

**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-additional submission-reg

And

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

The petitioner named above respectfully submits as under:

1. KSEB had filed the 'proposals for revising the existing tariff structure of all categories of consumers including Bulk Supply to other Licensees' before the Hon'ble Commission on 30-03-2012. In the petition, KSEB has requested for permission to submit 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 the petition. Further, Hon'ble Commission vide the letter No. 507/ CT/ KSERC/2012/256 dated 03-04-2012 has directed to submit the following proposals also to be considered along with the petition.
 - (1) The proposals of re-categorization of different categories of consumers.
 - (2) The proposals for Transmission charges, Wheeling charges and cross subsidy surcharge for open access consumers.
 - (3) Proposals for TOD tariff for LT consumers with connected load above 10kW.

As directed by the Hon'ble Commission, KSEB may please submit the following proposals for the kind consideration of the Hon'ble Commission.

- I. **Proposals for re-categorization of different categories of consumers.**
2. KSEB vide the petition on 'Tariff Rationalization dated 24-07-2009 had proposed re-categorization on certain tariff categories, however, Hon'ble Commission has deferred the decision on the re-categorization of the following categories.
 - (i) **LPG bottling units**
As per KSERC order dated 19.03.2009, LPG bottling plants with LT connection is brought under LT-VII (A) tariff, but no classification is specified for HT category. KSEB request that,

the same principles may be followed for all LPG Bottling plants with HT connection also and thus they may be categorized under HT-IV commercial categories.

(ii) Blood banks

Blood banks of IMA/Govt.Hospitals/Local Self Govts. are presently billed under LTVI(A) tariff, in view of the charitable nature of the activities performed by them, along with Government hospitals, laboratories and private hospitals registered under scientific and charitable societies Act. KSEB requests to include the same in the tariff notification.

(iii) Seafood processing units

As per the order issued by the Hon'ble Commission on 23.04.2009, seafood processing units with LT connections are billed under LT-IV industrial tariff. It is requested to include in the tariff notification.

(iv) Home stay

KSEB may request that, 'home stay' approved by Department of tourism may be allowed to billed under LT-VII(A) tariff. Such consumers may be directed to install sub meters for the portion of the building allowed as 'home stay' facilities. If sub meters are not installed, the entire consumption of such buildings may be allowed to be charged under LT-VII (A) tariff.

KSEB may kindly request to approve the above re-categorization proposals, which was deferred vide the order dated 2nd December-2009.

3. In addition to the above, KSEB may propose the following proposals for re-categorization before the Hon'ble Commission for approval.

(v) Aquaculture.

Aquaculture is treated as an industrial activity and the same is at present billed under LT-IV industrial tariff. Fisheries Department, Government of Kerala has requested for treating aquaculture at par with agriculture and to assign LT-V tariff. KSEB may request before the Hon'ble Commission for the kind consideration of the request of the Government.

(vi) Milk Processing Unit/ Milk Chilling Plant

Hon'ble Commission vide the order dated 21st June 2010 in petition No. 76/2010 had ordered as follows.

"The complete processing of Milk by pasteurization storage, packing etc is to be considered as industry and LT IV Tariff shall be applicable to them. Units having cold storage chilling, freezing and or packing alone,

shall be treated as Commercial and LT VII (A) Tariff shall apply. The clause 'the dairy farms/ milk chilling plant with or without chilling / freezing /cold storage activity shall be charged under industrial category provided the chilling / freezing /cold storage load is limited to 20% of total connected load. If it exceeds 20% LT VII A Tariff shall be applicable.' shall be deleted and the order amended accordingly.

Hon'ble Commission may include the above in the 'Schedule of Tariff and Terms and Conditions for retail supply by KSEB'.

(vii) Stone cutting units

Hon'ble Commission vide the order dated 8th July 2009 in petition No. TP-64 /2009 had ordered that:

"for the granite manufacturing units were consuming electricity mainly for the purpose cutting granite boulders into sheets/slabs, and for chistling them into shapes and polishing them to the required level of fineness ie producing a new product through the processes in the factory are classified under LT IV Industrial tariff and not under LT VII (A) Commercial tariff. In units where such process is not taking place but only granite slabs manufactured elsewhere are brought and cut into pieces according to the requirement of customers and sold to them only can be classified as Commercial like the marble cutting units."

Hon'ble Commission may include the above in the 'Schedule of Tariff and Terms and Conditions for retail supply by KSEB'.

(viii) Institutions imparting religious educations

The tariff applicable to premises of religious worships is LT-VI(A). Hence, it is requested that, the institutions imparting religious education may be assigned at LT-VI(A) tariff.

(ix) Television channels

Hon'ble Commission has forwarded a request from Kerala Television Federation for change of category to industrial tariff. However, considering their nature of activity, television channels may be continued to be charged under the existing HT-IV commercial tariff.

(x) House Boats

As per the KSERC order dated 07-05-2010, supply to house boats are ordered to be billed under LT-VII (A) tariff. The same may be included in the tariff notifications.

(xi) Rabbit farms. The categorization of 'rabbit farms' are not included in the present tariff notifications. Since the similar activities like piggery farms, poultry farms etc are categorized under LT-V, KSEB proposes to categorize the 'Rabbit farms' under the same category.

(xii) Ornamental fish breeding. Various field units are requesting for proper categorization of 'Ornamental fish breeding'. Since the activities involved in 'Ornamental fish

breeding' is of commercial nature, KSEB may request to categorize the same under LT-VII (A) Commercial category.

- (xiii) **Telemetry stations- computerized monitoring and control of drinking water supply under KWA.** Since the telemetry stations are part of the pumping stations of KWA, the same may be categorized under LT-IV, the tariff applicable to the pumping stations of KWA.
- (xiv) **Offices of the Company Secretary/ Consulting Engineers.**
At present, the tariff category for similar activities including offices of Advocates, Chartered Accounts, Tax consultants, Architects are categorized under LT-VI (B). Considering the similar nature of activities of the offices of the Company Secretary/ Consulting Engineers, KSEB may request to include the same under LT-VI (B) category.
- (xv) **Sub registrar offices:** As per the present tariff notifications, all tax/ revenue collecting departments of State / Central Government are included under LT-VI (C). Considering the similar nature of activities, KSEB proposes to include the sub registrar offices under LT-VI (C) category.
- (xvi) **Micro finance institutions:** The activities of micro finance institutions are similar to banks, the same may be categorized under LT-VI (C) category.
- (xvii) **Computerized wheel alignment centres:** Considering the commercial nature of activity, KSEB may propose to categorize the computerized wheel alignment centres under LT-VII (A) tariff.

4. EHT - 220 KV tariff.

M/s Bharath Petroleum Corporation has requested KSEB to provide supply at 220 kV voltage. They had constructed all the infra-structure facilities for availing the supply at their cost. However, present tariff notification does not have EHT- 220 kV tariff.

It is submitted that, at present, Hon'ble Commission has approved the EHT tariff for the supply at voltages 66 kV and 110 kV only. As per the KSEB petition dated 30-03-2012, the tariff proposed for 66kV and 110 kV supply is detailed below.

| supply voltage | Demand Charge | Energy charge |
|----------------|------------------|---------------|
| | (Rs/ kVA/ month) | (Rs/ unit) |
| 66 kV | 300.00 | 4.00 |
| 110 kV | 290.00 | 4.00 |

It may be noted that, the transmission losses for providing supply at 110 kV is about 3.50% to 4.00% where as the same for providing supply at 220 kV supply is about 2.00% only. Considering the reduction in transmission losses for providing supply at 220 kV supply, KSEB proposes the following tariff for providing supply at 220 KV.

| | | |
|---------------|------------------|------|
| Demand Charge | (Rs/ kVA/ month) | 275 |
| Energy charge | (Rs/ unit) | 4.00 |

Hon'ble Commission may kindly approve the tariff for providing supply at 220 KV as detailed above.

5. **Amendments proposed in the 'Schedule of Tariff and Terms and Conditions for Bulk Supply to Licensees by KSEB.'**

(1) *Excess Demand Charge when the Recorded Maximum Demand (RMD) of the licensees exceeds the Contract Demand (CD)*

As per the existing Schedule of Tariff and Terms and Conditions for Bulk Supply to Licensees by KSEB, the Billing Demand for charging the demand charges for licensees is as follows.

'Billing Demand shall be the Recorded Maximum Demand for the month in kVA or 75% of the Contract Demand (CD) whichever is higher'.

It may be submitted that, the present tariff notification on supply to Licensees by KSEB do not have the provision to charge the excess demand when the Recorded Maximum Demand (RMD) exceeds the Contract Demand (CD).

It may be noted that, for all other HT and EHT consumers, the excess demand over the CD is allowed to be charged at @150% of the normal tariff till the consumers regularize the excess power requirement.

Since the present tariff notification do not have the provision to charge the excess demand charge when the RMD of the licensees exceeds (CD), many licensees have objected to charging the excess demand when the RMD exceeds the CD. The C&AG has also raised audit objections on not charging the excess demand charge when the 'RMD' exceeds the 'CD'.

Hence, KSEB may request before the Hon'ble Commission that, the Schedule of Tariff and Terms and Conditions for Bulk Supply to Licensees by KSEB may be amended by including the following provisions as special condition-4 that,

'when the RMD exceeds the CD, the excess demand shall be charged at the rate of 150% of the normal ruling Demand Charge applicable to the respective licensees'.

(2) **ToD tariff may be made applicable to the consumers of other licensees.**

It is submitted that, ToD tariff is made applicable to the HT&EHT consumers since the year 1998. Hon'ble Commission vide the order dated 2nd December-2009 on petition TP No.66 of 2009 has introduced ToD tariff for LT-IV industrial consumers with connected load above 30kW. Further, Hon'ble Commission has directed KSEB to submit the proposals to extend the ToD tariff to all LT consumers with connected load above 10 KW. However, Hon'ble Commission has yet to approve the ToD tariff for the consumers of many licensees who are availing supply from KSEB.

Hence, KSEB may request before the Hon'ble Commission to extend the ToD tariff applicable to HT&EHT and LT consumers of KSEB from time to time to the consumers of other licensees also with immediate effect. If any of the licensee fails to introduce ToD tariff to their consumers, KSEB may be permitted to levy 50% of the demand charge as penalty from the licensees. This may be included in the 'Schedule of Tariff and Terms and Conditions for Bulk Supply to Licensees by KSEB as an amendment.

II. **Proposals for Transmission Charges, Wheeling Charges, Cross subsidy surcharge for Open Access consumers.**

6. Hon'ble Commission vide the order dated 04-08-2009 has approved the methodology for the determination of Surcharge, Additional Surcharge under section-39, 40 and 42 of the Electricity Act, 2003 and 'Transmission Charges' and 'Wheeling Charges' under section- 62(b) and 62(c) of the Electricity Act-2003 for open access consumers. The same methodology is being adopted for determining the Transmission Charges, Wheeling Charges and Cross Subsidy Surcharge of Open Access Consumers for the year 2012-13.

(i) **Transmission Charges**

7. The transmission charges payable for the year 2012-13 based on the ARR of the Transmission function and the energy transaction through the transmission system are detailed below.

Table-1. Determination of transmission charges

| | | | |
|-----|--|----------|---------|
| (1) | ARR for Transmission (Table-8-49 of the ARR &ERC petition) | 754.14 | Rs. Cr |
| (2) | Energy input into the System (Table 7-31 of the ARR) | 19350.84 | MU |
| (3) | Transmission loss (5%) | 967.542 | MU |
| (4) | Net energy available for sale to Distribution = (2)-(3) | 18383.30 | MU |
| (5) | Transmission charges payable = (1)/(4) | 0.41 | Rs/unit |

(ii) Wheeling Charges

8. As submitted earlier, vide the order dated 4th August-2009, Hon'ble Commission had adopted the 50% of the total distribution expense as 11 kV /22kV/ 33 kV expenses. Further, the losses in the HT system is taken as 10% of the energy input. Based on the figures in the ARR&ERC petition of KSEB for the year 2012-13, the wheeling charges for the year 2012-13 is estimated as Rs 0.89 per unit. The details are given below.

Table-2. Determination of wheeling charges

| | | | |
|-----|--|----------|---------|
| (1) | ARR for Distribution (Table 8-49 of the ARR) | 2660.85 | Rs. Cr |
| (2) | ARR for 11/22/ 33 kV (50% of the total distribution expense) | 1330.43 | Rs. Cr |
| (3) | Energy input into the System (Table 7-31 of the ARR) | 19350.84 | MU |
| (4) | Consumption by EHT consumers (including bulk licensees and railway traction) | 1782.49 | MU |
| (5) | Transmission loss | 967.54 | MU |
| (6) | Energy carried by 33/22/ 11kV = (3)-(4)-(5) | 16600.81 | MU |
| (7) | Loss in the 11 kV/ 22 kV / 33 kV system (10%) | 1660.08 | MU |
| (8) | Net energy carried by 33/22/11 kV = (6)-(7) | 14940.73 | MU |
| (9) | Wheeling charges payable = (2)/(8) | 0.89 | Rs/unit |

(iii) Surcharge

9. Vide the order dated 04-08-2009, Hon'ble Commission has determined the surcharge as per the surcharge formula provided under paragraph-8.5 of the Tariff Policy., which is reproduced below.

Surcharge formula:

$$S = T - [C (1+ L / 100) + D]$$

Where

S is the surcharge

T is the Tariff payable by the relevant category of consumers;

C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power ;

D is the Wheeling charge

L is the system Losses for the applicable voltage level, expressed as a percentage

10. KSEB has adopted the same methodology approved by the Hon'ble Commission in its order dated 4th August-2009 for estimating the cross subsidy surcharge. The anticipated average cost of power purchase at top 5% for the year 2012-13 excluding the power purchase from liquid fuel stations and energy from renewable sources is given below. It is submitted that, since Hon'ble CERC is yet to approve the final tariff for Simhadri-II STPS and hence due to the uncertainty of tariff of Simhadri-II, anticipated power availability from Simhadri also excluded while arriving the average power purchase cost of top 5% of the different sources. The details are given below.

Table-3. Weighted average cost of top 5% power purchase

| Source | Energy Produced /Purchased | Fixed Cost | Incentive, Tax, etc. | Total VC | Total Cost | Average cost |
|--|----------------------------|------------|----------------------|----------|------------|--------------|
| | MU | Rs. Cr | Rs. Cr | Rs. Cr | Rs. Cr | (Rs/kWh) |
| MAPS | 128.55 | 25.51 | 0.56 | 0.00 | 26.07 | 2.03 |
| RSPTS Stage I & II | 2359.28 | 141.28 | 35.78 | 389.28 | 566.34 | 2.40 |
| NLC-II- Stage-2 | 553.31 | 34.10 | 9.02 | 107.90 | 151.02 | 2.73 |
| NLC-II- Stage-1 | 388.54 | 23.97 | 6.85 | 75.76 | 106.58 | 2.74 |
| NLC - II Exp | 293.93 | 29.39 | | 52.61 | 82.01 | 2.79 |
| Vallur JV with | 187.58 | 18.76 | | 37.52 | 56.27 | 3.00 |
| KAIGA Stg II | 225.05 | 68.28 | | 0.00 | 68.28 | 3.03 |
| KAIGA Stg I | 242.74 | 73.64 | 1.95 | 0.00 | 75.59 | 3.11 |
| Farakka STP | 438.89 | 34.42 | | 103.14 | 137.56 | 3.13 |
| Thalcher - II | 3113.74 | 237.94 | 27.00 | 731.73 | 996.67 | 3.20 |
| Talcher-I | 253.30 | 21.74 | | 59.53 | 81.27 | 3.21 |
| Kahalgon | 227.49 | 20.42 | | 53.46 | 73.88 | 3.25 |
| NLC- Exp-stage-1 | 436.32 | 60.80 | 14.91 | 78.10 | 153.81 | 3.53 |
| Total | 8848.72 | 790.25 | 96.07 | 1689.03 | 2575.35 | |
| 5% of the power purchase (MU) | 442.44 | | | | | |
| Weighted average rate for the top 5% power purchase (Rs/kWh) | 3.52 | | | | | |

11. As detailed above, the cost of power purchase for the top 5% of the power purchase for the year 2012-13 is about Rs 3.52 per unit. Based on the above, the cross subsidy surcharge for EHT-1 66 kV, EHT-II 110 kV, HT-1 Industrial and HT-IV commercial categories is determined by adopting the surcharge formula prescribed in the National Tariff Policy as given under paragraph-9 above and the details are given below.

Table-4. Cross subsidy surcharge payable by open access consumers

| Sl No | Particulars | | EHT-66 kV | EHT- 110 kV | HT-1 Industry | HT-IV Commercial |
|-------|--|-----------|-----------|-------------|---------------|------------------|
| (1) | Average tariff (as per the tariff proposal dated 30-03-2012) for the year 2012-13= 'T' | (Rs/ kWh) | 5.17 | 4.90 | 5.31 | 7.21 |
| (2) | Weighted average cost of power purchase of top 5% = 'C' | (Rs/ kWh) | 3.52 | 3.52 | 3.52 | 3.52 |
| (3) | Transmission charge/ Wheeling charge 'D' | (Rs/ kWh) | 0.41 | 0.41 | 0.89 | 0.89 |
| (4) | System losses for the applicable voltage level 'L' | (%) | 5.00 | 5.00 | 10.00 | 10.00 |
| (5) | Surcharge 'S'= T-[1+(L/100)+D] | (Rs/ kWh) | 1.06 | 0.79 | 0.55 | 2.45 |

12. As detailed above, based on the ARR&ERC petition for the year 2012-13 and tariff petition filed before Hon'ble Commission dated 30-03-2012, the transmission charges, wheeling charges and cross subsidy surcharges proposed for the open access consumers for the year 2012-13 is summarized below.

- | | |
|-----------------------------|--------------------|
| (1) Transmission charges | - Rs 0.41 per unit |
| (2) Wheeling charges | - Rs 0.89 per unit |
| (3) Cross Subsidy surcharge | |
| (i) EHT-66 kV | - Rs 1.06 per unit |
| (ii) EHT- 110 kV | - Rs 0.79 per unit |

- (iii) HT-1 industrial category - Rs 0.55 per unit
- (iv) HT-IV Commercial category - Rs 2.45 per unit

Hon'ble Commission may kindly approve the transmission charges, wheeling charges and cross subsidy surcharge payable by the open access consumers as detailed above.

III. Proposals for ToD tariff for LT consumers of connected load above 10 kW

(a) Domestic Category

13. The major part of the energy consumption of domestic category is during the evening peak hours especially between 6.30pm to 10.30pm. If the usage of equipments like Mixy, Grinders, Iron box, Air Conditioners, Washing Machine etc can be reduced or shifted to other part of the day, there shall be considerable reduction in peak demand and have ultimate benefit to KSEB. The usage of such equipments can be shifted to off-peak hours through awareness programs as well as introducing differential rates for the consumption during off-peak and peak hours. This requires, installation of Time of Day (TOD) meters to the domestic consumers. However, it may not be practicable to introduce ToD meters to the total 85 lakhs of domestic consumers spread across the State. Hence, KSEB has been considering to propose ToD tariff for all three phase domestic consumers, however, the same is yet to be finalized.
14. In the mean time, Hon'ble Commission, vide the letter No. 507/CT/KSERC/2012/256 dated 03-04-2012 has directed KSEB to propose ToD tariff for all LT consumers of connected load of 10kW and above.
15. It may be noted that, the average monthly consumption of domestic consumers is about 50 units per kW per month. Thus by limiting the ToD tariff for LT consumers with connected load above 10kW, the domestic consumers with monthly consumption above 500 units will only be come under the purview of ToD tariff. For the time being ToD tariff may be introduced as an optional/ alternative tariff plan.
16. It is submitted that, at present single part telescopic tariff is prevailing for domestic consumers. Further, vide the petition dated 30-03-2012, KSEB has requested to introduce fixed charges on Rs/consumer basis on different slabs.
17. Since the main intention of the ToD is to reduce/ shift the peak consumption, ToD tariff may be proposed for 'demand and energy charges' on the consumers. Hence, KSEB proposes to introduce Demand Charge/KVA/ month basis in addition to the energy charges. The ToD tariff proposed for the demand and energy charges is based on the following assumptions.

(i) As per the Tariff petition dated 30-03-2012, the average tariff from the domestic consumers with monthly consumption above 500 units is Rs 5.89 per unit. The ruling rate of 'ToD' tariff as proposed for the 'Demand and Energy charges' in such a way that, KSEB and the consumers do not incur any additional liability or excessive financial gains through the proposal. However, the rates proposed for each time zone shall be in such a way that, it shall provide incentive to the consumers to shift the peak load and also at the same time it may be beneficial to KSEB to reduce the peak consumption and cost of power purchase.

(ii) Time slots for ToD tariffs. As already approved by the Hon'ble Commission for HT&EHT and LT-IV industrial consumers, the time slots for ToD tariff are proposed as:

Normal time : 06:00 hours to 18:00 hours

Peak time : 18:00 hours to 22:00 hours

Off-peak : 22:00 hrs to 24:00hrs & 0:00 hrs to 06:00 hrs

The same classification of time slots may be approved for domestic categories also.

(iii) The proposed ToD tariff is non-telescopic (same rate for the entire consumption) due to the constraints in billing and metering.

(iv) There shall be three rates for demand and energy charges as a percentage of the normal ruling tariff - peak, normal and off-peak under the proposed TOD tariff structure. The details are given in the subsequent paragraphs.

(v) The consumption during peak hours, normal time and night off-peak time are assumed as 25%, 45% and 30% of the total daily consumption of the domestic categories.

(vi) The total connected load of domestic consumers with connected load above 10kW is assumed as 425MW and their Billing Demand is assumed as 250MVA by assuming 50% of the connected load as Maximum Demand with 0.80 PF.

18. Ruling Demand charges

As submitted above, the average consumption of domestic consumers is 50 units per KW per month. Further as submitted under paragraph 17-(vi), 50% of the connected load is assumed to be consume during peak hours and also the PF is assumed as 80%.

Based on the above, the ruling demand charge proposed for domestic consumers is Rs 50.00 per KVA per month.

19. Ruling Energy charge

The telescopic tariff proposed for domestic consumers with monthly consumption slab of 500 units and above is Rs 7.00 per unit. As stated

earlier, due to the telescopic tariff structure, the average tariff of consumers belonging this consumption range is about Rs 5.89 per unit.

Considering the demand charge of Rs 50.00 per kVA per month proposed, there shall be a reduction on the ruling energy charge so that, the average tariff with ToD tariff structure including demand and energy charges shall be about Rs 5.89 per unit, the average tariff without ToD tariff structure.

Accordingly, KSEB proposes the 'ruling energy charges' as Rs 5.20 per unit.

20. Considering the importance of shifting the peak consumption, the demand charge and energy charges proposed for the different time slots as a percentage of ruling demand and energy charges is given below.

Table-5. ToD tariff proposed for Domestic category as a percentage of Ruling Tariff

| Particulars | (% of Ruling Charges) | | |
|----------------|---------------------------------------|--------------------------------------|----------------------------------|
| | Normal period (6:00 hrs to 18:00 hrs) | Peak period (18:00 hrs to 22:00 Hrs) | Off peak (22:00 hrs to 6:00 hrs) |
| Demand Charges | 100% | 140% | 80% |
| Energy Charges | 100% | 135% | 80% |

21. A comparison of the annual revenue from domestic consumers with connected load above 10kW (monthly consumption above-500 units) with the normal tariff as per the petition dated 30-03-2012 and as per the proposed ToD tariff structure is detailed below (based on the assumptions detailed under pragraph-17 above).

Table-6. Comparison of the annual revenue from domestic consumers with connected load above 10kW (without and with TOD)

| At normal tariff including fixed charges (as per the tariff proposals dated 30-03-2012) | At the proposed ToD tariff | % of reduction |
|---|----------------------------|----------------|
| (Rs.Cr) | (Rs. Cr) | |
| 152.71 | 152.51 | -0.13 |

However, if the consumers shift the consumption from peak to off-peak hours, there shall be corresponding reduction on the cost of generation and power purchase during peak hours and it may compensate the revenue short fall of about 0.13% as estimated due to the implementation of ToD.

Hence Hon'ble Commission may kindly approve the ToD tariff structure for domestic consumers as detailed above as an optional/ as an alternate tariff plan. Further, once the proposals is approved, Hon'ble Commission may kindly allow at least three months time for implementing the order for making necessary modifications in the

ORUMA billing software, installation/ making necessary changes in the meters, issuing necessary instructions for raising invoices etc.

(b) LT-IV industrial consumers

22. Hon'ble Commission vide the order dated 2-12-2009 has approved to introduce 'Maximum demand based tariff' as an optional scheme for the LT-IV Industrial, LT-VII (A) and LT-VII (C) commercial consumers with connected load above 20 kW. Further, Hon'ble Commission has ordered to introduce ToD tariff for the LT-IV industrial consumers who have opted Maximum Demand based Tariff and also having a contract demand of 30kVA and above. The TOD tariff approved for LT-IV industrial consumers as a percentage of the normal ruling tariff is detailed below.

Table-6. Present ToD tariff as a percentage of normal ruling tariff

| Particulars | (% of Ruling Charges) | | |
|----------------|---------------------------------------|--------------------------------------|----------------------------------|
| | Normal period (6:00 hrs to 18:00 hrs) | Peak period (18:00 hrs to 22:00 Hrs) | Off peak (22:00 hrs to 6:00 hrs) |
| Demand Charges | 100% | 125% | 85% |
| Energy Charges | 100% | 120% | 90% |

The ruling tariff is the demand charge and energy charge as proposed in the Tariff petition dated 30-03-2012, which is reproduced herewith for ready reference.

Ruling Energy charge - Rs 4.25 per unit
Ruling Demand charge - Rs 100 KVA /month

23. It is submitted that, the prevailing ToD tariff structure of the LT-IV industrial consumers seems to be not attractive to shift the load from peak load to off-peak hours. Hence, KSEB requests before the Hon'ble Commission to approve the ToD tariff for LT-IV industrial consumers with following modifications.

Table-7. ToD tariff proposed for LT industrial consumers

| Particulars | Approved by the Commission vide the order dated 2-12-2009 | | | Proposed rate for LT-IV industrial category | | |
|----------------|---|--------------------------------------|----------------------------------|---|--------------------------------------|----------------------------------|
| | (% of Ruling Charges) | | | (% of Ruling Charges) | | |
| | Normal period (6:00 hrs to 18:00 hrs) | Peak period (18:00 hrs to 22:00 Hrs) | Off peak (22:00 hrs to 6:00 hrs) | Normal period (6:00 hrs to 18:00 hrs) | Peak period (18:00 hrs to 22:00 Hrs) | Off peak (22:00 hrs to 6:00 hrs) |
| Demand Charges | 100% | 125% | 85% | 100% | 135% | 80% |
| Energy Charges | 100% | 120% | 90% | 100% | 130% | 85% |

24. Billing demand shall be the recorded maximum demand or 75% of the contract demand whichever is higher. Excess demand charges shall be

applicable to the recorded maximum demand in excess of the contract demand which shall be charged at **50% extra**.

25. KSEB request before the Hon'ble Commission to approve the ToD tariff for LT- Industrial consumers with connected load above 10kW as proposed above.

LT- VII (A) and LT-VII (C) commercial consumers

26. Hon'ble Commission has introduced Maximum Demand based Tariff as an optional tariff scheme for LT-VII (A) and LT-VII(C) commercial consumers with connected load above 20KW. KSEB request that, ToD tariff may be extended to all LT-VII (A) and VII (C) Commercial consumers with connected load above 10KW as an optional scheme. The ToD tariff structure proposed as percentage of the normal ruling tariff is detailed below.

Table-8. ToD tariff proposed for Commercial category as a percentage of Ruling Tariff

| Particulars | (% of Ruling Charges) | | |
|----------------|---------------------------------------|--------------------------------------|----------------------------------|
| | Normal period (6:00 hrs to 18:00 hrs) | Peak period (18:00 hrs to 22:00 Hrs) | Off peak (22:00 hrs to 6:00 hrs) |
| Demand Charges | 100% | 135% | 80% |
| Energy Charges | 100% | 130% | 85% |

It may be noted that, since the ToD is proposed for LT consumers with connected load of 10kW and above only, hence ToD tariff can be made applicable to the three phase consumers only.

The ruling demand charge applicable for the LT- VII(A) and LT-VII (C) commercial consumers is detailed below.

- (i) LT-VII (A) - Rs 200/kVA/month
- (ii) LT-VII (C) - Rs 150/kVA/month

The ruling energy charges is the energy charges proposed for different consumption slab of LT-VII (A) and LT-VII(C) category as detailed in the Tariff Proposals submitted before the Hon'ble Commission on 30-03-2012.

Billing demand shall be the recorded maximum demand or 75% of the contract demand whichever is higher. Excess demand charges shall be applicable to the recorded maximum demand in excess of the contract demand which shall be charged at **50% extra**.

27. Hon'ble Commission may kindly approve the ToD tariff for LT-VII (A) and LT-VII (C) commercial consumers as detailed above.

Prayer

In continuation of the KSEB petition dated 30-03-2012, KSEB most humbly prays that Hon'ble Commission may please approve:

- (1) The tariff re-categorization proposals as detailed above.
- (2) The transmission charges, wheeling charges and cross subsidy surcharge applicable to the open access consumers.
- (3) ToD tariff for LT- Domestic consumers, LT-IV industrial consumers and LT-VII(A) & LT-VII(C) commercial consumers with connected load above 10 kW as detailed above.

Chief Engineer (Commercial & Tariff)