

No.B/15/12/

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION**

**BANGALORE**

**Dated this 20<sup>th</sup> September 2013**

**Applications of:**

Bangalore Electricity Supply Company Ltd., (BESCOM)

Mangalore Electricity Supply Company Ltd., (MESCOM)

Chamundeshwari Electricity Supply Corporation Ltd., (CESC)

Hubli Electricity Supply Company Ltd., (HESCOM)

Gulbarga Electricity Supply Company Ltd., (GESCOM)

for approval of Fuel Cost Adjustment charges for the billing quarter  
October – December 2013.

**Present:**

- |                              |          |
|------------------------------|----------|
| 1. Sri M.R.Sreenivasa Murthy | Chairman |
| 2. Sri Vishvanath Hiremath   | Member   |
| 3. Sri K.Srinivasa Rao       | Member   |

**PREAMBLE:**

1. In accordance with provisions of the KERC (Fuel Cost Adjustment) Regulations, 2012, the ESCOMs have filed their applications on the following dates for approval of Fuel Cost Adjustment charges for the

billing quarter October-December 2013 based on the Fuel Cost incurred during April-June 2013.

<b>Name of the ESCOMs</b>	<b>Date of application</b>
BESCOM	29.08.2013
MESCOM	02.09.2013
CESC	30.08.2013
HESCOM	30.08.2013
GESCOM	02.09.2013

2. The FAC claimed by the ESCOMs are as follows:

<b>Name of ESCOM</b>	<b>Quantum of Energy in MU</b>	<b>Change in Variable charges in Rs. Crs</b>	<b>Retail Sales as per DCB in MU</b>	<b>Paise Per Unit of FAC to be collected in Oct-Dec 2013</b>
BESCOM	3943.12	40.16	6143.68	6.54
MESCOM	726.26	0.20	1061.36	0.19
CESC	936.66	13.98	1222.79	11.44
HESCOM	1534.57	15.60	2180.64	7.15
GESCOM	856.87	19.06	1468.34	12.98

3. On the preliminary review of the applications, the following discrepancies were noticed:

- i) The ESCOMs have considered approved variable charges as per Tariff Order dated 30.04.2012 for April and May 2013.
- ii) CESC and GESCOM have considered different per unit variable charges for BTPS and RTPS I to VIII units respectively.
- iii) HESCOM & GESCOM have not claimed FAC on the basis of reconciled energy statement.
- iv) It was observed that the claims of variable charges for RTPS Unit 1 to 8 and BTPS were as follows:

Name of the Station	As per Bills of KPCL	As per CESC	As per GESCOM	As filed by other ESCOMs
<b>April-2013</b>				
RTPS 1-7	2.913	2.88	2.91	2.88
RTPS-8	2.688	2.66	2.69	2.66
BTPS-1	2.399	2.35	2.40	2.40
BTPS-2	2.192	2.15	2.19	2.19
<b>May-2013</b>				
RTPS 1-7	2.977	2.94	2.98	2.94
RTPS-8	2.748	2.72	2.75	2.72
BTPS-1	2.591	2.46	2.59	2.57
BTPS-2	2.381	2.26	2.75	2.36
<b>June-2013</b>				
RTPS 1-7	2.826	2.80	2.83	2.80
RTPS-8	2.622	2.60	2.62	2.60
BTPS-1	2.793	2.60	2.79	2.76
BTPS-2	2.573	2.39	2.57	2.54

4. The Commission has considered :
- i. The source wise/ ESCOM wise energy as per the reconciliation statement among ESCOMs as furnished by BESCOM.
  - ii. The variable charges in respect of RTPS 1 to 8 units are taken as per the corrections effected for moisture content as per FSA by BESCOM.
  - iii. Sales as furnished by ESCOMs.
  - iv. The variations in the variable cost of UPCL has not been considered as the tariff for this generating station is provisional and yet to be finally decided upon.
5. The Commission notes that while there is 3 paise per unit of sale decrease in the variable cost of KPCL thermal and CGS stations, the overall power purchase cost has increased more than the approved power purchase cost for FY14.

v. Accordingly, the Commission decides to order as follows:

**Commission's Order:**

- i) The Commission as per the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations dated 21.03.2013, having recognized the reduction in fuel cost adjustment charges by 3 paise per unit of sale and overall increase in the power purchase cost in the first quarter of FY14, the Commission decides to allow adjustment of the reduction in FAC towards the overall increase in power purchase cost. As such there is no FAC to be passed on during the period 1<sup>st</sup> October 2013 to 31<sup>st</sup> December 2013.
- ii) This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission this day, the 20<sup>th</sup> September 2013.

Sd/-  
(M.R.Sreenivasa Murthy)  
Chairman

Sd/-  
(Vishvanath Hiremath)  
Member

Sd/-  
(K.Srinivasa Rao)  
Member