

# GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

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Corporate Office,  
GESCOM, Kalaburagi.

No. GESCOM/CEE(CP)/SEE(MIS)/EE(RA)/AEE-2/ 18-19/35243-55

Date

29 SEP 2018

All the Executive Engineer Ele,  
O&M Division of GESCOM.

Sir,

**Sub:-** Implementation of Fuel Cost Adjustment Charges (FAC) in all the energy bills to be issued from 1<sup>st</sup> October 2018 to 31<sup>st</sup> December-2018.

**Ref:-** KERC, Bangalore FAC Order Letter No. Ltr. KERC/DD(Tariff)/B/15/12/909 dated 14.09.2018.

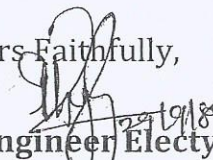
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In accordance with Hon'ble KERC Order dated 12.09.2018 under reference, it is requested to arrange to issue consumer bills claiming 5.00 Paise/Unit as Fuel Cost Adjustment Charges (FAC) in addition to the existing tariff for the billing quarter commencing from 1<sup>st</sup> October 2018 to 31<sup>st</sup> December-2018 for all categories of consumers of GESCOM. The Commission's order is available in the following website.

- 1) [www.karnataka.gov.in/kerc](http://www.karnataka.gov.in/kerc)
- 2) [www.gescom.in](http://www.gescom.in)

The copy of the order is enclosed herewith for your ready reference.

Yours Faithfully,

  
Chief Engineer Electy.,  
Operations,  
GESCOM, Gulbarga.

Copy W.C. to the Chief Financial Officer, GESCOM for information.

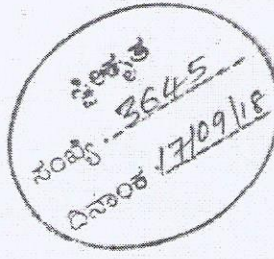
**Copy to:**

- 1) The Chief Engineer Ele., O&M Zone, Kalaburagi / Ballari for information and necessary needful action.
- 2) The Superintending Engineer (Ele), O&M Circle, GESCOM, Kalaburagi / Bidar / Raichur/ Ballari/Koppal for information and necessary needful action.
- 3) The Controller of Accounts (I/A), Corporate office, GESCOM, Kalaburagi for information.
- 4) The DCA, Revenue Analysis, Corporate office, GESCOM, Kalaburagi for information.
- 5) The Executive Engineer Ele., Commercial, Corporate Office, GESCOM for information and to take needful action to host order copy in GESCOM website.
- 6) The Executive Engineer Ele., PTC, Corporate Office, GESCOM for information
- 7) The Project Manager Infosys for information.
- 8) The Project Manager N-Soft for information.
- 9) The Project Manager BCITS Private Limited, #86 3rd Cross, Bhoopasandra Main Road, RMV 2<sup>nd</sup> Stage, Bangalore for information.
- 10) SPS to MD/DT for information.
- 11) PS to CEE(O).



No. KERC/DD (Tariff)/ B/15/12/

909



14 SEP 2018

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION**

**BANGALORE**

**Dated this day, the 12<sup>th</sup> September, 2018**

**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),

D(T)	CE (O)
CFO	FA (I/A)
GM(A&HRD)	DCA(HRD/Pen.)
	IPDS
SE/EE(Project)	Soubhagya
	Sub. Stations
	DDUGJY
SE/EE(Tech.)	GK
	UAIP
	Energy Audit
SE/EE(MIS)	SE/EE(Comm.)
SE/EE(MRT)	SE/EE (Proc.)
SP(Vig)	DSP/EE(Vig.)
EE(SCADA)	EE(TA&QC)
EE(NJY)	EE(APDRP)
EE/DCA(RA)	EE(PTC)
EE(DSM)	EE(Civil)
Legal Adv.	ACS
Sr. PS	TA
MD	

In the matter of approval of Fuel Cost Adjustment Charges (FAC) due for the billing quarter April - June, 2018.

**Present:**

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

Chairman **ವ್ಯ.ನಿ. ರವರ ನಿರ್ದೇಶನದಂತೆ**  
ಸೂಕ್ತ ಕ್ರಮವಾಗಿ ಸಲ್ಲಿಸಲಾಗಿದೆ  
Member  
Member

**PREAMBLE:**

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, dated 22<sup>nd</sup> March, 2013 as amended, vide Notification dated 4<sup>th</sup> December, 2013, the ESCOMs have filed their applications on the following dates for approval of Fuel Cost Adjustment Charges (FAC) to be recovered/adjusted in the billing quarter of October - December, 2018 based on the Fuel Cost incurred during - April - June quarter of 2018.

A EE

22/9



Name of the ESCOM	Date of Submission
BESCOM	31.08.2018
MESCOM	03.09.2018
CESC	03.09.2018
HESCOM	03.09.2018
GESCOM	03.09.2018

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

Name of ESCOM	FAC proposed in Paise Per Unit
BESCOM	14.00
MESCOM	7.56
CESC	10.69
HESCOM	14.67
GESCOM	8.16

2. The Commission has proceeded to compute the allowable FAC for the 1<sup>st</sup> Quarter of FY18 on the basis of the following:

- i. The source - wise/ ESCOM-wise energy reconciled by the SLDC as per statement dated 26<sup>th</sup> August, 2018 for the power purchased during the period April - June, 2018.
- 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 the ESCOMs and the KPCL.
- iii. The allowable variable charges in respect of NTPC- KSTPS (Kudgi), NVVNL Coal and NSM (Bundled) Stations have been recognized based on the variable charges as approved by the Commission in the Tariff Order 2018, dated 14.05.2018.
- iv. Retail Sales for the first quarter of FY19 are computed as per amended Clause 5.1 of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013.

3. The Commission notes that, the claims of variable charges payable to some of the KPCL thermal Stations as reported by the MESCOM, CESC, HESCOM and



GESCOM are on a substantially higher side, as compared to the actual variable charges payable. The same needs to be corrected as per the terms of the agreements with KPCL and any variations in payment shall be adjusted accordingly.

4. The Fuel Adjustment Charges as computed by the Commission, for the first quarter, are as follows:

ESCOM	Allowable FAC in Rs Crs.	Sales computed in MU with approved T&D Losses	FAC in paise per unit
BESCOM	95.19	6607.32	14.41
MESCOM	4.09	1114.23	3.67
CESC	6.68	1334.54	5.01
HESCOM	21.64	2840.97	7.62
GESCOM	8.73	1669.54	5.23
<b>TOTAL</b>	<b>136.33</b>	<b>13566.60</b>	<b>10.05</b>

5. The Commission notes that there is an increase from 4 paise per unit to 14 paise per unit in the variable cost of thermal stations, the actual overall power purchase cost per unit by the ESCOMs is also higher than the approved power purchase cost per unit for the 1<sup>st</sup> quarter of FY19. The increase in overall per unit cost of power purchase for the period April - June, 2018, 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	7764.23	390.63	0.50
MESCOM	1253.76	50.19	0.40
CESC	1578.21	92.90	0.59
HESCOM	3237.69	248.69	0.77
GESCOM	2106.03	61.89	0.29
<b>TOTAL</b>	<b>15939.92</b>	<b>844.30</b>	<b>0.53</b>



6. The Commission notes that there is an increase in allowable fuel cost adjustment charges apart from increase in overall power purchase cost during April-June, 2018. 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	14
MESCOM	4
CESC	5
HESCOM	8
GESCOM	4

Therefore, the Commission orders as follows:

#### ORDER

1. In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013 and amendments thereon, the Commission, having recognized the increase in fuel cost adjustment charges along with the increase in overall power purchase cost, during the first quarter of FY19, decides to allow all the ESCOMs to collect fuel cost adjustment charges per unit of sales in all the energy bills, to be issued to their consumers, during the billing quarter from 1st October, 2018 to 31st December, 2018 as follows:

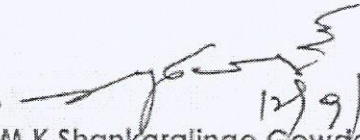
ESCOM	FAC in paise per unit
BESCOM	14
MESCOM	4
CESC	5
HESCOM	8
GESCOM	5 ✓

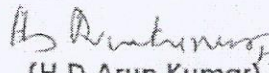
The fuel cost adjustment charges of MESCOM are also applicable to consumers of Mangalore SEZ and the fuel cost adjustment charges of HESCOM are also applicable

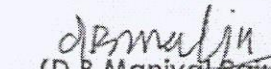


to consumers of Hukeri RECS, and AEQUS SEZ, in all the energy bills to be issued to their consumers from 1st October, 2018 to 31st December, 2018.

This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission on this day, the 12<sup>th</sup> September, 2018.

202.  12/9/18  
(M.K. Shankaralinge Gowda)  
Chairman

 12/9/18  
(H.D. Arun Kumar)  
Member

 12/9/18  
(D.B. Manivel Raju)  
Member