

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

Name of ESCOM	Quantum of Energy in MU	Total change in variable charges in Rs. Crs	Retail Sales as per DCB in MU	Paise Per Unit of FAC to be collected in Jan-Mar 2014
BESCOM	3158.63	-14.76	5641.04	-2.62
MESCOM	350.41	0.399	770.73	0.52
CESC	561.86	-1.54	1180.93	-1.30
HESCOM	1120.19	-8.89	2004.98	-4.42
GESCOM	644.18	3.748	1333.91	2.81

- i) On the preliminary review of the applications, the following discrepancies were noticed:
- ii) HESCOM 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.

2. The Commission has considered :

- i. The source wise/ ESCOM wise energy as per the reconciliation statement among ESCOMs as per SLDC Statement dated 22nd November 2013.
- ii. The variable charges in respect of RTPS 1 to 8 units and BTPS are taken as per the corrections effected for moisture content as per FSA by BESCOM.
- iii. Retail Sales as furnished by ESCOMs.

3. The FAC as computed by the Commission are as follows:

ESCOM	Total change in Variable cost in Rs Crs	Retail Sales in MU	FAC in paise per Unit
BESCOM	(14.76)	5641.04	-2.62
MESCOM	(1.53)	770.73	-1.99
CESC	(1.54)	1180.93	-1.31
HESCOM	(6.75)	2004.98	-3.37
GESCOM	(0.25)	1333.91	-0.19
TOTAL	(24.84)	10931.59	-2.27

4. The Commission notes that while there is a reduction of 2.27 paise per unit of sale in the variable cost of thermal stations, the overall power purchase cost has increased more than the approved power purchase cost for FY14. The increase in overall cost of power purchase for the period July-September 2013 as claimed by the ESCOMs is as follows:

ESCOM	Power Purchase in MU	Increase in Power Purchase Cost in Rs.Crs	Increase in Power Purchase Cost in paise per unit
BESCOM	6295.19	120.86	19.20
MESCOM	1147.49	15.35	13.38
CESC	1406.50	26.30	18.70
HESCOM	2277.70	56.96	25.01
GESCOM	1836.84	44.82	24.40
TOTAL	12963.72	264.29	20.39

- iv. In accordance with clause 3.1 of the KERC (Fuel cost adjustment charges) (First Amendment) Regulations 2013 dated 04.12.2013, the Commission orders as follows:

Commission's Order:

- i) **The Commission, as per the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations 2013 as amended on 04.12.2013, having recognized the reduction in fuel cost adjustment charges by 2 paise per unit of sale and the reported overall increase in the power purchase cost in the second quarter of FY14, 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 1st January 2014 to 31st March 2014.**
- ii) **This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission this day, the 23rd December 2013.**

Sd/-

(M.R.Sreenivasa Murthy)
Chairman