

# **GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

Phone No: (08472) 256960

E-mail: [aeeragescom@gmail.com](mailto:aeeragescom@gmail.com)

[eeragescom2002@gmail.com](mailto:eeragescom2002@gmail.com)



Corporate Office,  
GESCOM, Kalaburagi.

No. GESCOM/CEE(O)/EE(RA)/AEE/19-20/53259-90 Date 26 DEC 2019

**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> January 2020 to 31<sup>st</sup> March-2020.

**Ref:-** KERC, Bangalore FAC Order Letter No. Ltr. KERC/DD(Tariff)/B/15/12/1156 dated 20.12.2019.

\*\*\*\*\*

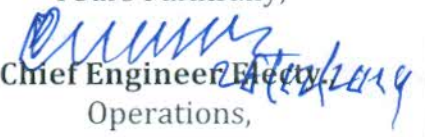
In accordance with Hon'ble KERC Order dated 20.12.2019, it is requested to arrange to issue consumer bills claiming 7 (seven Paise/Unit as Fuel Cost Adjustment Charges (FAC) in addition to the existing tariff for the billing quarter commencing from 1<sup>st</sup> January 2020 to 31<sup>st</sup> March-2020 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 for your ready reference.

Yours Faithfully,

  
Chief Engineer Ele.,

Operations,

Corporate Office,  
GESCOM, Gulbarga.

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

Copy W.C. to the Financial Advisor(I/A), 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 Superintendent Engineer (Ele.,) MIS, Corporate Office, GESCOM for information and to arrange to publish in two leading Newspapers. (One in Kannada & another in English)
7. The Executive Engineer Ele., IT, Corporate Office, GESCOM for information & needful action
8. The Executive Engineer Ele., PTC, Corporate Office, GESCOM for information
9. The DCA Accounts, Corporate Office, GESCOM for information
10. The Project Manager Infosys for information.
11. The Project Manager N-Soft for information.
12. The Project Manager BCITS Private Limited, #86 3rd Cross, Bhoopasandra Main Road, RMV 2<sup>nd</sup> Stage, Bangalore for information.
13. SPS to MD/DT for information.
14. PS to CEE(O).
15. MF/OC.

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION  
BANGALORE**

**Dated this day, the 20<sup>th</sup> December, 2019**

**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),

**In the matter of approval of Fuel Cost Adjustment Charges (FAC) due for the billing quarter July to September, 2019.**

**Present:**

- |                             |          |
|-----------------------------|----------|
| 1. Sri. Shambhu Dayal Meena | Chairman |
| 2. Sri H.M. Manjunatha      | Member   |
| 3. Sri M.D. Ravi            | Member   |

**PREAMBLE:**

In accordance with the provisions of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013, notified on 22<sup>nd</sup> March, 2013 and 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 January – March, 2020 based on the Fuel Cost incurred during July to September for the 2<sup>nd</sup> Quarter of FY20.





Name of the ESCOM	Date of Submission
BESCOM	29.08.2019
MESCOM	03.12.2019
CESC	03.12.2019
HESCOM	03.12.2019
GESCOM	09.12.2019 (e-mail dated 04.12.2019)

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

Name of ESCOM	FAC proposed - Paise Per Unit
BESCOM	16
MESCOM	10
CESC	10
HESCOM	5
GESCOM	8

2. The Commission has proceeded to compute the allowable FAC for the 2<sup>nd</sup> quarter of FY20 on the basis of the following:
- The source - wise/ ESCOM-wise energy reconciled by the SLDC as per statement dated 12<sup>th</sup> November, 2019 for the power purchased during the period July – September, 2019.
  - 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.
  - 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 considered by the Commission in the Tariff Order, 2019, dated 30.05.2019.



- iv. Retail Sales for the second quarter of FY20 are computed as per the amended Clause 5.1 of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013.
3. i. The Commission notes that, the claims of variable charges payable to the KPCL RTPS 1-7, RTPS 8 and BTPS 2 & 3 Thermal Stations, as reported by the MESCOM, and CESC for April and May, 2019 are on 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.
- ii. The Commission also notes that there is a substantial variation in the variable charges paid to NTPC-VVNL (Coal) and NSM Coal (Bundled) NTPC station, as compared to the actual variable charges payable for the month of July to September 2019. Further, the Commission notes that, as reported by MESCOM, CESC, HESCOM and GESCOM, there is a marginal variation in the variable charges payable to NLC Tamilnadu station as compared to the actual variable charges payable for the month of August, 2019. The Commission directs the ESCOMs to correct the same as per the terms of Power Purchase Agreement and accordingly, the variations in payment shall be adjusted in future bills.
- iii. The ESCOMs shall report to the Commission regarding the action taken for the recovery of the excess power purchase payment, within 15 days from the date of this Order.
4. The Fuel Adjustment Charges as computed by the Commission, for the second quarter of FY20, are as follows:

ESCOM	Allowable FAC in Rs. Crores	Sales computed in MU with approved T&D Losses	FAC in paise per unit
BESCOM	75.30	6057.77	12.43
MESCOM	6.59	930.84	7.08
CESC	13.30	1444.51	9.21
HESCOM	13.66	2495.59	5.47
GESCOM	10.96	1581.74	6.93
<b>Total</b>	<b>119.81</b>	<b>12510.47</b>	<b>9.58</b>





5. i) The Commission notes that, there is an increase in FAC from 5 paise per unit to 12 paise per unit in the variable cost of thermal stations in respect of all the ESCOMs. The actual overall power purchase cost per unit incurred by the ESCOMs is also higher than the approved per unit cost of power purchase for the 2<sup>nd</sup> quarter of FY20. The increase in overall per unit cost of power purchase for the period July - September, 2019, 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	7600.24	45.17	6
MESCOM	1309.75	70.10	54
CESC	1708.67	30.84	18
HESCOM	3526.32	98.68	28
GESCOM	2177.05	115.14	53
<b>TOTAL</b>	<b>16322.03</b>	<b>359.93</b>	<b>22</b>

- ii) The Commission notes that, there is an abnormal increase in the power purchase cost in respect of KPCL and NTPC Thermal stations during the 2<sup>nd</sup> quarter, which has resulted in increase in the per unit power purchase cost than the approved purchase cost and per unit power purchase cost in MESCOM, HESCOM and GESCOM. These ESCOMs shall analyze and submit the reasons for the same to the Commission.
6. The Commission further notes that, there is an increase in allowable Fuel Cost Adjustment Charges of 5 paise per unit to 12 paise per unit recoverable from the consumers during the billing quarter January- March, 2020 in the case of all the ESCOMs, apart from an overall net increase in the power purchase cost by Rs.359.93 Crores in the 2<sup>nd</sup> quarter of FY20 in all ESCOMs in respect of KPCL, CGS and UPCL Thermal stations. Hence, by considering the amount of FAC for the second quarter of FY20, in accordance with the provisions of Regulation 3.1 of the KERC (Fuel Cost Adjustment Charges) Regulations, 2013



and amendments thereon, the Commission decides to allow the collection of FAC during the billing quarter January to March, 2020 for the second quarter of FY20 as under:

ESCOM	FAC in paise per unit to be allowed to collect from the consumer
BESCOM	12
MESCOM	7
CESC	9
HESCOM	5
GESCOM	7

7. Thus, the ESCOMs are allowed to recover the FAC of 2<sup>nd</sup> quarter of FY20, as approved in this Order in all the energy bills to be issued to the consumers from January to March, 2020.

Therefore, the Commission orders as follows:

### **ORDER**

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 second quarter of FY20, decides to, allow 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 1<sup>st</sup> January , 2020 to 31<sup>st</sup> March, 2020, at the following rates:


ESCOM	FAC in paise per unit allowed to be collected from the consumer
BESCOM	12
MESCOM	7
CESC	9
HESCOM	5
GESCOM	7







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, to be claimed in all the energy bills to be issued to their consumers from 1st January, 2020 to 31st March, 2020.

This Order is signed dated and issued by the Karnataka Electricity Regulatory Commission on this day 20<sup>th</sup> December, 2019.

  
(Shambhu Dayal Meena)  
Chairman  
20/12/2019

  
(H.M. Manjunatha)  
Member 20/12/2019

  
(M.D. Ravi)  
Member 20/12/2019