

21	KA-01 JJ-6404	SUZKI ACCESS125	MB8DP11AJK8F51676	AF216150524
22	KA-07 S-3810	HERO PASSION PRO	MBLHA10EWBGJ63374	HA10EDBGJ69912
23	KA-07 W-8462	HONDA ACTIVA	ME4JF504EFT358262	JF50ET2356537
24	KA-05 EV-7679	BAJAJ CT 100	DUFBLK62858	DUMBLK54173
25	KA-01 EM-8263	BAJAJ DISCOVER	MD2DSPAZZSWE20784	JBMBSE20773
26	TN-70 Q-9452	YAMAHA FZ	ME1RG0724F0091326	G3C8E0151874
27	KA-51 AB-7511	SUZUKI ACCESS	MB8DP11AGJ8926463	AF215088558
28	TN-05 Q-9675	HERO HONDA SPLENDER+	05K16C16198	05K15M15651
29	KA-43 Q-1525	PASSION PRO	MBLJA12AEDGE00341	JA12ABDGE01068

DATE:19.09.2025

II ADDL. C.J. & JMFC

PLACE: KOLAR

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PR-5915

KARNATAKA ELECTRICITY REGULATORY COMMISSION
No.16, C-1, Millers Tank Bed Area, Vasanthanagar, Bengaluru-560 052.

NOTIFICATION (Draft)

No. DD(Tariff)/CSS-Roadmap/2025-26/ 1322

Date: 12th December 2025

Draft Karnataka Electricity Regulatory Commission (Roadmap for Reducing Cross-Subsidy and Cross Subsidy Surcharge) Regulations, 2025.

1. PREAMBLE:

1. As per the provisions of the Electricity Act, 2003, it is mandatory for the State Electricity Regulatory Commissions to reduce cross-subsidies prevailing amongst the various tariff categories, in the manner as specified by the said Commissions.
2. Clause 8.3 of the Tariff Policy dated 28.01.2016 issued by the Ministry of Power, Government of India, also provides that ***“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”.***
3. The Commission is determining the uniform tariff across all the Government owned distribution companies in the State of Karnataka. In its Tariff Orders, issued from time to time, it has been the endeavour of the Commission to effect gradual reduction in the cross-subsidies amongst the various tariff categories. Over a period of the over twenty four years, the Commission has been able to achieve substantial reduction in cross subsidies. As a result, the cross subsidies payable by both LT & HT industrial and Commercial consumers, are less than the threshold limit of 20% prescribed in the Tariff Policy.

4. The Commission has not issued any Regulations to specify a roadmap for reduction of cross subsidies. Nevertheless, through its orders issued from time to time, the Commission has been able to achieve the milestone prescribed under the Tariff Policy.
5. Meanwhile, the Hon'ble High Court of Karnataka, while disposing of the Writ Petition No. 4344 of 2024 (**Renew Wind Energy (Karnataka) Private Limited v/s Union of India and others**), has directed, in its Order dated 20.12.2024, the Karnataka Electricity Regulatory Commission to specify the manner in which the surcharge and cross-subsidies are to be progressively reduced by framing appropriate regulations.
6. The Commission, vide Tariff Order-2025 dated 27.03.2025, has determined the tariff for three financial years, viz., 2025-26, 2026-27 and 2027-28, in accordance with the provisions of the KERC (Multi Year Transmission, Distribution and Retail Supply Tariff) Regulations, 2024. As per this Order-2025, the extent of cross-subsidies prevailing, with reference to the Average Cost of Supply, amongst the various tariff categories for the State as a whole is as follows:

Sl. No.	Tariff Categories / Particulars		2025-26 %	2026-27 %	2027-28 %
1.	LT-1	Domestic	-0.11	0.00	0.00
2.	LT-2	Pvt. Educational Institutions & Hospitals etc.	11.71	8.54	3.67
3.	LT-3a	Commercial	9.68	5.84	1.33
4.	LT-4a	Irrigation Pump sets (10HP & below)	-6.53	-3.82	0.00
5.	LT-4b	Irrigation Pump sets (Above 10HP)	3.27	2.70	2.45
6.	LT-4c	Pvt. Nurseries, Coffee/Tea Plantations, etc.	12.39	11.46	9.79
7.	LT-5	Industrial	7.21	3.71	0.44
8.	LT-6a	Water Supply	-16.78	-17.87	-19.58
9.	LT-6b	Public Lighting	-10.92	-11.24	-12.24
10.	LT-6c	EV Charging Stations	-48.31	-48.43	-48.83
11.	HT-1	Water Supply	-16.10	-16.52	-17.35
12.	HT-2a	Industrial	5.29	4.27	1.89
13.	HT-2b	Commercial	10.59	6.29	1.45
14.	HT-2ci	Govt. Edu. Institutions & Hospitals etc.	3.94	2.92	1.78
15.	HT-2cii	Pvt. Educ. Institutions & Hospitals etc.	7.32	3.82	2.34
16.	HT-3	Lift Irrigation- Private Consumers	-78.15	-78.54	-78.98
17.	HT-4	Residential Apartments	0.79	0.56	0.33
18.	HT-6	Irrigations/Agric./Govt. Hort. farms	14.86	14.49	12.35
19.	HT-7	Lift Irrigation- Government	-2.59	-3.03	-1.89

7. Considering the fact that the Commission has already achieved the mandate of the Electricity Act and the Tariff Policy to reduce the cross subsidies at the threshold limit of Plus or Minus 20%, (as seen in the above table, (excluding Sl.No.10 and 16) the Commission's scope to draw road map for reduction of cross-subsidy reduction is

quite limited. However, as mandated by the Orders of the Hon'ble High Court, the Commission hereby specifies a road map for reduction of cross subsidy. As far as Cross Subsidy Surcharge is concerned, the Commission has adopted the methodology prescribed in the Tariff Policy, issued from time to time. Hence, the following draft Regulations.

8. **Interested persons / stakeholders are requested to furnish / submit their views comments / objections / suggestions, if any, on the proposed Regulations within Thirty (30) days from the date of its publication in the official gazette to the Secretary, Karnataka Electricity Regulatory Commission, No.16, C-1, Miller Tank Bed Area, Vasanthanagar, Bengaluru-560052.**

**KARNATAKA ELECTRICITY REGULATORY COMMISSION
No.16, C-1, Millers Tank Bed Area, Vasanthanagar, Bengaluru-560 052.**

No. DD(Tariff)/CSS-Roadmap/2025-26/ 1322

Date: 12th December 2025

NOTIFICATION (DRAFT)

In exercise of the powers conferred under Clauses (j) and (zc) of Sub Section (2) of Section 181 read with Clause (g) of Section 61 of the Electricity Act, 2003 (No. 36 of 2003) and all other powers enabling it in that behalf, the Karnataka Electricity Regulatory Commission hereby makes the following regulations, namely:

1. Short Title and Commencement:

- (1) These Regulations shall be called the **Karnataka Electricity Regulatory Commission (Roadmap for Reducing Cross-Subsidy and Cross Subsidy Surcharge) Regulations, 2025.**
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette.

2. Applicability of the Regulations:

These Regulations shall be applicable for the consumers / open access consumers as per Section 42 of the Act in the State of Karnataka.

3. Definitions:

- (1) In these Regulations, unless the context otherwise requires:
 - (a) **“Act”** means the Electricity Act, 2003 (Central Act 36 of 2003);
 - (b) **“Average Tariff”** means the estimated revenue to be realized from a consumer tariff category divided by the estimated total energy sales, as

approved by the Commission, in the tariff orders for a particular financial year for the State;

- (c) "**Average Cost of Supply**" means the estimated Annual Revenue Requirement divided by the estimated total energy sales, as approved by the Commission, in its tariff orders notified for a specific financial year for the State;
- (d) "**Commission**" means the Karnataka Electricity Regulatory Commission;
- (e) "**Cross Subsidy**" means the difference between Average Cost of Supply and Average Tariff;

In case the resultant of difference between Average Cost of Supply and Average Tariff, for a particular consumer tariff category, is a positive number then that particular consumer tariff category shall be termed as "**Cross Subsidizing Category**".

In case the resultant of difference between Average Cost of Supply and Average Tariff, for a particular consumer tariff category, is a negative number then that particular consumer tariff category shall be termed as "**Cross Subsidized Category**".

- (2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meaning as assigned to them in the Act.

4. Roadmap for Reducing Cross-Subsidy in the consumer tariff:

- (1) The extent of Cross Subsidized level in respect of the consumer tariff category LT-6c (EV Charging Stations), which is standing at -48.83% for the financial year 2027-28, shall be reduced and brought down to a level below -20% over a period of six (6) financial years, commencing from the financial year 2028-29, with an annual reduction of cross subsidy level by 5% (five percent) thereon.
- (2) The extent of Cross Subsidy level in respect of the consumer tariff category HT-3 (Lift Irrigation- Private consumers), which is standing at -78.98% for the financial year 2027-28, shall be reduced and brought down to a level below -20% over a period of six (6) financial years, commencing from the financial year 2028-29, with an annual reduction of 10% (ten percent) thereon.

(3) While reducing the cross subsidies to the cross subsidized categories, the Commission shall readjust the cross subsidy levels of other consumers who are currently cross subsidizing the other consumers.

(4) Reduction of / maintaining the cross-subsidy level shall not be applicable to the consumer tariff categories availing temporary power supply / other categories similar to temporary power supply, characterized by varied usage patterns and higher sanctioned loads.

5. Maintaining Cross-Subsidy level in the consumer tariff within ±20% Band:

The Commission shall always endeavour to maintain the cross-subsidizing and cross-subsidized level **within ±20%** Band.

Provided that, in respect of the consumer tariff categories other than those considered in Clause 4 above, the Commission reserves the right to make adjustments to the cross-subsidy level as it deems necessary, subject to the condition that any such adjustments shall not exceed 5% (five percent) of the cross-subsidy level prevailing in the financial year 2027-28, and shall not in any case exceed the band of 20% (twenty percent).

Provided further that in respect of the consumer tariff categories considered in Clause 4 above, the Commission reserves the right to make adjustments to the cross-subsidy level as it deems necessary, subject to the condition that any such adjustments shall not exceed 5% (five percent) of the cross-subsidy level prevailing in the financial year 2033-34, and shall not in any case exceed the band of 20% (twenty percent).

6. Cross Subsidy Surcharge:

The methodology and the rates for computation / reduction of Cross Subsidy Surcharge shall be as prescribed in the Tariff Policy, issued by Government of India from time to time.

7. Savings:

Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission. Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters. Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed.

The Commission may deal with such matters and exercise such powers and functions in a manner it deems fit.

8. Power to removal of difficulties:

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

9. Power to Amend:

The Commission may, at any time, amend any provisions of these Regulations, if the Commission is satisfied that such amendment is not inconsistent with the provisions of the Act.

10. Interpretation of Regulations:

If any question arises relating to the interpretation of these Regulations, the decision of the Commission is final.

By the approval of the Commission

Secretary,
Karnataka Electricity Regulatory Commission.

PD-121

ಕೆನ್ನಾರ್ಥಕೆ ಸೆಕ್ಕಾರ್ಥ

జిల్లాధికారిగళ కాయాఫలయ, చిత్రదుగ్చ జిల్లా, చిత్రదుగ్చ.
సంఖ్య:ఎల్.ఎన్.డి:సి.ఎల్.కె: (2-ఇ):సి.ఆర్:45/2022-23 దినాంక:12.12.2025

ବିଜ୍ଞାନକ୍ଷେତ୍ର ୧୨.୧୨.୨୦୨୫

:: ରଦ୍ଦିତି ଆଦେଶ ::

ఈ కచేరియ ఆదేశ సంబ్యాఖ్యలు ఎనాడి:సిహలాకే:(2-ఇ):సిలెరా:45/2022-23
దినాంక:11.07.2025 రల్లి చిల్డ్స్ కేరె తాలుల్కు, కెసబా హోబిల్స్, కురుడిహళ్ళి గాముద రిసనో:137/1, 137/25, 137/26, 137/27, 137/28 మత్తు 137/29 రల్లి సేరి ఒట్టు 6-33 ఎకరె జమినుగళ దాబలే రహిత జనవసతి కేంద్రపు ఖాసగి మాలీకత్వద సహే నంబరానల్లిరువుదన్ను కనాటక భూ సుధారణా కాయిద 1961 ర 38(ఎ) రస్వాయ సకారద హసరిగే నిహితగొళిసి “నందనహళ్ళి” ఎంబ హోస్ కందాయ గామువన్నాగి మాడలు 2-ఇ అధిసూచనెయన్న హోరడిసలాగిద్దు, ఉపవిభాగాధికారిగళు, చిత్రదుగ్గ, తహలీల్హారా, చిల్డ్స్ కేరె తాలుల్కు హాగూ భూ దాబలేగళ సహాయక నిదేశశక్రు, చిల్డ్స్ కేరె ఇవరు కురుడిహళ్ళి గాముదల్లి నందనహళ్ళి హోస్ కందాయ గామ రచనగే 2-ఇ అధిసూచనగొండంత అంతిమ అధిసూచన తయారిసలు మత్తొమ్మె స్ఫూ పరితీలన మాడలాగి గాముతాణక్క గురుతిసలాద జాగదల్లి భూ మాలీకరు మనిగళన్ను నిమ్మిసికొండిద్దు, ఉళ్ళిద ప్రాదేశిదల్లి మనిగళు నిమ్మాణవాగిరువుదిల్ల. ఆదుదరింద