

No. N/138/16

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,

BENGALURU

Dated: 4th May 2017

Present:

Shri M.K.Shankaralinge Gowda .. Chairman
Shri H.D.Arun Kumar .. Member
Shri D.B. Manival Raju .. Member

OP No.83/2016

BETWEEN:

Chamundeshwari Electricity Supply Corporation Ltd.
29, Kaveri Gramena Bank Road,
Vijayanagar , 2nd Stage,
Mysuru – 570 009.
(Represented by Just Law, Advocates)

...Petitioner

AND:

Karnataka Power Transmission Corporation Ltd,
Cauvery Bhavan, Bengaluru – 560 009.
(Represented by Indus Law, Advocates)

.... Respondent

ORDER

1. The Petitioner has filed this petition praying for determination of Tariff for Auxiliary Consumption of the Respondent's Sub-Stations for the period from FY 06 to FY 16. The Petitioner has also prayed to fix the tariff at Rs.5.86 per unit for FY17 for such consumption.
2. The Respondent, through its Counsel has filed its objections to the petition and prayed for dismissal of the petition.

3. We find that the Petitioner, in its application dated 30.11.2016 filed before the Commission for approval of ARR and Revision of Tariff for FY18 had made a similar request.
4. In the Tariff Order dated 11.04.2017, the Commission, while disposing of the above application has passed the following Order on the above request of the petitioner, after considering the submissions of both parties:

“Tariff determination for Auxiliary Consumption of KPTCL's Sub-stations:

CEESC, in its tariff application dated 30th November, 2016, besides seeking revision of retail supply tariff for all the categories of consumers, has prayed for determination tariff for the Auxiliary Consumption of KPTCL Stations. CEESC has also filed separate Petition before this Commission seeking tariff determination for auxiliary consumption of KPTCL's substations.

CEESC Submission:

CEESC and other ESCOMs have requested fixation of tariff for KPTCL's Auxiliary consumption on the following grounds:

1. *The power utilized by KPTCL Substations for auxiliary consumption purpose is supplied by ESCOMs through a separate feeder or local feeder. The power so supplied by ESCOMs is from the pooled purchase of power from different sources at different rates. The cost incurred in procurement of power by the ESCOMs, need to be paid by the KPTCL.*
2. *The auxiliary consumption of PGCIL stations, being the transmission utility, is being billed under commercial tariff.*
3. *The auxiliary consumption of KPTCL Substations is being billed at average power purchase cost of the ESCOMs where the substations are geographically located, from June, 2005 to October 2016 as per the KPTCL's letter dated 15.12.2005.*

Commission's analysis and decision:

The treatment of the electricity consumption of KPTCL's substations has been a matter of contention between KPTCL and ESCOMs. While the KPTCL has been urging the Commission to treat the consumption of its substations as transmission loss, the ESCOMs have been requesting the Commission to fix a commercial tariff.

The BESCO in its letter dated 29.05.2015, had requested the Commission to approve the Commercial tariff to the auxiliary consumptions in respect of KPTCL Sub-stations. After examining the issue in detail, the Commission had clarified that as per the provisions of Regulation 3.3 of the KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006, the charges for the auxiliary consumptions of KPTCL substations used for the purpose of air-conditioning, lighting etc. are part of the normative operation and maintenance expenses of KPTCL and hence the charges for the same have to be borne by KPTCL. Further, the Commission also notes that, the KPTCL while computing the transmission losses, is not considering the electricity consumption of its sub-stations as part of the transmission loss. Accordingly, the Commission vide its letter No. B/07/05/451 dated 23.06.2015, had clarified that since there is no specific category in the present tariff schedule for billing the auxiliary consumption of KPTCL Substations, the ESCOMs should seek determination of tariff in respect of sale of power to KPTCL substations under the provisions of clause 3.05 of the Conditions of Supply of Electricity by Distribution Licensees in the State of Karnataka. Accordingly, the ESCOMs have filed the petitions.

From the submissions made by CESC and other ESCOM's, it is clear that, the power utilized by KPTCL Sub-stations for the consumption purpose is being supplied by the ESCOMs through a separate / local feeder. Since, KPTCL is responsible for accounting the energy purchased by the ESCOMs upto the interface point of the ESCOMs and the energy utilized by KPTCL Substations for auxiliary consumption purpose has not been recognized in computation of transmission losses, the energy supplied from the distribution network of the ESCOMs for the consumption of the KPTCL Sub stations has to be accounted and charged in accordance with the provisions of the KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006.

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Now, keeping in view the request of the CESC and other ESCOMs, the issue before the Commission is whether to fix a commercial tariff or a tariff equal to the State's average power purchase cost, to bill the auxiliary consumption of KPTCL Sub-stations. The Commission notes that any tariff charged to bill the KPTCL's substations consumption, shall have to be ultimately recovered through transmission tariff, which in turn, is passed on to the end consumers in the form of retail supply tariff. In order to minimize the burden on the retail supply consumers, the Commission decides as follows:

In accordance with the provisions of Regulation 3.3 of the KERC (Terms and Conditions for Determination of Transmission Tariff), Regulations, 2006 and amendment thereon and Clause 3.05 of the Conditions of Supply of Electricity by Distribution Licensees in the State of Karnataka, the power supplied by the ESCOMs to the KPTCL's Substations for auxiliary consumption purposes, the Commission decides **to fix a single part tariff rate at the State Average Power Purchase Cost, as approved by the Commission, in the Tariff Orders issued from time to time.**

Further, for the energy consumption by KPTCL's Sub-stations for auxiliary purposes, during the previous periods, the ESCOMs shall bill it at the average power purchase cost of the State, as determined by the Commission in the Tariff Orders issued from time to time."

5. We note that the prayers in the petition are answered in the Tariff Order dated 11.4.2017, as at above, and thus, nothing survives for further consideration. Hence, this petition stands disposed of, in terms of the Tariff Order dated 11.4.2017.

Sd/-

(M.K.Shankaralinge Gowda)
Chairman

Sd/-

(H.D.Arun Kumar)
Member

Sd/-

(D.B.Manival Raju)
Member