

No.B/15/12/

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

BANGALORE

Dated 21st September, 2015

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, 2015.

Present:

- | | |
|----------------------------------|----------|
| 1. Sri. M.K. Shankaralinge Gowda | Chairman |
| 2. Sri H.D. Arun Kumar | Member |
| 3. Sri D.B. Manival Raju | Member |

PREAMBLE:

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, dated 22nd March 2013 and its amendment vide notification dated 4th December, 2013, the above ESCOMs have filed their applications on the following dates for approval of Fuel Cost Adjustment charges (FAC) for the billing quarter October-December, 2015, based on the Fuel Cost incurred during April-June, 2015.

Name of the ESCOM	Date of Submission
BESCOM	01.09.2015
MESCOM	31.08.2015
CESC	31.08.2015
HESCOM	31.08.2015
GESCOM	07.09.2015

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

Name of ESCOM	FAC proposed in Paise Per Unit
BESCOM	9.18
MESCOM	10.55
CESC	8.72
HESCOM	8.39
GESCOM	11.61

2. The Commission has computed the allowable FAC for the 1st Quarter of FY16 on the basis of the following :
- i. The source-wise/ ESCOM-wise energy reconciled by SLDC as per the statement dated 24th August, 2015 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. Retail Sales for the first quarter of FY16 are computed as per amended Clause 5.1 of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013.

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

ESCOM	Allowable FAC in Rs Crs	Sales computed in MU with approved T&D Losses	FAC in paise per unit
BESCOM	57.65	5974.73	9.65
MESCOM	10.27	975.26	10.53
CESC	10.32	1143.97	9.02
HESCOM	21.80	2409.12	9.05
GESCOM	17.62	1404.06	12.55
TOTAL	117.66	11907.13	9.88

4. The Commission notes that while there is overall increase of 9.88 paise in per unit of sale in the variable cost of thermal stations, the actual overall power purchase cost per unit is also more than the approved power purchase cost per unit, for the 1st quarter of FY16. The increase in overall per unit cost of power purchase for the period April-June, 2015, as furnished by the ESCOMs as per Format III of the Regulations, 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	7171.51	3.89	4.14	0.25
MESCOM	1188.21	3.76	3.95	0.19
CESC	1390.75	3.39	3.60	0.21
HESCOM	2487.38	3.39	3.69	0.30
GESCOM	1858.25	3.41	3.54	0.13
TOTAL	14096.10	3.60	3.84	0.24

5. The Commission notes that, there is an increase in the fuel cost adjustment charges along with increase in overall power purchase cost during April-June, 2015. Hence, in accordance with the provisions of the KERC (Fuel cost Adjustment Charges) Regulations, 2013 and amendments thereon, the Commission considers that there is a case for collection of FAC as detailed below:

ESCOM	FAC in paise per unit
BESCOM	10
MESCOM	11
CESC	9
HESCOM	9
GESCOM	13

As the power purchase cost of HESCOM also includes quantum and cost of power purchase of Hukeri RECS, FAC of 9 paise per unit as may be approved for HESCOM shall also be collected by Hukeri RECS from its consumers during the billing quarter October-December, 2015.

Now, therefore, the Commission orders as follows:

Commission's Order:

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, the Commission, considering the increase in fuel cost adjustment charges along with the overall increase in power purchase cost during the first quarter of FY16, decides to allow the ESCOMs to collect the following fuel cost adjustment charges in paise per unit of sales, during the billing quarter October-December, 2015:

ESCOM	FAC in Paise per unit
BESCOM	10
MESCOM	11
CESC	9
HESCOM	9
GESCOM	13

This Order is signed, dated and issued by the Karnataka Electricity Regulatory Commission this day, the 21st September, 2015.

Sd/-

(M.K.Shankaralinge Gowda)
Chairman

Sd/-

(H.D.Arun Kumar)
Member

Sd/-

(D.B.ManivalRaju)
Member