

Sl. No.	Stations	Capacity charges applicable for 2021-22 (Amount in Rs. crore)
1	BTPS Unit-2	463.39
2	RTPS Unit-8	248.30

The average variable cost for the year 2021-22 projected by KPCL is considered:

Table-5

Sl. no.	Stations	2020-21	
		Fixed cost Rs in Crores	Variable cost Paise per Kwh
1	RTPS unit 1 to 7	941.99	300.00
2	RTPS unit-8	248.30	280.00
3	BTPS unit-1	323.78	295.00
4	BTPS unit-II	463.39	294.00
5	BTPS Unit-III	990.43	299.00
6	Yelahanka Combined Cycle	356.08	320.00
7	Yermarus TPS - 1 & 2	2269.10	290.00

The average cost of hydel stations works out to 132.28 Paise per unit and thermal units is around 715.37 paise per unit. The Income tax proposed by KPCL in email dated 18.11.2020 has been shown separately.

5.0 Central Generating Stations:

5.1 ESCOMs have a share in Central Generating station of NTPC, Neyveli Lignite Corporation (NLC), Nuclear power stations and other Joint Venture Projects. The allocation of capacity entitlement from these stations includes both firm and unallocated share. The unallocated share is vary depending upon the allocation issued by Ministry of Power, GoI.

5.2. The energy available to ESCOMs depends on the scheduled generation and share in a month and other parameters such as availability and outages (forced and planned). The net energy available at ex-bus generation in the LGBR prepared by SRPC for the year 2020-21 is considered for 2021-22. Out of the total month wise energy available at Ex-bus, the share of Karnataka including unallocated share for the month of October 2020 is taken to arrive the energy available to Karnataka for FY 2021-22. In order to arrive energy available at Karnataka Periphery, all India Transmission loss for the week from 16.11.2020 to 22.11.2020 as notified by the NLDC is taken. The scheduled energy available at ex-bus and share of Karnataka is shown in **Table-6** and net energy available at KPCL periphery after considering the POC losses is shown in **Table-7**.



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The second unit from new NLC Thermal Power Project of 1000 MW is expected to be available from Sept 2021. Out of 1000 MW installed capacity Karnataka, having a share of 74 MW.

Table - 6

Sl. No.	Stations	Total Energy scheduled at EX-bus in MUs	Share of Karnataka in %	Karnataka Share in MUs
1	RSTP-I&II	12131	18.90	2292.15
2	RSTP-III	2951	20.02	590.70
3	RSTP-Talcher	12376	18.33	2268.77
4	Simhadri station II	5088	18.72	441.39
5	Vallur unit-I & II	7379	11.35	229.50
6	NLC II Stage-1	3372	23.32	786.42
7	NLC II Stage-2	4625	23.53	1088.12
8	NLC expansion I	2702	25.93	700.66
9	NLC expansion Stage II	2567	7.42	664.01
10	New NLC Thermal power project	4218	25.87	313.06
11	NTPL-2X 500 MW	5749	21.48	409.42
12	MAPS	2018	8.50	169.92
13	Kaiga Unit-1& 2	2737	30.80	843.00
14	Kaiga Unit-3&4	2603	33.33	867.58
15	Kudamkulam Unit-1	4838	23.50	1136.93
16	Kudamkulam Unit-2	5122	22.11	1132.47
17	Kudigi Station(3X800 MW)	18194	53.48	2185.95
18	DVC- Majja (unit 7 &8)	5944	20.00	409.42
19	DVC- Koderma (unit 1 & 2)	5944	25.00	1486.12
	Total			18015.60

Table-7

Stations	Energy scheduled @ generators Ex-bus in MUs	All India avg losses	Losses in Mus	Energy scheduled at KPTCL periphery
N.T.P.C-RSTP-I&II	2292.15	3.66	83.89	2208.26
NTPC-III	590.70	3.66	21.62	569.08
NTPC-Talcher	2268.77	3.66	83.04	2185.73
NLC TPS2-Stage 1	786.42	3.66	28.78	757.63
NLC TPS2-Stage 2	1088.12	3.66	39.83	1048.30
NLC TPS1-Expn	700.66	3.66	25.64	675.01
NLC II expansion I	664.01	3.66	24.30	639.70
New NLC Thermal Projects	313.06	3.66	11.46	301.61
MAPS	169.92	3.66	6.22	163.70
Kaiga Unit 1&2	843.00	3.66	30.85	812.14
Kaiga Unit 3 &4	867.58	3.66	31.75	835.83
Simhadri Unit -1 &2	441.39	3.66	16.16	425.24
NTPLUnit-2X 500 MW	409.42	3.66	14.98	394.44
KudamKulam	1136.93	3.66	41.61	1095.32
KudamKulam	1132.47	3.66	41.45	1091.03
Vallur TPS Sg I, 2 &3	229.50	3.66	8.40	221.10
Kudigi(3X800 MW)	2185.95	3.66	80.01	2105.95
DVC - Meija thermal Power Station	409.42	3.66	14.98	394.44
DVC - Koderma Thermal Power Station	1486.12	3.66	54.39	1431.73
Total	18015.60			17356.23



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5.3 The power drawl from the Central Sector Generating Stations either through the PGCIL lines or any lines constructed by developer selected through competitive bidding route from the generating plants. ESCOMs will pay POC (Transmission charges) to PGCIL/Independent Power Transmission Utility for Transmitting the CGS power and other states power. The New CERC (Sharing of Inter State Transmission Charges and Loss) Regulation, 2020 has come into force with effect from 1.11.2020. With the change in the methodology of calculation, the PoC charges payable by ESCOMs of Karnataka for the month of November 2020 will be ascertained after 25th December 2020 only. Hence, the POC charges as per RTA for the month of October-2020 is considered for FY 2021-2022 which includes POC, Reliability Support Charges and HVDC Charges. Considering the POC of October 2020, the total POC payable by ESCOMs for the year 2021-22 is works out to be Rs.2813.31 Crores.

ESCOMs	POC Charges Rs.Crs.
BESCOM	1478.98
GESCOM	351.86
HESCOM	461.94
MESCOM	254.57
CESC	265.97
Total	2813.31

The new Regulation does not specify the POC charges applicable for Karnataka State. Any changes in the existing POC charges, the same will intimated to Hon'ble Commission after notified the charges applicable for Karnataka State from November 2020 onwards.

5.4 The CERC yet to be determined POSOCO-SRLDC charges for the control period 2019 to 2024. However, charges in the CERC order dated 29.12.2016, 10.6.2019, 27.06.2019 and 28.06.2019 has been considered. The applicable charges considering the above orders, the share of Karnataka works out to be Rs. 3.19 Crores.

5.5 The Tariff in respect of Central Generating Stations like NTPC, NLC and DVC stations for the Control period 2019 to 2024 is yet to determined by CERC for the stations belonging to Generators, Similarly, Transmission Charges of PGCIL owned transmission lines for the next control period is also to be determined by the CERC. Under the above circumstances, the Capacity charges billed by generator to ESCOMs of Karnataka for the year 2020-21 is considered for the FY 2021-22. The capacity charge considered based on various orders are as detailed below;




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Sl. No.	Stations	Date of order/as per claims	Capacity charges applicable for 2021-22 (Amount in Rs. Crore)
1	RSTP-I&II	As per bill	1057.68
2	RSTP-III	As per bill	268.05
3	RSTP-Talcher	As per bill	996.95
4	Simhadri station II	As per bill	1066.71
5	Vallur unit-I & II	11.7.2017	1858.96
6	NLC II Stage-1	12.6.2017	299.80
7	NLC II Stage-2	12.06.2017	414.29
8	NLC expansion I	18.10.2016	276.18
9	NLC expansion Stage II (U-1)	24.7.2017	728.06
10	New NLC Thermal projects	29.1.2020	996.25
11	NTPL-2X 500 MW	11.7.2017	1090.17
12	Kudigi	As per the bill	2795.24
13	DVC-Mejia	3.10.2016	1019.21
14	DVC-Koderma	28.2.17	1175.74

The average variable cost for the month of Aug-2020, Sep-2020 and Oct-2020 is considered for energy charges for FY 2021-2022. In respect of MAPS, Kaiga, and Kudamkulam power station the average rate per unit for the months of Aug-2020, Sep-2020 and October -2020 is considered.

Particulars	(Rs./unit)			
	MAPS	Kaiga Units 1 to 4	Kudamkulam Unit -1	Kudamkulam Unit -2
Base Price	2.427	3.270	3.545	3.545
Heavy Water adjustment charges	0.002	0.000	0.379	0.379
Heavy Water lease adjustment charges	0.000	0.015	0.000	0.000
Insurance	0.100	0.062	0.042	0.042
Decommissioning Levy	0.020	0.020	0.020	0.020
Forex Variation Adjustment Charges	0.050	0.050	0.053	0.053
Nuclear Liability & Forex adjustment	0.000	0.000	0.050	0.050
Others			0.000	0.000
Total tariff	2.599	3.417	4.090	4.090




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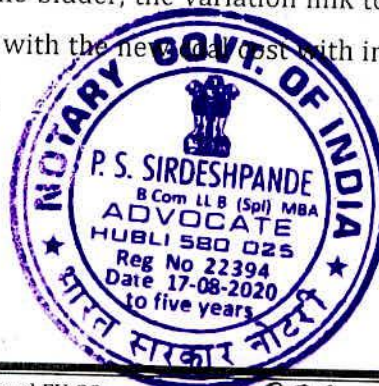
5.6 The capacity charges (Fixed Cost) and variable cost considered for 2021-22 is shown in Table-9.

Central Projects	Fixed Cost (Rs in Cr)	Variable Cost (Paise per Kwh)
N.T.P.C-Ramagundam	199.85	241.27
NTPC-VII	53.66	237.87
NTPC-Talcher	182.76	208.77
NLC TPS2-Stage 1	69.92	268.57
NLC TPS2-Stage 2	97.47	277.17
NLC TPS1-Expn	71.62	255.20
NLC II Expansion-1	188.33	262.47
New NLC Thermal Power project	73.94	234.40
MAPS	0.00	259.88
Kaiga unit I &II	0.00	341.67
Kaiga Unit 3 &4	0.00	341.67
Simhadri Unit -1 &2	199.68	296.43
Vallur TPS Stage I &2 &3	210.99	314.80
NTPL	234.17	288.43
KudamKulam Unit1	0.00	408.95
KudamKulam Unit2	0.00	408.95
Kudigi	1494.87	346.40
DVC- Mejia thermal Power Station	203.84	273.37
DVC Kodemma thermal Power Station	293.93	247.63

5.6 Income tax for the CGS station included in the capacity charges payment on normative basis by grossing up of RoE with effective tax rate of the respective financial year of the generating company. Income tax is included as a part of capacity charges and not payable separately and hence not considered.

6.0 Independent Power Producers

6.1. The generation of 1200 MW of UPCL Unit -1 & Unit-2 taken at 85% of 90% installed capacity as per PPA/ approval given by Government. Tariff in respect of control period 2019-20 to 2023-24 is yet to be determined by CERC and hence the auxiliary consumption of 5.75% as per CERC Regulation 2019 and additional auxiliary consumption 1.2% allowed by CERC vide order dated 20.02.2014 and 10.07.2015 is taken. The capacity charges determined by CERC in the order dated 22.01.2020 applicable for FY 2018-19 is considered for FY 2021-22. M/s. UPCL has entered into coal supply agreement with PAN Asia Trading PTC Ltd., the cost of the coal (FoB) has quoted by the bidder, the variation link to the CERC Composite Index. UPCL proposed the variable cost with the new coal cost with indexation is around Rs. 2.74/unit is considered for FY 2021-22.



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Table-10

Stations	Energy (in Mus)	Fixed cost (Rs in Cr)	Variable cost (Paise per Kwh)
UPCL	4346.16	1091.48	274.00

7.0 Non conventional Energy Source (NCE source)

7.1 The actual generation of NCE projects for the year 2020-21 (upto Sept-2020) and actual generation of NCE project for the period October 2019 to March 2020 has been considered for 2021-22 including Solar, Co-generation, Bio-mass, Wind Mills and Mini Hydel projects.

7.2 Ministry of power allocated un allocated power of coal based NTPC stations for bundling with solar power in ratio of 1.2 (unallocated power: Solar power) as envisaged under National Solar Mission Phase-II, Batch-II Tranche-I. Accordingly, Ministry of Power, GOI, allocated 300 MW to Karnataka from unallocated power of coal based NTPC stations of Eastern Region and Western Region. The expected energy from bundled power of coal is around 2015.75 MUs (300 MW @85% PLF after considering the losses)

7.7 ESCOM wise NCE energy projected for FY 2021-22 is shown in **Table 11**.

Energy in MU

Existing NCE Projects	BESCOM	GESCOM	HESCOM	MESCOM	CESC	Total
Co-generation	0.00	56.77	415.72	0.00	30.33	502.82
Biomass	73.94	72.22	0.00	0.00	11.52	157.68
Mini Hydel	513.04	110.56	86.82	359.55	262.33	1332.30
Wind mill	2353.60	1302.88	1874.00	238.15	120.61	5889.24
KPCL wind mill	6.74	0.00	0.00	0.00	0.00	6.74
Solar	4456.01	829.76	1782.86	699.77	927.88	8696.27
Solar rooftop	90.67	0.00	0.00	0.00	13.27	103.94
KPCL Solar	3.97	2.19	3.13	0.00	0.00	9.29
NTPC Bundled power Coal	200.93	64.02	82.20	34.08	49.55	430.78
NTPC Bundled Power Solar-Sr region	56.21	17.91	22.99	9.53	13.86	120.50
Captive/Banking energy	42.10	0.00	221.84	0.00	0.00	263.94
NTPC Bundled power Coal,WR region ,Pavagada	935.10	304.78	384.66	159.04	233.83	2017.42
NTPC Bundled Power Solar, Pavagada	640.55	208.78	262.35	108.94	160.17	1380.80
Total	9372.86	2969.86	5136.59	1609.08	1823.34	20911.73
New NCE Projects						0.00
Co-generation	0.00	0.00	0.00	0.00	0.00	0.00
Biomass	0.00	0.00	0.00	0.00	0.00	0.00
Mini Hydel	0.00	0.00	0.00	0.00	0.00	0.00
Wind mill	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power @ Pavagada	0.00	0.00	0.00	0.00	0.00	0.00
Farmer 1 to 3	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power Under VGF Scheme	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power Under Jalukwadi Scheme	0.00	0.00	0.00	0.00	0.00	0.00
Total D2	0.00	0.00	0.00	0.00	0.00	0.00
Total of D1&D2	9372.86	2969.86	5136.59	1609.08	1823.34	20911.73


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7.7 The average cost of the year 2020-21 is considered for Hydro, wind, Solar, Co-generation and bundled power.

8.0 Jurala Project

The ESCOMs having a share of 50% from Jurala Priyadarshni Hydro Electric Projects ie 117 MW. The net energy exported to Karnataka from Jural Priyadarshni Hydro Electric Projects for the year 2019-20 is considered for 2020-21. The TSERC vide tariff order dated 6.7.2017 determined the capacity charges for the project for the control period from 1.4.2014 to 31.3.2019. The 50% of the capacity charges applicable for the financial year 2018-19 is considered. The capacity Charges for the next control period is yet to be determined by TSERC hence capacity charges applicable for the year 2018-19 is considered for the year 2021-22 also.

Table-13

Particular	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
Energy in Mus	-0.08	-0.096	-0.08	1.744	28.992	52.688	41.552	32.256	-0.224	-0.048	0	0	156.704
Amount in Rs Cr	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89	58.66

9.0 The energy from T. B. Dam power is shared between AP/Telangana and Karnataka. The 1/5th share of revenue expenditure and energy has been shared between two states. The actual cost and energy supplied for the FY 2019-20 is considered for 2021-22. The power purchase cost and energy from T. B. Dam has been estimated to 27.05 MUs and Rs. 3.04 crore.

Table-14

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Energy in Mus	-0.07	-0.20	-0.35	2.91	9.38	5.28	4.31	0.42	1.84	1.69	0.38	1.46	27.05
Amount in Rs crore	1.04	0.33	0.09	0.15	0.16	0.12	0.14	0.09	0.10	0.09	0.10	0.64	3.04

10.0 The projected energy and cost allocated among the ESCOMs is as per GoK order dated 08.05.2020 except NCE projects.

11.0 The ESCOMs wise energy and cost projected for the financial year 2021-22 is as below:

ESCOMs	Energy requirement in MUs	Power Purchase cost (Rs/Crores)	Average cost (Rs./unit)
BESCOM	29955.95	15210.12	5.08
GESCOM	8911.00	4136.44	4.64
HESCOM including Hukkeri Society & AEQUS	14491.67	6973.27	4.88
MESCOM Including MSEZ	6499.74	3195.87	4.92
CESC, Mysore	8060.89	3714.04	4.61
Total	67919.26	33229.74	4.89



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Operation and Maintenance Expenses:

HESCOM has calculated the O & M expenses for FY-21 and FY-22 as noted below.

- a) The actual O & M expenses for FY-20 inclusive of contribution to pension and Gratuity Trust -Rs. 1137.41. Crs.
- b) CGI based on 3-year CAGR (in %) – 6.242% for FY – 21 & FY-22.
- c) The WII at 8.2604%
- d) Efficiency factor at 2%.

O & M expenses for FY-21 & FY-22 are calculated as follows.

Particulars	FY-20	FY-21	FY-22
No of installations as per audited accounts	5289720	5526612	5782917
Weighted Inflation Index (in %)		8.2604	8.2604
CGI based on 3-year CAGR (in %)		6.242	6.242
Actual O &M expenses for FY-20 Rs. Crs	1137.41		
O & M Expenses: O & M (t-1) * (1+Wii+CGI-X) in Crs.		1279.61	1439.60

Based on the above the O & M Expenses are segregated as noted below on pro-rata basis considering the actual O & M Expenses of FY-20.

Details of Normative O & M expenses

Rs.in Crs

Particulars	FY-20 (Actual)	FY-21 (Projected)	FY-22 (Projected)
R&M cost	116.54	131.11	147.50
Employee cost	866.75	975.11	1097.03
A&G expenses	154.12	173.39	195.07
O&M cost	1137.41	1279.61	1439.60

HESCOM is proposing Rs. 1439.60. Crs for FY-22 as O & M expenses.

(HESCOM is not proposing any modification for FY-21 in this filing.)

Depreciation:

Depreciation is calculated as per the CERC Regulations with effect from 01.04.2009.

Growth of fixed Assets:

The projected growth in the fixed assets is worked out on the basis of creation of assets out of the Capex proposed for the FY-21 & FY-22. 70% of the Capex is considered as the assets of the particular year. Accordingly, the closing balance is worked out as noted below.

Particulars	FY-20 (Actual)	FY-21 (Proposed)	FY-22 (Proposed)
Capex (Rs. in Crs)	2077.75	1392.00	1329.50
Additions of Capex (Rs. in Crs)	1536.25	974.40	930.65
Previous year closing balance of assets (Rs. in Crs)	6204.78	7374.86	7906.77
Total closing balance of Assets worked on Capex (Rs. in Crs)	7741.03	8349.26	8837.42
Less retirement of Assets (Rs. in Crs)	366.17	442.49	474.41
Balance of Assets in Crs	7374.86	7906.77	8363.01

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The individual group wise assets are calculated on pro rata basis on the figures of FY-20 (as per Format D-15)

Rs. In Crores

Asset group	FY-20				FY-21			FY-22		
	OB	Addition	Retirement	CB	Projected Addition	Retirement	CB	Projected Addition	Retirement	CB
Land & Rights	16.36	4.10	0.02	20.44	2.60	1.23	21.81	2.48	1.31	22.99
Buildings	133.82	19.88	1.39	152.31	12.61	9.14	155.78	12.04	9.35	158.48
Hydraulics Works	4.77	0.27	-	5.04	0.17	0.30	4.91	0.16	0.29	4.78
Other Civil Works	5.35	0.92	-	6.27	0.58	0.38	6.48	0.56	0.39	6.65
Plant & Machinery	1,155.80	342.37	255.85	1,242.32	217.16	74.54	1,384.94	207.41	83.10	1,509.25
Lines Cable Networks	4,867.43	1161.79	102.67	5,926.55	736.89	355.59	6,307.85	703.80	378.47	6,633.18
Vehicles	8.79	0.22	0.06	8.95	0.14	0.54	8.55	0.13	0.51	8.17
Furniture & Fixtures	7.38	0.38	0.02	7.74	0.24	0.46	7.52	0.23	0.45	7.30
Other Equipment's	5.08	6.32	6.16	5.24	4.01	0.31	8.93	3.83	0.54	12.23
Total	6204.78	1,536.25	366.17	7,374.86	974.40	442.49	7,906.77	930.65	474.41	8,363.01
Assets created out of contributions & grants	1738.60			2050.83			2305.13			2590.97
Net Assets	4466.18	1536.25	366.17	5324.03	974.40	442.49	5601.64	930.65	474.41	5772.04

Based on the above closing balance of the assets, the depreciation is calculated as noted below (as per Format D-8).

Rs. In Crores

Particulars	FY-20 (As per audited A/c)				FY-21 (projected)			FY-22 (projected)		
	Balance of accumulated depreciation at the end of the year	Depreciation provided for the year	Withdrawal of depreciation	Balance of accumulated depreciation at the end of the year	Depreciation provided for the year	Withdrawal of depreciation	Balance of accumulated depreciation at the end of the year	Depreciation provided for the year	Withdrawal of depreciation	Balance of accumulated depreciation at the end of the year
Land and rights	-	0.00	-	0.00	-	-	0.00	-	-	0.00
Buildings	32.12	4.80	0.11	36.81	5.09	2.21	39.69	5.20	2.38	42.51
Hydraulic Works	1.79	0.24	(0.01)	2.04	0.27	0.12	2.18	0.26	0.13	2.31
Other Civil Works	1.06	0.18	-	1.24	0.21	0.07	1.38	0.22	0.08	1.51
Plant & Machinery	286.71	66.82	50.60	302.93	65.59	18.18	350.35	73.12	21.52	424.95
Lines, Cables, Networks	1,029.30	146.14	66.59	1,108.85	312.92	66.53	1,355.24	333.05	81.52	1,744.79
Vehicles	5.19	0.31	0.05	5.45	0.85	0.33	5.98	0.81	0.15	6.94
Furniture Fixtures	5.81	0.35	(7.17)	13.33	0.49	0.80	13.02	0.48	0.07	12.57
Office Equipment's	1.14	0.17	0.07	1.24	0.33	0.07	1.50	0.57	0.09	1.94
Intangible Assets- software		4.40		4.40	4.40		8.80	4.40		13.20
TOTAL	1363.13	223.41	110.24	1,476.30	390.15	88.31	1,778.13	418.11	106.16	2,194.10
Assets (DCW & grants)				less	108.28			121.71		
Net Depreciation		223.41			281.87			296.40		

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Note : Average of 5.28% of value of assets created out of grants is deducted in total depreciation in FY-21 & FY-22.

Note: The Capital Grants received from Government contribution towards cost of capital assets is reduced from Gross Block. The Consumer contribution and Government grants towards cost of capital assets cannot be identified to relevant fixed assets. Hence, the same is treated as related to the Lines, Cables and Networks Assets group and deducted directly from the total Gross Fixed Assets. The corresponding depreciation on these assets provided at respective Accounting Units has been reduced from depreciation for the FY-22 @5.28% which works out to Rs. 296.40 Crs.

HESCOM is proposing Rs. 296.40. Crs for FY-22 as depreciation.

(HESCOM is not proposing any modification for FY-21 in this filing.)

Interest and Finance Charges:

Capital Loan :

HESCOM proposes to draw loan and make the repayments and interest charges. The source wise details are furnished in D-9 statements. HESCOM has drawn capital loan Rs. 720.31 Crs during FY-20 and desires to draw capital loan of about Rs. 146.86 Crs and Rs. 100.14 Crs for FY-21 & FY-22 respectively.

HESCOM is proposing the interest on loan capital as noted below. HESCOM has worked out individual source wise loan and interest which are indicated in D-9.

Particulars	FY-21	FY-22
Opening balance	2597.51	2539.44
Add new loans	146.86	100.14
Less repayment	204.93	213.34
Closing balance loans	2539.44	2426.24
Average loans	2568.48	2482.84
Interest on loans	230.33	224.79

HESCOM is proposing Rs. 230.33 Crs & Rs. 224.79 Crs for FY-21, & FY-22 respectively as interest on loan capital.

(HESCOM is not proposing any modification for FY-21 in this filing.)




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Interest on working capital: As per Regulation 3.1 the interest on working Capital is one of the Components for estimation of ARR of the Distribution Licensee. As per regulation 3.11.1, working capital comprises O & M expenses for one month, maintenance spares at 1% of the cost of the asset at the beginning of the year and two months average revenue. The details of calculation are as noted below.

Particulars	FY-21 (Projected)	FY-22 (Projected)
One -twelfth of the amount of O & M Exp	106.63	119.97
Opening GFA	7374.86	7906.77
Stores, materials and supplies 1% of opening balance of GFA	73.75	79.07
One-Sixth of the Revenue	1433.91	1485.25
Total Working Capital	1614.29	1684.28
Rate of Interest (% p.a) BPLR	11.00%	11.00%
Interest on Working Capital	177.57	185.27
Interest on Working Capital proposed including COVID LOAN	363.04	338.94

However, due to Covid-19 pandemic crisis, Government of India has announced special economic package on 13th May 2020, which includes liquidity injection for Distribution Companies (DISCOMs) in power sector for clearance of outstanding dues of CPSU GENCOs/ TRANSCOs, IPPs and RE generators as on 31.03.2020. The interest amount works out to Rs. 230.90 Crore for FY -22 towards proposed covid loan of Rs. 2675.49 Crore under Atma Nirbhar Bharath Package.

HESCOM has worked out individual source wise loan and interest which are indicated in D-9.

HESCOM is proposing Rs. 338.94 as interest on working capital for FY-22.

(HESCOM is not proposing any modification for FY-21 in this filing.)

Interest on security Deposit: As per KERC (Interest on Security Deposit) regulation 2005, the licensee has to pay interest on security deposit of the consumer at the bank rate every year. The audited accounts for FY-20 are available. Considering the closing balance of security deposit held HESCOM proposes the interest on the security deposit of consumers as noted below.

HESCOM is considering Rs. 50 Crores each for FY-21 and FY-22 years as the additional security deposit likely to be collected and accordingly, the interest on consumer deposit is calculated as noted below.

Particulars	FY-20	FY-21	FY-22
	(Actual)	(Proposed)	(Proposed)
Opening balance of consumer security deposits	749.97	819.73	869.73
Closing balance of consumer security deposits	819.73	869.73	919.73
Average balance of consumer security deposit		844.73	894.73
Rate of Interest %		5.40%	5.40%
Interest payable to Consumers		45.62	48.32

HESCOM is proposing Rs. 48.32 Crs. as interest on consumer security deposit for FY-22.

(HESCOM is not proposing any modification for FY-21 in this filing.)



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Other Debts:

Other expenses consist of asset decommissioning cost, value written off, loss relating to fixed assets, bad and doubtful debts written off, material Cost variance etc. HESCOM has continued the process of decommissioning of old assets and to identify old and obsolete materials /assets, scrap materials, which are not useful. Such assets/materials will be sold at accost less than written down value maintained in the book of accounts. There is a provision for payment of compensation payable to consumer for damages, injury caused etc, and also in pursuance with standard performance regulations. HESCOM has not projected the other debts for FY-21 and FY-22 and will be proposed as per actual based on the audited accounts at the time of APR.

Details of other debts :-

Rs. in Crs.

Sl. No.	Particulars	FY-20	FY-21	FY-22
		(As per Audited Accounts)	(Projected)	(Projected)
1	Asset Decommissioning cost	5.12	-	-
2	Small & Low value Items written off	-	-	-
3	Losses relating to fixed Assets	0.07	-	-
4	Gain on sale of assets	-	-	-
5	Material Cost Variance	0.01	-	-
6	Bad & Doubtful Debts written off/provided for	2.25	-	-
7	Miscellaneous losses and Write offs	20.46	-	-
8	Prior Period Expenses	-	-	-
	Grand Total	27.91	-	-

Prior Period Charges: As per accounting principles, HESCOM has to take in to account both the income and expenses relating to the prior period. The Prior period income comprises interest, income tax, excess provision for depreciation, excess provision for interest and finance charges, receipt from consumer etc. The prior period expenses comprise power purchase cost, operating employee cost, depreciation, interest and finance charges, material related cost variance etc. HESCOM has not estimated prior period charges for FY-21 and FY-22. However, the Hon`ble Commission is requested to allow such prior charges as pass through in case such charges accounted during relevant year.

Prior period expenses:

Sl. No	Particulars	FY-20	FY-21	FY-22
		(As per Audited Accounts)	(Projection)	(Projection)
Income relating to previous years:				
1	Receipts from consumers	-	-	-
2	Excess Provision for Depreciation	(5.94)	-	-
3	Income Tax prior period	-	-	-
4	Excess Provision for Interest and Fin. Charges	(3.11)	-	-
5	Other Excess Provision	(48.11)	-	-
6	Others Income	(70.85)	-	-
7	Prior period tariff / RE subsidy	-	-	-
8	Other Miscellaneous from trading	15.86	-	-
	TOTAL	(112.15)	-	-
Expenditure relating to previous years				
1	Power Purchase	6.56	-	-
2	Operating Expenses	0.06	-	-

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3	Excise Duty on generation	-	-	-
4	Employee Cost	0.12	-	-
5	Depreciation	21.88	-	-
6	Interest and Finance Charges	0.06	-	-
7	Provision for Deferred tax liability / Income Tax	-	-	-
8	Admn. Expenses	0.01	-	-
9	Other	67.81	-	-
TOTAL		96.50	-	-
Grand Total		(15.65)	-	-

Return on Equity: Return on Equity (ROE) is considered as a component of ARR of distribution Licensee. As per regulation 3.9, ROE only is considered as component of ARR of Distribution licensee. As per the said regulation, ROE will be computed at 15.5% per annum on share capital, Share Deposit, reserves and surplus held by the company. In view of huge negative reserves and surplus and net-worth of HESCOM is negative, ROE for FY-22 is not proposed.

Details of ROE:

Particulars	Amount (Rs. Crs.)
Opening Balance of Paid up Share Capital	1554.24
Share Deposit (Opening balance)	0.00
Reserves & Surplus (Opening balance)	(1955.57)
Total Equity	(401.53)

As the net-worth is negative, HESCOM is not proposing ROE for FY-21 and FY-22.

Provision for Taxation: As per regulation 3.1.2, taxes on income payable by Distribution Business is considered as one of the components of ARR. HESCOM has an accumulated loss of Rs. 2700.22 Crs. of which Rs. 726.42 Crs. pertains to the unabsorbed depreciation. HESCOM is not proposing taxes for FY-22. The Hon'ble Commission is requested to approve the same.

Other Income: The other income component shall be deducted in total expenditure to arrive net ARR of HESCOM. Other income comprises interest on bank deposits and loan provided to employee societies, income from trading such as sale of stores/scrap, miscellaneous receipts such as rentals from staff quarters and miscellaneous recoveries made etc. HESCOM is proposing revised "other Income" as noted below:



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(i) Other Income:

Sl. No.	Particulars	FY-20 (As per audited)	FY-21 (Projection)	FY-22 (Projection)
1	Interest on staff loans and advances	-		
2	Income from Investments:			
a	Interest on securities	-		
b	Interest on Bank fixed deposits & Others (62.222, 62.360)	1.22	1.34	1.48
c	Income on other investments			
d	Interest on loans/advances to suppliers/ Contractors			
e	Interest from Banks			
f	Interest on loans to Societies			
	Sub Total-2	1.22	1.34	1.48
3	Income from Trading:			
a	Profit on sale of fixed assets, hire etc of apparatus			
b	Hire charges from Contractors			
c	Profit on sale of stores (62.330)	0.03	0.03	0.04
d	Sale of Scrap (62.340)	0.25	0.28	0.30
e	Meter Readings and Calibration of Meter-Charges of Wind Mill Project (62.363)	0.81	0.89	0.98
f	Income relating to reactive energy charges (62.364)	0.34	0.37	0.41
g	Reactive energy charges demanded on IPPs (62.361)	-	-	-
h	Processing fees (62.625)	0.01	0.01	0.01
i	Other Misc Receipts from trading (62.360)	17.74	19.53	21.51
	Sub Total-3	19.18	21.11	23.25
4	Income/Fees collections against staff welfare activities:			
a	Recoveries for transport facilities	-	-	-
5	Miscellaneous Receipts:			
a	Income due to right of way granted for laying fibre optic cables/co-axial cables on T&D system			
b	Rental from Staff Quarters (62.901, 62.902)	1.12	1.23	1.36
c	Rental from others (62.903)	0.00	0.00	0.00
d	Leave contribution		-	-
e	Excess found on physical verification of cash		-	-
f	Excess found on physical verification of stock (62.905)	0.00	0.00	0.00
g	Sundry Credit balance written back (62.912)	-	-	-
h	Excess found on physical verification of Assets		-	-
l	Recovery from transport & vehicle expenses		-	-
j	Commission for collection of electricity duty (62.916)	1.14	1.26	1.38
k	Misc recoveries (62.917)	45.84	50.50	55.63
l	Prior Period items (Note 27(ii))		-	-
	Sub Total-5	48.10	52.99	58.37
	GRAND TOTAL:	68.50	75.44	83.10




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(ii) Income from sale of power to HRECS & AEQUS:

The Hon'ble Commission has included the power purchase cost paid by HRECS, Hukkeri & AEQUS in the other income in MYT Filing for the period FY-20 to FY-22. Accordingly, HESCOM proposes the other income for FY-22 as noted below. HESCOM has supplied 323.66 MU to HRECS Hukkeri & AEQUS at the rate of Rs 5.39 per unit amounting to Rs. 174.39 Crs. for FY-20.

Sl No :	Particulars	FY-21	FY-22	FY-21	FY-22
		(Projected Sales)	(Projected Sales)	(Projected Cost) in Crs	(Projected Cost) in Crs
(a)	Sale of Power to HRECS	325.31	344.21	175.34	185.52
(b)	Sale of Power to AEQUS	29.80	32.18	16.06	17.35
	Total	355.11	376.39	191.40	202.87

HESCOM proposing 376.39 MU at the Power Purchase Cost of Rs. 202.87 Crs. for FY-22 (including transmission loss) to be supplied to HRECS Hukkeri & AEQUS at the rate of power purchase cost of Rs. 5.39 per unit.

Total other income:

Sl No :	Particulars	FY-21	FY-22
		(Projected Cost)	(Projected Cost)
(a)	Other income from other items (including prior period income)	75.44	83.10
(b)	Sale of Power to HRECS & AEQUS	191.40	202.87
	Total other income	266.84	285.97

(HESCOM is not proposing any modification for FY-21 in this filing.)

Regulatory Asset:

The Hon'ble Commission in Tariff Order 2020 of HESCOM has worked out Rs. 493.95 as revenue gap for FY-21 and decided to create an amount of Rs. 288.14 Cr. as Regulatory Asset to be recovered in the tariff over the next two years (FY-22 and FY-23) at carrying cost of 10% per annum, which will be assessed at the time of APR of FY-22 and FY-23.

Accordingly, HESCOM is proposing Rs. 144.07 Cr. as regulatory asset for FY-22 and carrying cost of Rs. 28.81 Cr.




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Expected Revenue from Charges: HESCOM has been earning revenue as per tariff determined by the Honorable Commission from time to time. The new Tariff order came in to effect from 01.11.2020. HESCOM has estimated expected revenue charges for FY-22 on the basis of the new Tariff Order 2020 Dtd : 04.11.2020.

The Format D-21 is prepared as per the actual consumption and load pattern available as per FY-20. The Projections for FY-21 & FY-22 are made on the basis of CAGR from FY-15 to FY-20 and CAGR from FY-17 to FY-20. Wherever the clear CAGR is not available, the trend is considered. The energy availability at generation point as provided by PCKL, approved transmission loss and the proposed distribution loss are considered for estimating the sales and thereby expected revenue from charges at existing rates as per tariff order 2020 Dtd: 04.11.2020.

Expected Revenue from charges at existing tariff:

Rs. In Crs (From D2)

Sl. No.	Tariff Category	Category Description	FY-20 (ACTUAL)				FY-21 Projected			
			Instal. (No.s)	Energy Sales (Mus)	Revenue (Cr)	Avg. Real. (Ps/Unit)	Instal. (No.s)	Energy Sales (Mus)	Revenue (Cr)	Avg. Real. (Ps/Unit)
					Pr Act				Pr Act	
1	LT-1	Bj/Kj: =<40 units	715523	194.55	135.41	696.02	715523	194.55	147.86	760.01
		Bj/Kj: >40 units	44160	50.23	20.58	409.72	44160	50.23	21.75	433.01
2	LT-2 (a)	Domestic / AEH	2847702	1512.23	957.14	632.93	2989953	1557.35	1115.57	716.32
3	LT-2 (b)		7133	21.47	19.39	903.29	7471	23.29	22.11	949.35
4	LT-3	Commercial	389641	492.90	494.57	1003.40	409017	517.57	545.45	1053.87
5	LT-4 (a)	IP sets - Less than 10 HP - General	957838	5985.90	3930.24	656.58	985125	6156.43	4211.00	684.00
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	849	15.62	6.72	430.18	856	15.76	8.91	565.45
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	432	0.82	0.48	585.82	474	0.83	0.58	696.34
8	LT-5	Industries	120661	324.29	262.56	809.64	125280	326.01	331.29	1016.18
9	LT-6 a	Water Supply	49941	328.33	212.43	647.01	54594	349.64	207.68	593.98
10	LT-6 b	Street Lights	24952	148.53	121.81	820.10	26169	149.14	107.50	720.82
11	LT-7	Temporary Power Supply	127166	33.08	75.07	2269.60	163914	35.69	39.42	1104.46
12		FAC(LT)			98.95					
	LT Total		5285998	9107.94	6335.35	695.59	5522536	9376.49	6759.12	720.86
13	HT-1	Water Supply	384	280.39	175.01	624.16	428	301.22	195.52	649.09
14	HT-2 (a)	Industries	1902	1102.46	794.74	720.88	2090	1141.58	1094.21	958.50
15	HT-2 (b)	Commercial	675	130.12	137.36	1055.62	728	133.45	193.28	1448.30
16	HT-2 (c)	Hospitals	355	77.19	57.99	751.25	387	81.20	75.59	930.94
17	HT-3(a)	Irrigation & LI Societies	307	282.46	129.32	457.84	339	309.36	142.68	461.21
18	HT-3 (b)	Irrigation & LI Societies	2	0.05	0.03	0.00	2	0.05	0.03	0.00
19	HT-4	Residential Apartment	32	15.93	12.01	754.15	33	15.97	12.48	781.43
20	HT-5	Temporary Power Supply	65	26.80	8.53	318.30	69	28.51	31.50	1104.95
21		FAC(HT)			19.47					
	HT Total		3722	1915.40	1334.46	696.70	4076	2011.35	1745.29	867.72
	Total		5289720	11023.34	7669.81	695.78	5526612	11387.84	8504.41	746.80
Other Operating revenues										
20		Reconnection fee (D&R) (61.901, 61.902)			0.35				0.36	
21		Service Connection (Supervision Charges) (61.904)			14.75				15.34	
22		Delayed payment charges from consumers (61.905)			84.05				87.41	
23		Other Receipts from consumers(61.906, 61.600)			4.64				4.83	

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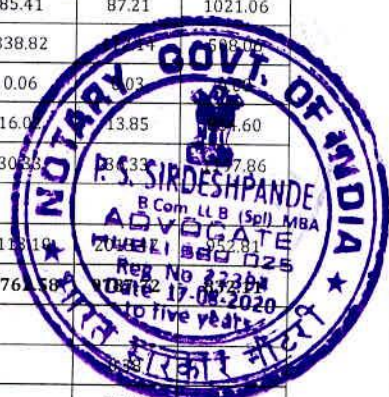
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24	Registration fee towards SRTPV (61.907)			0.17				0.18	
25	Facilitation fee towards SRTPV (61.908)			0.21				0.22	
26	Supervision Charges for Self Execution works (61.909)			3.60				3.74	
27	Maintenance charges for the layouts created by the Developers (61.910)			0.51				0.53	
	Gross Revenue from Sale of Power (20 to 27)			108.28				112.61	
	LESS: Rebate and Incentives								
28	Solar Rebate allowed to consumers (78.822)			3.27				3.40	
29	Incentives for prompt payment (78.823)			0.42				0.44	
30	Time of day (TOD) Tariff Incentive(78.826)			0.12				0.12	
	Total (28 to 30)			3.81				3.96	
31	Provision for withdrawal of Revenue Demand (83.830 to 83.832)			9.24				9.61	
	Total			13.05				13.57	
	GRAND TOTAL	5289720	11023.34	7765.04			5526612	11387.84	8603.45

Expected Revenue from charges at proposed tariff:

Rs. in Crs

Sl. No.	Tariff Category	Category Description	FY-22				FY-22			
			At existing tariff				At proposed tariff			
			Instal.	Energy	Revenue	Avg.	Instal.	Energy	Revenue	Avg.
			(No.s)	Sales (Mus)	(Crs) Pr Act	Real. [Ps/Unit]	(No.s)	Sales (Mus)	(Crs) Pr Act	Real. [Ps/Unit]
1	LT-1	BJ/K): =<40 units	715523	194.55	147.86	760.00	715523	194.55	162.37	834.58
		BJ/K): >40 units	44160	50.23	21.75	433.10	44160	50.23	25.50	507.68
2	LT-2 (a)	Domestic / AEH	3139312	1603.82	1155.78	720.64	3139312	1603.82	1329.63	829.04
3	LT-2 (b)		7824	25.27	23.83	943.03	7824	25.27	26.20	1037.05
4	LT-3	Commercial	429355	543.48	568.72	1046.44	429355	543.48	618.89	1138.76
5	LT-4 (a)	IP sets - Less than 10 HP - General	1012412	6326.96	4327.64	684.00	1012412	6326.96	4799.52	758.58
6	LT-4 (b)	Irrigation Pump sets - More than 10 HP	864	15.89	8.98	565.16	864	15.89	10.55	663.51
7	LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	520	0.85	0.61	725.51	520	0.85	0.72	848.25
8	LT-5	Industries	130076	327.75	337.83	1030.77	130076	327.75	379.82	1158.87
9	LT-6 a	Water Supply	59681	372.34	222.23	678.07	59681	372.34	254.91	777.75
10	LT-6 b	Street Lights	27445	149.74	108.40	291.14	27445	149.74	120.69	324.14
11	LT-7	Temporary Power Supply	211282	38.51	42.57	284.27	211282	38.51	45.46	303.59
12		FAC(LT)								
	LT Total		5778454	9649.39	6966.21	721.93	5778454	9649.39	7774.25	805.67
13	HT-1	Water Supply	476	323.60	211.29	652.92	476	323.60	237.01	732.41
14	HT-2 (a)	Industries	2297	1182.09	1149.85	972.73	2297	1182.09	1251.26	1058.51
15	HT-2 (b)	Commercial	784	136.87	202.10	1476.62	784	136.87	215.65	1575.56
16	HT-2 (c)	Hospitals	422	85.41	80.10	937.82	422	85.41	87.21	1021.06
17	HT-3(a)	Irrigation & LI Societies	375	338.82	157.31	464.29	375	338.82		
18	HT-3 (b)	Irrigation & LI Societies	2	0.06	0.03	0.00	2	0.06		
19	HT-4	Residential Apartments	33	16.02	12.55	783.35	33	16.02	13.85	1160.60
20	HT-5	Temporary Power Supply	74	30.33	33.51	1105.02	74	30.33		
21		FAC(HT)								
	HT Total		4463	2113.19	1846.74	873.91	4463	2113.19	1846.74	873.91
	Total		5782917	11762.58	8812.95	749.24	5782917	11762.58	8812.95	749.24
Other Operating revenues										
20		Reconnection fee (D&R) (61.901, 61.902)			0.38					
21		Service Connection (Supervision Charges) (61.904)			15.95				15.95	
22		Delayed payment charges from consumers (61.905)			90.91				90.91	



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23	Other Receipts from consumers(61.906, 61.600)			5.02			5.02
24	Registration fee towards SRTPV (61.907)			0.18			0.18
25	Facilitation fee towards SRTPV (61.908)			0.23			0.23
26	Supervision Charges for Self Execution works (61.909)			3.89			3.89
27	Maintenance charges for the layouts created by the Developers (61.910)			0.55			0.55
	Gross Revenue from Sale of Power (20 to 27)			117.12			117.12
	LESS: Rebate and Incentives						
28	Solar Rebate allowed to consumers (78.822)			3.54			3.54
29	Incentives for prompt payment (78.823)			0.45			0.45
30	Time of day (TOD) Tariff Incentive(78.826)			0.13			0.13
	Total (28 to 30)			4.12			4.12
31	Provision for withdrawal of Revenue Demand (83.830 to 83.832)			9.99			9.99
	Total			14.11			14.11
	GRAND TOTAL	5782917	11762.58	8915.95		5782917	11762.58
						9890.72	

(From D2)

HESCOM is not proposing any modification for FY-21.

Revenue from Miscellaneous Charges: The income from reconnection fee, service connection charges, delayed payment charges and other receipts are shown under this Head. HESCOM has accounted miscellaneous charges of Rs. 95.23 Crs, for FY-20. The details are furnished below.

Details of from Miscellaneous Charges :

(From D2) Rs. In Crs

Particulars	FY-20 (Actual)	FY-21 Projected	FY-22 Projected
Reconnection fee (D&R)	0.35	0.36	0.38
Service Connection (Supervision Charges)	14.75	15.34	15.95
Delayed payment charges from consumers	84.05	87.41	90.91
Other Receipts from consumers	4.64	4.83	5.02
Registration fee towards SRTPV	0.17	0.18	0.18
Facilitation fee towards SRTPV	0.21	0.22	0.23
Supervision Charges for Self Execution works	3.60	3.74	3.89
Maintenance charges for the layouts created by the Developers	0.51	0.53	0.55
Total	108.28	112.61	117.12
LESS:			
Solar Rebate allowed to consumers	3.27	3.40	3.54
Incentives for prompt payment	0.42	0.44	0.45
Time of day (TOD) Tariff Incentive	0.12	0.12	0.13
Provision for withdrawal of Revenue Demand	9.24	9.61	9.99
Total	13.05	13.57	14.11
Net total	95.23	99.04	103.01

HESCOM is not proposing any modification for FY-21.




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Net Revenue Expected: Considering the revenue from existing Tariff Order-2020 across the categories and revenue from miscellaneous charges duly deducting rebate to be allowed, the net revenue expected for FY-21 and FY-22 is furnished below.

Details of Net Revenue at existing Tariff :

(From D2)

Sl. No	Particulars	FY-21	FY-22
1	Revenue at existing tariff from all categories	8504.41	8812.95
2	Miscellaneous Charges	99.04	103.00
3	Net Revenue Expected	8603.45	8915.95

HESCOM is not proposing any modification for FY-21.

ANNUAL REVENUE REQUIREMENT for FY-22.

Rs. in Crs.

Ref. Form	Particulars	FY-22 At Existing tariff Projection
D-1	Energy at Generation Point (Mus)(Including HRECS and AEQUS)	14491.67
	Energy at Generation Point (Mus)(HESCOM)	14115.28
	Transmission Loss (units)	437.86
	Transmission Loss (%)	3.102%
D-1	Energy at Interface Point (Mus)	13677.42
D-2	Energy Sales (Mus)	11762.58
	Distribution Loss (%)	14.00%
INCOME:		
D-2	Revenue from sale of power	4440.45
D-3	Revenue subsidies & grants	4475.50
TOTAL INCOME		8915.95
EXPENDITURE:		
D-1	Purchase of Power	6510.71
	Tr. Charges (PGCIL & POSCO)	462.56
	Tr. Charges (KPTCL & SLDC) Charges	819.60
	Total Power Purchase Cost	7792.87
D-5	Repairs & maintenance	147.50
D-6	Employee Costs	1097.03
D-7	Administrative & General expenses	195.07
	Total O&M expenses	1439.60
D-8	Depreciation & related debits	296.26
D-9	Interest & Finance charges	
	Interest on loan capital	224.79
	Interest on working capital	338.94
	Interest on consumer deposit	48.32
	Other interest and finance charges	-
	Interest on belated payments of IPPs	-
D-10	LESS: Int. & Fin. charges capitalized	
	Total Interest and Finance Charges	
D-11	Other debits (incl. Bad debts)	
D-12	Extraordinary Items (Exceptional Items : Adjustment of Excess Subsidy paid)	
D-13	Net prior period (credits) / charges	
	Provision for Taxes	
	Funds towards consumer Relations	

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A-4	Return on Equity	-
	Pension and Gratuity Trust arrears	-
	LESS: Excess RoE	-
	LESS: Other income	285.97
	ARR	9855.54
	Add Regulatory Asset	144.07
	LESS Previous year's deficit/surplus of FY-20 carried forward to next year	137.60
	Add Distribution loss incentive-FY21	
	Add Carrying cost on Regulatory Asset @10%	28.81
	Dis allowance-Capex	
	Net ARR	9890.72
	REVENUE SURPLUS / (DEFICIT):	-974.77

ARR for Distribution Business and Retails Supply Business. FY-22. Rs. in Crs.

EXPENDITURE / ARR	Distribution Business	Retails Supply Business
	FY-22	FY-22
Power Purchase Cost	0.00	6510.71
Tr. Charges Cost(PGCIL & POSCO)	0.00	462.56
Tr. Charges Cost (KPTCL & SLDC) Charges	0.00	819.60
Total Power purchase Cost	0.00	7792.87
a) Repairs and Maintenance cost	92.92	54.57
b) Employee cost	691.13	405.90
c) Administration and General expenses	122.90	72.18
O & M Total	906.95	532.65
Depreciation	248.98	47.42
Interest on loan	224.79	0.00
Interest on working capital	84.74	254.21
Interest on security deposit	0.00	48.32
other interest and finance charges	0.00	0.00
Interest on belated payment of PPC	0.00	0.00
Less Interest & Other expenses capitalised	0.00	0.00
Total interest and Finance charges	309.53	302.53
Pension and Gratuity Trust arrears	0.00	0.00
Other expenses, if any	0.00	0.00
Extraordinary Items (Exceptional Items : Adjustment of Excess Subsidy paid)	0.00	0.00
Add Distribution loss incentive-FY19	0.00	0.00
funds towards consumer education	0.00	0.50
Prior Period Charges	0.00	0.00
Return on equity	0.00	0.00
Provision for Taxation	0.00	0.00
LESS: Non-Tariff income	54.33	231.64
ARR	1411.12	8444.32
Add Regulatory Asset & Carrying Cost	172.88	0.00
- Previous years' deficit/surplus carried forward	137.60	0.00
Net ARR	1446.40	8444.32




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Revenue Gap for FY-22:

Rs. in Crores

Sl No	Particulars	Amount
1	ARR for FY-22	9855.44
2	Less surplus for FY-20	-137.60
3	Add Regulatory Asset for FY-22 (288.14 /2 yrs)	144.07
4	Add Carrying cost on Regulatory Asset @ 10%	28.81
5	Net ARR for FY-22	9890.72
6	ERC for FY-22 @ Current Tariff	8915.95
7	Gap for FY-22 (5-6)	974.77

BRIDGING THE REVENUE GAP :

HESCOM proposes to bridge the Gap by Tariff revision for FY-22 as noted below and requests the Hon'ble Commission to consider the same.

Hike requirement for all categories:

- Total Gap - Rs. 974.77 Crs.
- Sales - Total sales of 11,762.58 (MU)
- Hike required (a/b)- Average increase of Rs.0.83/unit on total sales of 11,762.58 MU.

HESCOM is proposing recovery of additional revenue:

- Partly by uniform increase in fixed charges of Rs. 10 per KW/HP/KVA per month for all categories. (Amounting to Rs. 114.46 Crs)
- Partly by uniform increase in Energy Charges Rs. 0.73/unit on total sales of 11,762.58 MU. (Amounting to Rs. 860.31 Crs)


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