
(2) account the revised revenue gap based on the approved ARR and revised ERC (based on the revised tariff) as regulatory asset and to allow carrying cost for maintaining the same.
(3) Pass such other order as the Hon’ble Commission deems fit and appropriate in the present case and in the interest of justice.

CHAIRMAN

Annexure-1

Details of Hydel Generation and Thermal Power Since 1981-82 to 2012-13

Year	Hydel (MU)	Thermal (MU)	Total (MU)	Hydel (%)	Thermal (%)
1981-82	5539	54	5593	99%	1%
1982-83	4488	83	4571	98%	2%
1983-84	3643	147	3790	96%	4%
1984-85	4885	79	4964	98%	2%
1985-86	5357	228	5585	96%	4%
1986-87	4642	512	5154	90%	10%
1987-88	4093	1009	5102	80%	20%
1988-89	4548	1227	5775	79%	21%
1989-90	5075	1160	6235	81%	19%
1990-91	5491	1304	6795	81%	19%
1991-92	5326	1856	7182	74%	26%
1992-93	6193	1062	7255	85%	15%
1993-94	5822	2020	7842	74%	26%
1994-95	6571	2249	8820	75%	25%
1995-96	6682	2672	9354	71%	29%
1996-97	5474	3126	8600	64%	36%
1997-98	5048	4378	9426	54%	46%
1998-99	7305	3652	10957	67%	33%
1999-00	7038	4738	11776	60%	40%
2000-01	6167	6295	12462	49%	51%
2001-02	6716	6057	12773	53%	47%
2002-03	4819	7932	12751	38%	62%
2003-04	3910	8545	12455	31%	69%
2004-05	6134	6314	12448	49%	51%
2005-06	7450	6843	14293	52%	48%
2006-07	7484	8388	15872	47%	53%
2007-08	8292	8438	16730	50%	50%
2008-09	5810	10265	16075	36%	64%
2009-10	6613	10775	17388	38%	62%
2010-11	7063	10817	17880	40%	60%
2011-12	8041	11149	19190	42%	58%
2012-13	6958	12874	19832	35%	65%

Annexure-2 (a)
Details of the reduction on Capital liabilities

Year	Details of Reduction on Capital Liabilities				
	Loan out standing at the beginning of the year	Loan availed during the year	Loan repaid during the year	Net loan repayment	Cumulative repayment
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
2003-04	5094.16	2013.39	1751.9	-261.49	-261.49
2004-05	5355.65	582.16	1396.48	814.32	552.83
2005-06	4541.32	379.44	1207.15	827.71	1380.54
2006-07	3713.62	41.09	1256.19	1215.1	2595.64
2007-08	2498.52	3.08	644.88	641.8	3237.44
2008-09	1856.71	94.49	850.85	756.36	3993.8
2009-10	1100.35	527.19	218.07	-309.12	3684.68
2010-11	1409.48	578.53	921.52	342.99	4027.67
Total up to 31-03-2011				4027.67	

Annexure-2 (b)
Details of the reduction on interest and finance charges

Year	Interest claimed for outstanding capital liabilities	Reduction over the year 2003-04	Cumulative reduction over 2003-04
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
2003-04	622.16		
2004-05	535.54	86.62	86.62
2005-06	451.44	170.72	257.34
2006-07	318.49	303.67	561.01
2007-08	232.83	389.33	950.34
2008-09	151.31	470.85	1421.19
2009-10	123.08	499.08	1920.27
2010-11	120.85	501.31	2421.58