

**KARNATAKA ELECTRICITY REGULATORY COMMISSION**  
No.16 C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru-560052



**PUBLIC NOTICE**

**In the matter of determining demand charges / fixed charges from the consumers availing Open Access for sourcing power.**

The Karnataka Electricity Regulatory Commission is in the process of considering the petition by State Electricity Supply Companies (ESCOMs) for determination of tariff for the financial year FY2024-25. In the Tariff Order to be issued, the Commission is proposing to introduce a different structure for recovery of demand / fixed charges from the Consumers who are sourcing power requirement from other than the ESCOMs, through open access / wheeling & banking arrangement.

In this regard, the Commission brings to the notice of the Stakeholders/interested person, the following:

- (1) In the Tariff Order of 2023, the Commission has considered appropriate increase in demand / fixed charges to all the consumers to ensure adequate recovery of fixed costs involved in generation, transmission and distribution of energy by the ESCOMs. The tariff determined so by the Commission has been ensured to recover 71% of the total fixed cost incurred by the ESCOMs and the remaining 29% of the fixed cost is factored in Energy Charges to be recovered on per unit basis.
- (2) Whenever the consumers source power from other than the ESCOMs, through Open Access (OA), they pay only 71% of the fixed cost and the remaining 29% of fixed cost will continue to remain unrecovered/ stranded.
- (3) In order to address the issue, the Commission has determined Additional Surcharge equal to 29% of the fixed cost to be recovered from open access / wheeling consumers to ensure recovery of full fixed cost as per Section 42(4) of the Electricity Act,2003. However, some of the consumers who are availing Open Access have objected for payment of Additional Surcharge by stating that they are paying full fixed cost against their Contract Demand and the question of payment of Additional Surcharge does not arise.
- (4) Hence, the Commission proposes to fix different demand / fixed charges per KVA/ KW in respect of open access consumers to ensure 100% recovery of fixed cost and not to impose any additional surcharge on the Open Access consumers.
- (5) This will ensure full recovery of FC from OA consumers.

Since the proposal is not a part of the current tariff applications by the ESCOMs, the stakeholders / public / interested persons are hereby provided an opportunity to express their views in writing, on or before 11.02.2024 and may also participate in the Public Hearing schedule from 12.02.2024 onwards and present their views in the matter.

The written objections may be furnished to the KERC address or through email [kerc-ka@nic.in](mailto:kerc-ka@nic.in)

  
Secretary, KERC