

No. B/15/12/

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

BANGALORE

Dated this day the 25th September, 2014

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 (FAC) for the billing quarter October-December 2014.

Present:

- | | |
|------------------------------|----------|
| 1. Sri M.R.Sreenivasa Murthy | Chairman |
| 2. Sri H.D.Arun Kumar | Member |
| 3. Sri D.B.Manival Raju | Member |

PREAMBLE:

In accordance with provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, dated 22nd March 2013 and KERC (Fuel Cost Adjustment Charges) (First Amendment) Regulations, 2013, dated 4th December 2013, the ESCOMs have filed their applications on the following dates for approval of Fuel Cost Adjustment charges for the billing quarter October – December, 2014 based on the Fuel Cost incurred during April-June, 2014.

Name of the ESCOMs	Date of application
BESCOM	28.08.2014
MESCOM	01.09.2014
CESC	01.09.2014
HESCOM	01.09.2014
GESCOM	03.09.2014

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

Name of ESCOM	FAC proposed in Paise Per Unit
BESCOM	-13.49
MESCOM	0.16
CESC	-5.53
HESCOM	-6.88
GESCOM	-4.85

2. The Commission has computed the allowable FAC for the 1st Quarter of FY15 on the basis of the following :

- i. The source wise/ ESCOM wise energy as per SLDC reconciliation statement dated 25th August, 2014 among ESCOMs.
- ii. The allowable variable charges in respect of KPCL thermal stations have been determined based on the applicable formula as per the approved power purchase agreement between ESCOMs and KPCL.
- iii. Z Factor of Rs. -7.58 Crs and Rs.0.18 Crs factored by BESCOM and CESC respectively has not been considered as the same pertains to FY14 and could be factored in the APR for FY14.
- iv. Retail Sales for the first quarter of FY15 are computed as per Clause 5.1 of the KERC (Fuel Cost Adjustment Charges (First Amendment) Regulations, 2013.

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

	FAC in Rs Crs	Sales computed with approved T&D Losses	FAC in paise per unit
BESCOM	-115.16	6369.29	-18.08
MESCOM	-4.37	1032.26	-4.24
CESC	-13.42	1291.40	-10.39
HESCOM	-29.02	2405.80	-12.06
GESCOM	-13.34	1468.75	-9.08
TOTAL	-175.33	12567.50	-13.95

4. The Commission notes that while there is a decrease of 13.95 paise per unit of sale in the variable cost of thermal stations, the actual overall power purchase cost per unit is more than the approved power purchase cost per unit for the 1st quarter of FY15. The increase in overall per unit cost of power purchase for the period April-June, 2014 as furnished by the ESCOMs as per format III is as follows:

ESCOM	Power Purchase in MU	Approved per unit cost of procurement in Rs/Unit	Actual per unit cost of procurement in Rs/Unit	Increase in Power Purchase Cost in Rs. per unit
BESCOM	7663.79	3.49	3.55	0.06
MESCOM	1240.04	2.81	3.30	0.49
CESC	1631.63	2.90	3.14	0.24
HESCOM	3110.45	2.75	2.86	0.11
GESCOM	2014.05	2.77	2.95	0.18
TOTAL	15659.96	3.14	3.28	0.14

Therefore, the Commission orders as follows:

Commission's Order:

- i) In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations 2013 as amended on 04.12.2013, the Commission, having recognized the decrease in fuel cost adjustment charges in the first quarter of FY15 and the overall increase in power purchase cost, decides to allow the ESCOMs to adjust the savings in FAC against the overall increase in power purchase cost.
- ii) Hence, there is no FAC to be collected from consumers separately during October-December, 2014.
- iii) This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission this day, the 25th September, 2014.

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

Sd/-
(H.D. Arun Kumar)
Member

Sd/-
(D.B. Manival Raju)
Member