

## KPTCL

### **Preliminary Observations on Approval of APR for FY12, ARR for F14 – FY16 & Transmission Tariff filing for FY14**

#### **1. General Observations on ERC / Tariff filing application:**

As per 2.4.2 of KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations 2006, KPTCL should have submitted a Perspective Plan for Commission's approval along with MYT filing for the third control period for a period of five years commencing from FY14 to FY18. However the same has not been filed with the ERC & Tariff application. KPTCL shall submit Perspective plan for the period covering FY14 to FY18 immediately.

#### **2. Annual Performance Review for FY12:**

KPTCL in its filing for Annual Performance Review for 2011-12 has indicated a gap of Rs.293.23 Crores by taking revenue from transmission charges at Rs.1568.61 Crores, whereas in the same filing at page No.35 KPTCL has indicated revenue of transmission of power of Rs.1568.61 Crores and other operating income of Rs.94.40 Crores and other income of Rs.22.98 Crores and therefore the gap for FY12 comes to Rs.198.83 Crores. KPTCL may explain reason for not taking Rs.94.40 Crores for arriving at the gap.

#### **3. Annual Revenue Requirement for FY14 – FY16:**

Employee Cost under O & M Expenditure has been estimated by taking provision for terminal benefits at 35% on basis pay, dearness pay and dearness allowance for pension and for gratuity at 6% on basic and dearness pay for FY13 and thereafter 1% increase on above percentage

year on year for the MYT period has been assumed. Reason for taking such a high percentage shall be explained to the Commission.

**Transmission Losses:**

As per KPTCL filing for APR vide page No.18 the actual transmission losses for FY12 is indicated as 3.907%, whereas the same as per audited accounts on page No.39 is indicated as 4.536%. KPTCL shall furnish the details of assessment of transmission losses and also indicate the correct transmission losses. Further, having stated that the loss level for FY12 is at 3.90%, KPTCL has estimated its Transmission losses as a part of improving the efficiency (page 48) at 3.96%, 3.94% 3.92% and 3.90% for FY13, FY14, FY15 and FY16 respectively. Considering this, KPTCL shall restate its transmission losses trajectory for FY13 to FY16 taking base level of losses at 3.90%.

**4. Compliance to Directives issued by the Commission:**

The Commission in the tariff order dated 30.04.2012 had issued directives, KPTCL has not complied with some of the directives and partially complied with other directives which are detailed below for immediate reply.

**i) Management Information System:**

KPTCL has stated that they have started implementing mock exercise on intra state ABT at 220 KV level from 1<sup>st</sup> August 2012. However, the details of same is not furnished to the Commission. Further, progress in implementation of intra state ABT in total from 1<sup>st</sup> August to 2012 to till date should be furnished to the Commission.

**ii) Energy Audit:**

Monthly Transmission Voltage Level wise losses for FY12 shall be furnished to the Commission for further analysis. The information stated

to have been submitted on 09.11.2012 is not received in the Commission office.

iii) **Prevention of Electrical Accidents;**

Action plan to effect improvements in transmission networks and implement safety measures to prevent electrical accidents is stated have been submitted vide letter dated 28.09.2012 but however the same has not been received in the Commission office till today. The same may be submitted immediately for further analysis.

iv) The Commission in its tariff order dated 30<sup>th</sup> April 2012 has directed KPTCL to undertake a detail review of actual utilization of its capital assets with a view to optimizing the transmission capacity in the State. KPTCL is directed once again to send a detailed report pertaining to the actual utilization of its assets.

**5. Energy Balancing among ESCOMs for FY11 & FY12:**

The energy balancing in terms of quantum and cost for the years FY11 & FY12 among the ESCOMs has to be finalized and submitted to the Commission. In this regard you are directed to furnish the energy balancing statement for FY11 & FY12 as per the information available with SLDC. The data should clearly indicate the adjustments in both quantum and cost among the ESCOMs.

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## KARNATAKA ELECTRICITY REGULATORY COMMISSION

### NOTE

**NO.B/22/12/**

**Dated: 26<sup>th</sup> December 2012**

1. KPTCL vide its letter dated 10<sup>th</sup> December 2012, has filed its application for Approval of APR for FY12, Approval of ERC for FY14 to FY16 and Tariff for FY14. After verification / scrutiny of the ERC and Tariff application, the staff of the Commission has prepared preliminary observations on the filing.
2. A draft copy of the preliminary observations is placed in the file for perusal and approval of the Commission.

Director (Tech.) / Director (Tariff)

3. Secretary