



PRESS NOTE

REVISION OF ELECTRICITY TARIFF FOR FY2024-25

The Karnataka Electricity Regulatory Commission (KERC) has approved Revision of Retail Supply Tariff for Financial Year 2024-25 for all the Distribution Licensees.

Highlights of Tariff Order:

- ❖ Marginal Surplus found for FY2024-25 utilized for readjustments of tariff across different tariff categories.
- ❖ Significant reduction in tariff to Commercial, Industrial consumers & Domestic Consumers (consuming above 100 units per month):
 - ✓ LT Domestic Lighting: energy charges reduced by 110 paise per unit for consumption above 100 units.
 - ✓ HT Commercial: Energy charges reduced by 125 paise per unit; Demand Charges reduced by Rs.10 per KVA;
 - ✓ HT Industrial: Energy charges reduced by 50 paise per unit; Demand Charges reduced by Rs.10 per KVA;
 - ✓ HT Hospital & Educational Institutions: Energy charges reduced by 40 paise per unit; Demand Charges reduced by Rs.10 per KVA
 - ✓ HT private lift irrigation: Energy Charges reduced by 200 Paise per unit
 - ✓ HT Residential Apartments: Demand charges reduced by Rs.10 per KVA
 - ✓ LT Pvt. Hospital & Educational Institutions: Energy charges reduced by 50 paise per unit;
 - ✓ LT Industrial Installations: Energy charges reduced by 100 paise per unit

- ✓ **LT Commercial Installations: Energy charges reduced by 50 paise per unit;**
- ❖ **Time of the Day (ToD) introduced for morning peak-6 a.m. to 9 a.m. in addition to the existing evening peak between 6.00p.m. to 10.00 p.m.**
- ❖ **Special Incentive Scheme (SIS) is continued for the financial year 2024-25, with change in rate of incentive from Rs.2/- per unit to Re.1/- per unit for night consumption. The other terms and conditions remain the same.**
- ❖ **Cross subsidization levels reduced.**
- ❖ **Optional Self-reading of meters introduced for all LT installations.**
- ❖ **In view of introduction of single slab for energy charges, the LT consumers may avail multiple connections to their premises.**

The salient features of the ESCOMs' Tariff Revision are:

ESCOMs' Proposals for approval of ARR for FY25:

- **ESCOMs have prayed for approval of Annual Revenue Requirement (ARR) of Rs. 69474.75 Crores** with a Revenue Deficit of **Rs. 4863.85 Crores for FY25.** To bridge this revenue deficit, the ESCOMs have proposed an average increase by **66 paise per unit (ranging between 49 to 163 paise per unit).** The revenue deficit of FY25 also includes revenue deficit of Rs. 723.06 Crores, as per Annual Performance Review (APR) for FY23;
- ESCOMs have proposed **7.53% increase in tariff.**

KERC's approval of ARR for FY25:

- After scrutiny of ESCOM's applications, the Commission has approved total Annual Revenue Requirement (ARR) **of Rs.64944.54 Crores** as against **Rs. 69474.75 Crores** sought by the ESCOMs in their Tariff Applications.
- The Commission has approved a net revenue surplus of **Rs.290.76 Crores for FY2024-25**, which includes revenue surplus of **Rs.565.39 Crores** as per Annual Performance Review (Truing Up) for FY23;
- **The overall surplus for FY25 is utilized for readjustment/ rationalization of tariff for FY25.**

Other measures approved:

- To ensure adequate recovery of fixed costs being incurred by the ESCOMs, KERC has considered marginal increase in billing demand for HT/ FC for a few LT Consumers, by reducing the energy charges.
- To encourage use of electric vehicles, the Energy charges for EV charging stations has been continued at reduced rate of Rs.4.50 per unit.
- To promote setting up of Data Centres in the State, industrial tariff is continued to Data Centres.
- In view of reduction of tariff to LT Industries the Rebate for Micro and Small industries of 50 paise per unit is discontinued.
- Urban and rural categories were merged into one category in the previous Order. The rebate of 30 paise per unit is allowed **only** for LT commercial, LT Industries, LT Pvt. Hospitals & Educational Institutions in Village Panchayat Areas.
- To promote purchase and use of energy from RE sources, green tariff 50 paise per unit over and above the applicable tariff applicable to HT industries and HT commercial, is continued.
- Concessional tariff to BMRCL & Railway traction is continued.
- As part of tariff rationalization, single slab energy charges are introduced for all the categories of consumers.
- The revised tariff is effective from 1st of April, 2024.

2. Directives issued to ESCOMs:

- ✓ Setting up of a Portal to maintain the details of PPAs executed and approved by the competent authorities to monitor the terms and conditions of the PPAs and also to regulate payment of power purchase bills online. The Generators shall upload their power supply bills on the said portal and the ESCOMs shall make online payment with in the due dates. The portal shall be made operational in 3 months.
- ✓ Setting up of required system to allow for Optional Prepaid metering from 1/4/2024
- ✓ Setting up of necessary Software for enabling self-reading of meters , for LT category, from 1/6/2024

3. The Summary of the Approved ARR, Sales and Power Purchase, in respect of all the ESCOMs, for the FY25 is as detailed in the following table:

SI No	Particulars	FY25
1	Approved ARR of ESCOMs by KERC Rs. Crores	64944.54
2	Power purchase in MU at Generation Bus	82551.30
3	Approved Transmission loss %	2.664
4	Approved Distribution loss in % (ESCOMs)	10.01
5	Total T & D loss in %	12.36
6	Approved sales in MU (ESCOMs) excluding T & D Losses	71807.13

ESCOM-wise Proposed and Approved ARR for FY25:

[Figures in Rs. Crores]

ESCOM	FY25	
	As Proposed	As Approved
BESCOM	34897.16	33583.48
MESCOM	5281.94	5095.78
CESC	7379.89	7173.30
HESC OM	12243.70	11335.60
GESCOM	9672.06	7756.39
Total	69474.75	64944.54

4. **Transmission Tariff of KPTCL:**

The approved ARR of KPTCL for FY25 was Rs.5803.79 Crores. Against this, KPTCL has proposed revised ARR of Rs.7504.84 Crores by including Rs. 1486.23 Crores towards Government portion of Pension & Gratuity amount as per Government Order dated 15.11.2022 and Rs.214.82 Crores towards revenue deficit of FY23.

The Commission by considering the net revenue deficit of Rs.129.01 Crores as per APR of FY23 and additional employee cost of Rs.215.46 Crores for FY25, has approved revised ARR of Rs.6148.26 Crores, without considering the amount of Rs.1486.23 Crores towards Govt. portion of pension & gratuity, as claimed by KPTCL, for FY25.

The revised Transmission Tariff for FY25 is Rs.163760 per MW per month considering the enhanced transmission capacity of 31287 MW as against

Rs.163031 per MW per month approved earlier against the transmission capacity of 25500 MW for FY25.

5. **Determination of ARR and Revision of Retail supply tariff for FY25 for Hukeri Rural Electric Co-Op. Society, (HRECS):**

The Commission, by including the APR revenue deficit of Rs.25.544 Crores for FY23, has approved the revised ARR of Rs.340.40 Crores for FY25, as against Rs.393.80 Crores proposed by HRECS. The approved net revenue deficit for FY25 is Rs.43.36 Crores.

6. **Determination of ARR and revision of Retail supply tariff for Mangalore SEZ Ltd., (MSEZL) for FY25:**

The Commission, by including the APR revenue surplus of Rs.0.031 Crores for FY23, has approved the revised ARR of Rs.66.954 Crores, for FY25 as against Rs.62.21 Crores proposed by MSEZL. The approved net revenue deficit for FY25 is Rs.1.381 Crores.

7. **Determination of ARR and Retail supply tariff of AEQUS SEZ for FY25**

The Commission, by including the APR revenue surplus of Rs.1.195 Crores for FY23, has approved the revised ARR of Rs.27.154 Crores, for FY25 as against Rs.25.18 Crores proposed by AEQUS SEZ. The approved net revenue deficit for FY25 is Rs.1.123 Crores.

The Tariff Orders of KPTCL, ESCOMs, HRECS, MSEZL & AEQUS SEZ are made available on the Commission's website <https://kerc.karnataka.gov.in>
