

No.B/15/12/

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

BANGALORE

Dated this day, the 15th December, 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 January-March, 2016.

Present:

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

PREAMBLE:

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, dated 22nd March, 2013 and as amended vide notification dated 4th December, 2013, the ESCOMs have filed their applications on the following dates for approval of Fuel Cost Adjustment charges (FAC) for the billing quarter January-March, 2016 based on the Fuel Cost incurred during July-September, 2015.

Name of the ESCOM	Date of Submission
BESCOM	23.11.2015
MESCOM	03.12.2015
CESC	30.11.2015
HESCOM	30.11.2015
GESCOM	04.12.2015

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

Name of ESCOM	FAC proposed in Paise Per Unit
BESCOM	3.72
MESCOM	1.42
CESC	3.20
HESCOM	4.27
GESCOM	4.89

2. The Commission has computed the allowable FAC for the 2nd Quarter of FY16 on the basis of the following :
- i. The source wise/ ESCOM-wise energy reconciled by SLDC as per statement dated 9th November, 2015 for power purchase during July – August, 2015 and reconciliation statement dated 27th November, 2015 for power purchase during September, 2015.
 - 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 agreements between ESCOMs and KPCL.
 - iii. Retail Sales for the second 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	22.82	5801.58	3.93
MESCOM	3.14	900.13	3.48
CESC	5.85	1311.02	4.46
HESCOM	11.99	2357.97	5.08
GESCOM	7.61	1598.59	4.76
	51.41	11969.28	4.29

4. The Commission notes that not only there is overall increase of 4.29 paise per unit of sale in the variable cost of thermal stations, the actual overall power purchase cost per unit by the ESCOMs is also more than the approved power purchase cost per unit for the 2nd quarter of FY16. The increase in overall per unit cost of power purchase for the period July-September, 2015, as furnished by the ESCOMs as per Format III is as follows:

ESCOM	Power Purchase Quantum in MU	Increase in cost of power purchase in Rs. Crs	Increase in cost of power purchase in Rs./Unit
BESCOM	6882.60	244.72	0.36
MESCOM	1221.17	24.82	0.20
CESC	1528.61	46.07	0.30
HESCOM	2541.05	86.92	0.34
GESCOM	1829.44	18.66	0.10
TOTAL	14002.87	421.19	0.30

5. The Commission notes that there is increase in allowable fuel cost adjustment charges apart from increase in overall power purchase cost during July-September, 2015. Hence, in accordance with the provisions of the KERC (Fuel cost Adjustment Charges) Regulations, 2013 and amendments thereon, the Commission decides to allow collection of FAC as detailed below:

ESCOM	FAC in paise per unit
BESCOM	4
MESCOM	3
CESC	4
HESCOM	5
GESCOM	5

As the power purchase cost of HESCOM also includes the quantum and cost of power purchase of Hukeri RECS, FAC of 5 paise per unit as approved for HESCOM shall also be allowed to be collected from consumers of Hukeri RECS during the billing quarter.

Therefore, the Commission orders as follows:

ORDER

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, the Commission, having recognized the increase in fuel cost adjustment charges and also the overall increase in power purchase cost during the second quarter of FY16, decides to allow all the ESCOMs to collect the following fuel cost adjustment charges per unit of sales during the billing quarter January-March, 2016:

ESCOM	FAC in Paise per unit
BESCOM	4
MESCOM	3
CESC	4
HESCOM (including HRECS)	5
GESCOM	5

This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission this day, the 15th December, 2015.

Sd/-
(M.K.Shankaralinge Gowda)
Chairman

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

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