

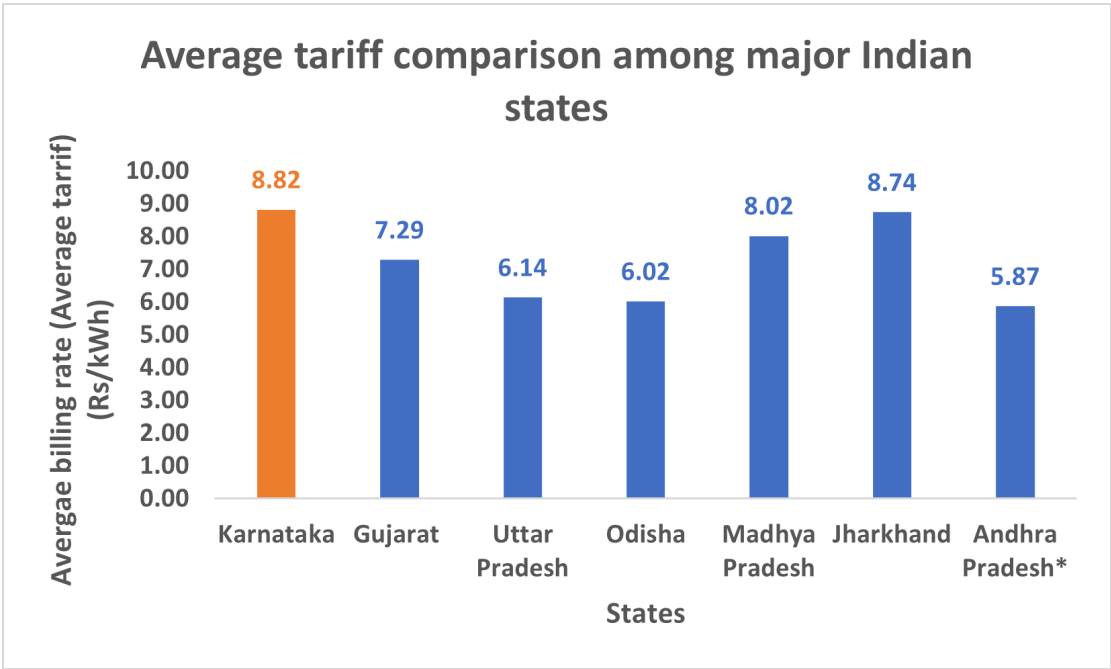
Tariff Order analysis of Karnataka for FY 2025-26

Comprehensive evaluation of critical tariff parameters

Discom's area of supply (Karnataka)



The map above shows the retail supply area served by the respective discoms in Karnataka



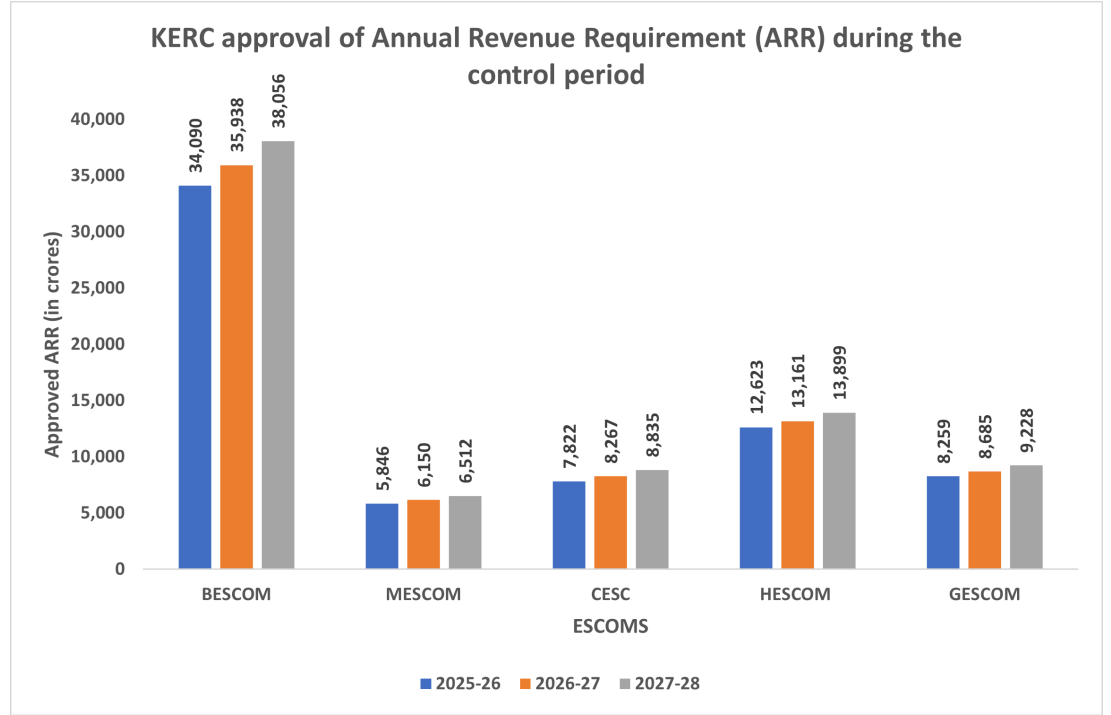
The above chart shows a comparison of average billing rate also called average tariff among major Indian states as per their latest tariff orders. ABR is calculated by dividing total revenue (in crores) with total energy sales (in million units). It is computed at the consumer category level and at an aggregate level. ABR is crucial in determining cross subsidization to arrive at final tariff charges for different categories of consumers. The difference between ABR and ACoS is a key financial metric in analysing a discoms' financial record.

*ABR for Andhra is computed through aggregating ABRs of its three Discoms whose respective ABRs are as follows:

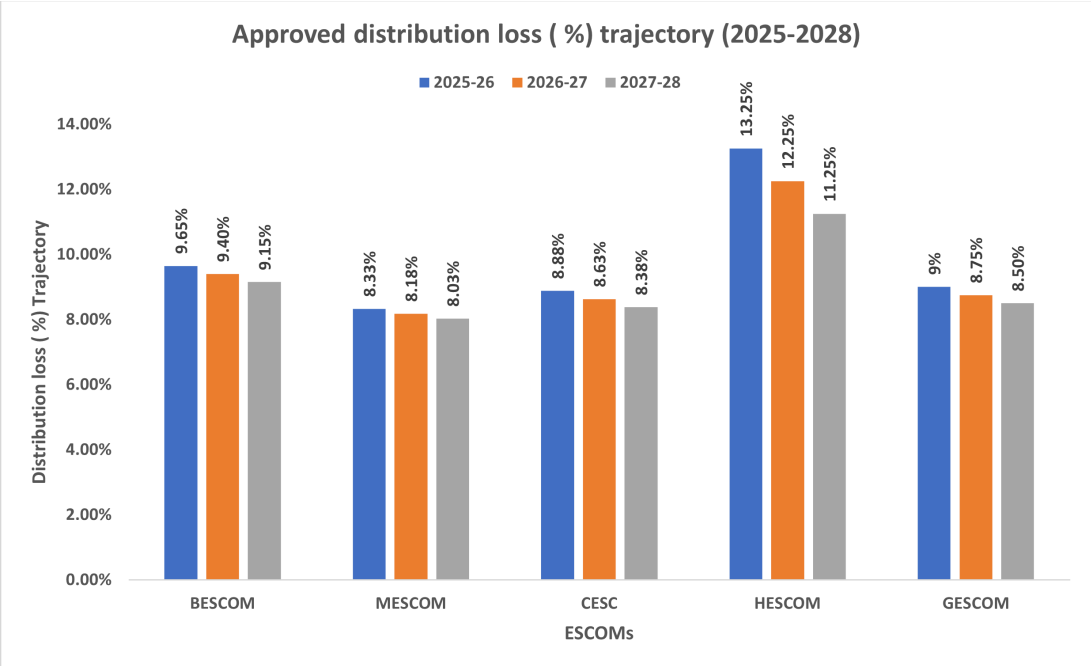
Southern Power Distribution Corporation limited (SPDCL) - Rs 5.38/kWh

Central Power Distribution Corporation limited (CPDCL) - Rs 6.21/kWh

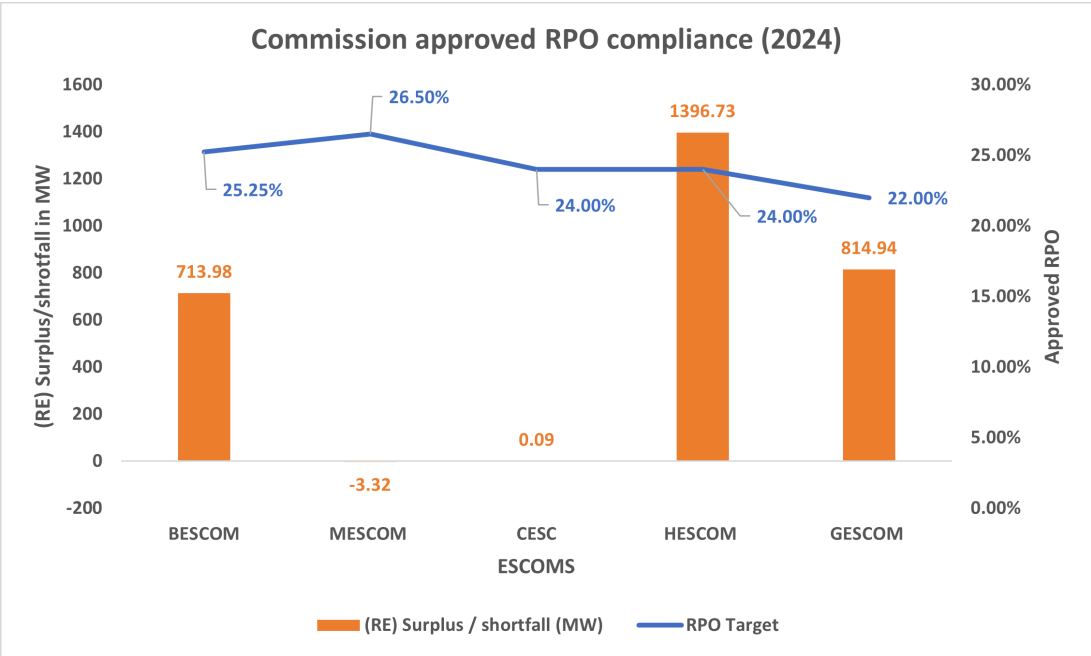
Southern Power Distribution Corporation limited (SPDCL) - Rs 6.04/kWh



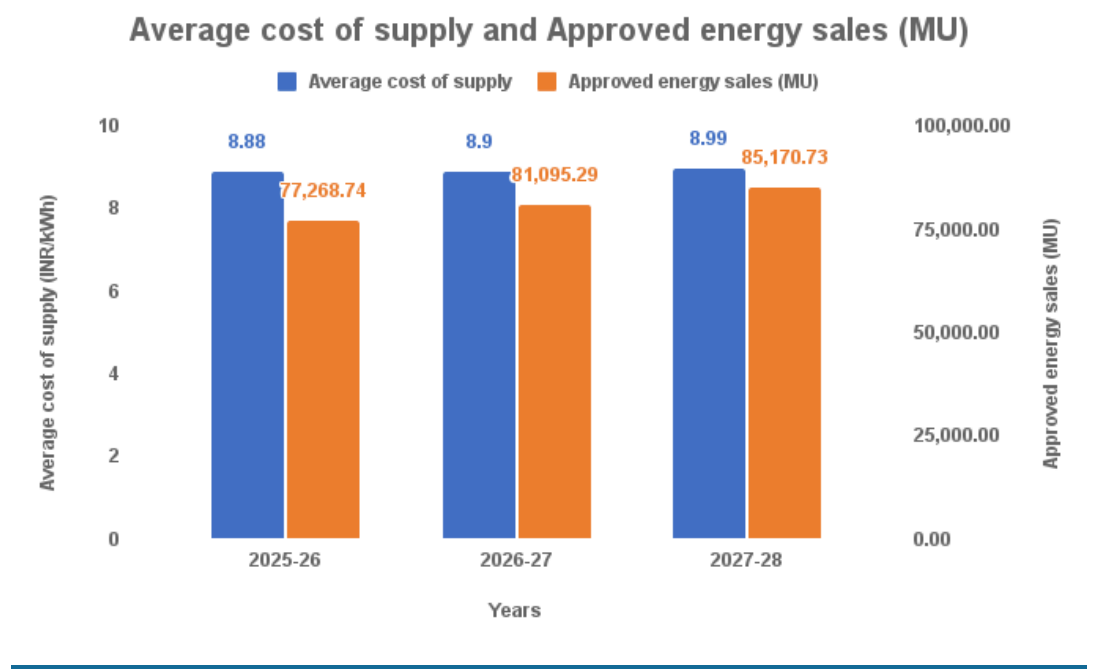
The graph details the approved budgets for ESCOMs (BESCOM, MESCOM, CESC, HESCOM, GESCOM) from FY 2025-26 to FY 2027-28, in Rs. Crores. In FY2025- 26, the proposed budget for all ESCOMs was Rs. 74,417.71 crore, with Rs. 68,639.79 crore approved, resulting in a deficit of Rs. 5,777.92 crore. For FY2026- 27, the proposed amount for all ESCOMs increased to Rs. 78,698.22 crore, with Rs. 72,201.07 crore approved, resulting in a deficit of Rs. 6,497.15 crore. In FY2027- 28, the proposed budget for all ESCOMs reached Rs. 84,122.98 crore, with Rs. 76,530.04 crore approved, reflecting a deficit of Rs. 1879.69 crore. BESCOM consistently recorded the highest budgets, while MESCOM had the lowest across all years.



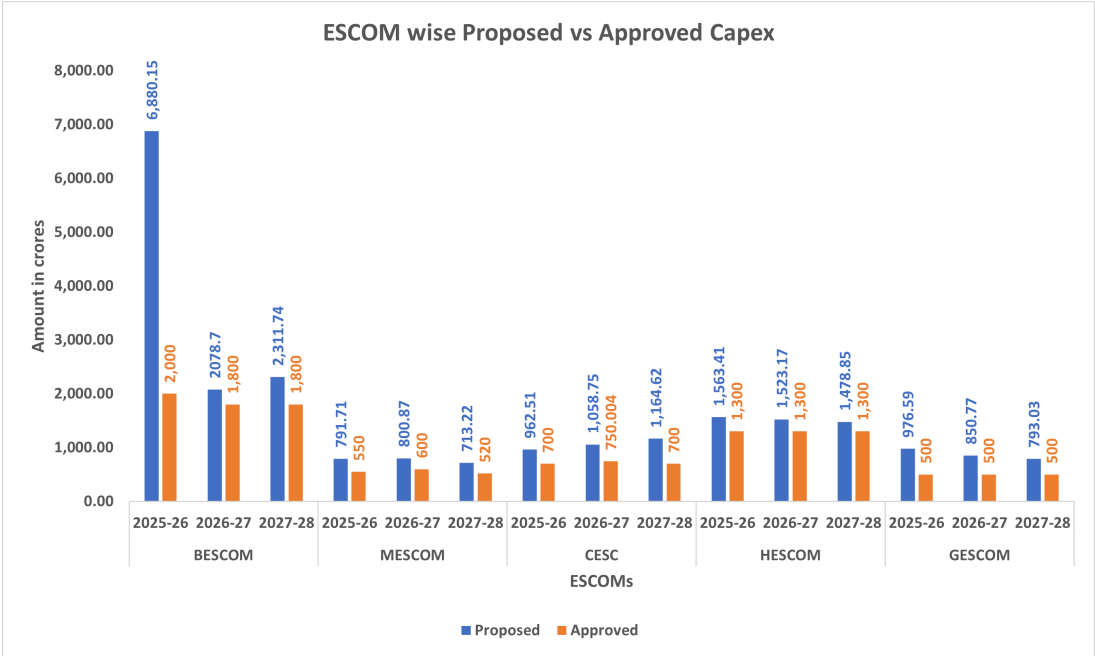
The graph above shows the approved distribution loss (%) trajectory for all the Karnataka ESCOMs as per the latest tariff order; a general trend of attempting to reduce the losses can be observed over the years of the control period. HESCOM has the highest percentage of reduction targets at 1% reduction aimed for each year corresponding to its relative distribution losses compared to other operating DISCOMs. Other DISCOMs aims to keep reducing their distribution losses and bring them considerably below 10% mark. The commission in the tariff petition analysis has noted that since FY 2020 BESCOM and MESCOM have been successful in keeping the distribution losses below the approved rate. However, considering the underperformance of HESCOM in reducing distribution losses, the commission has stated that HESCOM needs to strive hard to bring down its losses.



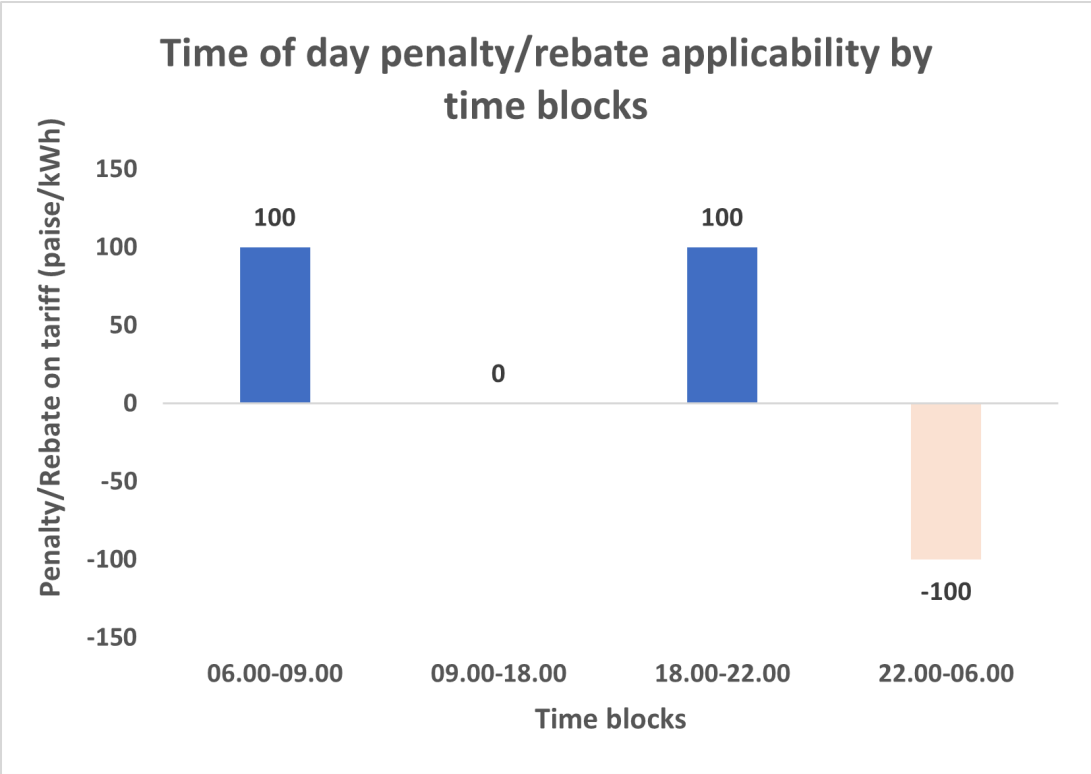
The above graph demonstrates the RPO targets approved by the commission for the respective ESCOMs of Karnataka, along with the data on surplus or shortfall of RE procurement during RPO compliance. Only MESCOM has reported a shortfall of 3.32 MW of RE procurement against its RPO target of 26.50%. BESCOM, MESCOM and CESC had requested to adjust their shortfall with RE purchase in June 2025 which has been approved by the commission post imposing a 10% penalty, directing the ESCOMs to procure 110% of the total shortfall to meet the targets.



The graph above shows the aggregated average cost of supply and approved energy sales for all the ESCOMs in Karnataka. BESCOM contributes to 38,206.95 (2025-26), 40,435.89 (2026-27) and 42,796.46 (2027-28) MU of the total approved sales, while the ESCOM's corresponding average cost of supply for the control period is as follows: 8.92 (2025-26), 8.89 (2026-27), 8.89 (2027-28).



The graph above shows proposed vs approved capital expenditure at an ESCOM level for the control period. The Commission has provided certain directions for the utilisation of the approved capex. This includes: no re-appropriation of the capital approved to carry out central/state scheme works. ESCOMs to monitor the physical and financial progress of the works capital is approved for. ESCOMs are also directed to prepare a detailed perspective plan by conducting 11kV feeder-wise and DTC-wise load flow studies.



The above graph shows the current ToD framework applied in Karnataka by all the ESCOMs. Currently 06.00-09.00 and 18.00-22.00 hours are considered peak and an extra 100 paise per unit is imposed as penalty, whereas from 22.00-06.00 hours are off-peak and an extra 100 paise per unit is reduced from the tariff as a rebate. The current petition had suggestions of changing the ToD framework by ESCOMs, however the commission regarded this as a commercial consideration and has not changed the framework from last year.



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