

CHAPTER-10

NEW PROPOSALS

1. **Billing of auxiliary consumption of KPTCL:**

In the application dated 15-12-2015, MESCOM has proposed for billing of auxiliary consumption of KPTCL under LT-3 (commercial) category. But, the Hon'ble Commission has not considered the proposal stating that MESCOM has not sought for determination of tariff in respect of sale of power to KPTCL in accordance with the provisions of Clause 3.05 of the COS.

In this regard, it is to submit as below;

- Clause 3.5 of CSO states that *“The Licensee may, having regard to the nature of supply and purpose for which supply is required, may fix special tariff and conditions of supply for the consumers not covered by the classification enumerated in these conditions. For such purposed Licensee may enter into special agreements with the approval of the Commission with suitable modification in the Standard Agreement Form. The Tariff in such cases shall be separately approved by the Commission.”*
- KPTCL is also a separate commercial entity registered under Company's Act dealing with the business of transmission of electricity in the State of Karnataka and hence, MESCOM felt it is appropriate to bill the auxiliary consumption of KPTCL under LT-3 (Commercial) Tariff.
- The statutory auditors while undertaking the audit of accounts of MESCOM for FY-16 had also qualified the non-accounting of revenue from KPTCL in respect of auxiliary consumption.
- The above fact was brought to the notice of KPTCL vide MESCOM letter No.1962.-63/ Dt.27-10-2016 and requested consent of KPTCL to place the above proposal, i.e. billing of auxiliary consumption under LT-3 tariff category, before the Hon'ble Commission for approval in the ensuing tariff proposal. In the letter, it has also been requested to communicate the same before 31-10-2016 otherwise it will be presumed as KPTCL has consented for MESCOM's proposal. However, no communication is received from KPTCL till date.

Clause 3.3 of the KERC (Terms & Conditions for Determination of Transmission Tariff) (Second Amendment) Regulations, 2015 provides that

“The charges for station auxiliary energy consumption in the sub stations / offices for the purpose of air-conditioning, lighting, technical consumption, etc., shall be borne by the Transmission Licensee as part of its normative operation and maintenance expenses.

Provided that the charges for station auxiliary consumption shall be paid by the transmission licensee as per the tariff approved by the Commission from time to time.”

Accordingly, with relevant to the fact that KPTCL is also a separate commercial entity registered under Company's Act dealing with the business of transmission of electricity in the State of Karnataka, MESCOM is submitted before the Hon'ble Commission to approve for billing of auxiliary consumption of KPTCL under LT-3 (Commercial) Tariff.

Quantum of auxiliary consumption of KPTCL in different years is indicated in the below table;

| Sl. No. | Year | Auxiliary Consumption (MU) |
|---------|-------|----------------------------|
| 1 | FY 07 | 1.65 |
| 2 | FY 08 | 1.79 |
| 3 | FY 09 | 1.97 |
| 4 | FY 10 | 2.23 |
| 5 | FY 11 | 2.26 |
| 6 | FY 12 | 2.50 |
| 7 | FY 13 | 2.79 |
| 8 | FY 14 | 2.85 |
| 9 | FY 15 | 3.00 |
| 10 | FY 16 | 3.28 |

2. Tariff classification required:

Recently an application was registered with MESCOM requiring electrical connection for the working arrangement of the gates of a water reservoir (owned by the Government) which are meant to release water to the canals. Observing that no specific tariff category is available to categorize the installation, MESCOM had took action to service the same under HT-1 category under intimation to Hon'ble Commission.

Hence, MESCOM submits before the Hon'ble Commission to include such installations under HT-1 category in the tariff schedule.

3. Load Limitation for usage other than the specific purpose:

Note relating to HT-2a, HT-2b and HT-2c category, in the tariff schedule, provides that *“Energy supplied may be utilized for all purposes associated with the working of the installation such as offices, stores, canteens, yard lighting, water pumping and advertisement within the premises.”*

In this regard, MESCOM submits before the Hon'ble Commission to include a load limit of about 10% to 20% of the contract demand for such of the loads for which electrical connection is obtained.

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