

CHAPTER – 2

SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

2.0 Background for Current Filing:

The Commission in its Tariff Order dated 14th May, 2018 had approved the Revised ARR for FY17 consequent on APR for FY17, Revised ARR for FY19 and the Revised Retail Supply Tariff of GESCOM for FY19 under the MYT principles. The GESCOM in its present application filed on 30th November, 2018, has sought approval for the Annual Performance Review (APR) for FY18 based on the audited accounts, Revision of ARR for the fifth control period i.e. FY20-22 and Revision of Retail Supply Tariff for FY20.

2.1 Preliminary Observations of the Commission:

After a preliminary scrutiny of applications, the Commission had communicated its observations to the GESCOM on 18th December, 2018, which were mainly on the following points:

- Capital Expenditure
- Sales Forecast
- Projected IP set consumption for FY19
- RPO Compliance
- Wheeling and Banking
- Cross subsidy surcharge
- Power Purchase
- Issues pertaining to items of revenue and expenditure
- Energy flow diagram
- Compliance to Directives

In response, the GESCOM had furnished its replies on 28th December, 2018. The replies furnished by the GESCOM are considered in the respective Chapters of this Order.

2.2 Public Hearing Process:

As per the Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, read with the KERC (Tariff) Regulations, 2000, and KERC (General and Conduct of Proceedings) Regulations, 2000, the Commission, in its letter dated 31st December, 2018 treated the application of GESCOM as a petition and directed GESCOM to publish the summary of ARR and Tariff proposals in the newspapers calling for objections, if any, from the interested persons.

Accordingly, the GESCOM has published the same in the following newspapers:

Name of the News Paper	Language	Date of Publication
The New Indian Express	English	06-01-2019 & 07-01-2019
The Hindu		
Prajavani	Kannada	07-01-2019
Samyukta Karnataka		
Vijayani		

The GESCOM's application on APR of FY18, Revision of ARR for FY20-22 and Revision of retail supply tariff for FY20 was also hosted on the web-sites of the GESCOM and the Commission, for the ready reference and information of the general public.

In response to the application of the GESCOM, the Commission has received five number of written objections. The GESCOM has furnished its replies to all the objections. The Commission has held a Public Hearing on 11th February, 2019, at Gulbarga. The details of the written / oral submissions made by various stakeholders and the responses from the GESCOM thereon have been discussed in Chapter – 3 / Appendix to this Order.

2.3 Consultation with the State Advisory Committee of the Commission:

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on 20th February, 2019. During the meeting the KPTCL and ESCOMs made brief presentations on the important issues in the tariff application filed before the Commission. The Committee discussed various issues involved in the tariff application.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.

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