

**BEFORE THE HON'BLE KERALA STATE
ELECTRICITY REGULATORY COMMISSION,
Thiruvananthapuram**

**OBJECTIONS BY
THE KERALA HT&EHT INDUSTRIAL ELECTRICITY
CONSUMERS' ASSOCIATION**

**IN THE MATTER OF
KSEBL PETITION TO LEVY OF FCA CHARGES FOR
April – June 2017**

8th November, 2017

FCA PETITION– LEGAL & PROCEDURAL ASPECTS

KSERC Tariff Regulations 2014

- KSEBL has, so far, been telling that they have not '**adopted**' the Tariff Regulations of 2014. They even challenged it in the Hon'ble High Court
- While it is a welcome attitude taken by KSEBL, ironically it also exhibits KSEBL's inclination of 'Cherry Picking'.
- As per Regulations, FPA petitions are to be submitted within 30 days of close of each quarter. But, KSEBL delayed it.
- **KSEBL has never kept specified time lines**
- **Habitual** default is a serious offence and the Hon'ble Commission is requested to view it in that angle and take necessary corrective actions

FCA LEGAL & PROCEDURAL ASPECTS Contd...

KSEBL not filing FPA charges petition during certain quarters

- As per Regulations, every Distribution Business/Licensee **shall**, within 30 days after the close of each quarter, submit FPA petition
- No petitions from April 2015 till March 2017 – This is a violation of applicable regulations on the part of KSEBL which should be seriously looked into by the Hon'ble Commission.
- Suspected motive – Fuel Cost Adjustment would have been favourable to consumers.
- Such selective submission of FPA petition by KSEBL should not be allowed.
- We, therefore, request the Hon'ble Commission to take appropriate action against KSEBL for wilful violation of the provisions of the Commission's Regulations.

ANALYSIS OF KSEBL PROPOSAL

Prudence check

- In the absence of details regarding power purchase from various stations we are not in a position to counter check the veracity of figures submitted by KSEBL in this petition.
- To safeguard the interest of the consumers it is necessary that the Commission do a prudence check on the details submitted by KSEBL.
- We trust that the Hon'ble Commission will kindly do that.

ANALYSIS OF KSEBL PROPOSAL

Computation of FPA charges

- KSEBL has stated *“Month wise schedule of each source was not specified in the order. Hence, actual monthly power purchase from approved sources has been taken”*
- As per the Tariff Regulations (Annexure-X, Fuel Surcharge Formula) FPA charges are applicable on the actual monthly energy purchase or the approved monthly energy purchase whichever is less.
- We feel that the Commission should have given a monthly split up or KSEBL should have sought a split up from the Commission and the Commission would have given it promptly.
- An omission on the part of KSEBL or the Commission cannot be the reason for charging the consumer beyond what is permitted by law.
- The Hon'ble Commission, in the past, apportioned the yearly quantum month wise on a pro rata basis and we also follow the same method. Based on such apportioned quantity 'as approved quantity' we have computed the FPA charges.

ANALYSIS OF KSEBL PROPOSAL

Procurement from Short term market and Traders

- Tariff Regulations 2014 do not make any distinction between power purchase from short term market & traders and power purchase from other sources.
- KSEBL in their petition has given details of procurement from short term market and Traders. But they have not considered the variation in power purchase cost due to the above in computation of FPA. Instead, they have made a simple statement " **Rates of purchase through short term contracts are within the approved limits**"
- We do not understand the reason why KSEBL has not included power purchased from short term market in their FPA computations.
- **We submit that it is not correct and the impact of short term market purchases also should be included in the computation and we have included it in our computations.**

April 2017		ENERGY PURCHASE (MU)			VARIABLE COST (Rs/ Kwh)		
SI No	Name of the Station	APPROVED	ACTUAL	ELIGIBLE QUANTITY	ACTUAL	APPROVED	FUEL COST ADJUSTMENT (Rs. Cr.)
1	RSPTS I & II	136.08	142.67	136.08	2.41	2.63	-2.96
2	RSTPS III	34.23	41.26	34.23	2.36	2.69	-1.14
3	Talcher Stage - II	236.24	264.54	236.24	1.82	1.48	8.08
4	Simhadri TPS Stage II	50.75	45.77	45.77	3.06	2.73	1.51
5	NLC - Stage-1	29.84	40.42	29.84	3.27	2.42	2.55
6	NLC - Stage-2	42.64	57.73	42.64	3.27	2.42	3.64
7	NLC- I Exp	34.78	44.28	34.78	3.10	2.28	2.84
8	NLC - II Exp	32.99	36.71	32.99	2.97	2.30	2.23
9	Vallur STPS	28.10	31.83	28.10	2.93	2.07	2.41
10	NTPL	40.51	46.03	40.51	2.76	2.09	2.70
	SUB TOTAL CGS						21.87
1	DVC Raghunathpur	27.94	6.15	6.15	2.20	2.30	-0.06
2	DVC Mejia	57.99	68.22	57.99	2.03	2.30	-1.57
3	Maithon Power I ER	85.83	90.24	85.83	1.89	2.00	-0.94
4	Maithon Power II ER	85.83	77.61	77.61	1.89	2.00	-0.85
5	JPL Stage II	41.31	130.42	41.31	1.11	0.81	1.24
6	Jhabua SGPLNLR	63.52	78.33	63.52	1.82	1.66	1.02
	SUB TOTAL PVT.						-1.17
1	PTC	122.40	138.68	122.40	3.08	3.33	-3.06
2	TATA	160.03	72.99	70.78	3.33	4.00	-4.74
3	IEX		90.88	0.00	3.50	4.00	0.00
4	PXIL		25.21	25.21	3.09	4.00	-2.29
5	DSM		64.04	64.04	2.11	4.00	-12.10
08-11-2017	SUB TOTAL STOA & TRADERS						-22.207

May 2017		ENERGY PURCHASE (MU)			VARIABLE COST (Rs/ Kwh)		
SI No	Name of the Station	APPROVED	ACTUAL	ELIGIBLE QUANTITY	ACTUAL	APPROVED	FUEL COST ADJUSTMENT (Rs. Cr.)
1	RSPTS I & II	140.62	159.01	140.62	2.42	2.63	-2.92
2	RSTPS III	35.37	42.96	35.37	2.36	2.69	-1.17
3	Talcher Stage - II	244.12	254.20	244.12	1.87	1.48	9.58
4	Simhadri TPS Stage II	52.45	65.34	52.45	2.99	2.73	1.36
5	NLC - Stage-1	30.84	49.90	30.84	3.27	2.42	2.63
6	NLC - Stage-2	44.06	64.34	44.06	3.27	2.42	3.76
7	NLC- I Exp	35.94	26.84	26.84	3.09	2.28	2.17
8	NLC - II Exp	34.09	27.59	27.59	2.97	2.30	1.86
9	Vallur STPS	29.04	34.59	29.04	2.83	2.07	2.20
10	NTPL	41.86	42.84	41.86	2.74	2.09	2.71
	SUB TOTAL CGS						22.18
1	DVC Raghunathpur	28.87	34.17	28.87	2.01	2.30	-0.84
2	DVC Mejia	59.92	61.13	59.92	2.04	2.30	-1.56
3	Maithon Power I ER	88.69	96.72	88.69	1.86	2.00	-1.24
4	Maithon Power II ER	88.69	96.73	88.69	1.86	2.00	-1.24
5	JPL Stage II	42.69	132.32	42.69	1.06	0.81	1.07
6	Jhabua SGPLNLR	65.64	79.72	65.64	1.78	1.66	0.79
	SUB TOTAL PVT.						-3.02
1	PTC	126.48	144.26	126.48	3.08	3.33	-3.16
2	TATA	165.36	72.81	72.81	3.28	4.00	-5.24
3	IEX		121.14	30.56	3.39	4.00	-1.86
4	PXIL		3.51	0.00	3.48	4.00	0.00
5	DSM		61.99	61.99	2.04	4.00	-12.15
	SUB TOTAL STOA & TRADERS						-22.42

June 2017		ENERGY PURCHASE (MU)			VARIABLE COST (Rs/ Kwh)		
SI No	Name of the Station	APPROVED	ACTUAL	ELIGIBLE QUANTITY	ACTUAL	APPROVED	FUEL COST ADJUSTMENT (Rs. Cr.)
1	RSPTS I & II	136.08	138.81	136.08	2.55	2.63	-1.05
2	RSTPS III	34.23	34.83	34.23	2.49	2.69	-0.69
3	Talcher Stage - II	236.24	265.72	236.24	1.65	1.48	4.07
4	Simhadri TPS Stage II	50.75	55.40	50.75	2.88	2.73	0.76
5	NLC - Stage-1	29.84	32.77	29.84	3.27	2.42	2.55
6	NLC - Stage-2	42.64	38.00	38.00	3.27	2.42	3.24
7	NLC- I Exp	34.78	38.34	34.78	3.01	2.28	2.53
8	NLC - II Exp	32.99	30.08	30.08	2.97	2.30	2.03
9	Vallur STPS	28.10	21.56	21.56	2.88	2.07	1.74
10	NTPL	40.51	24.29	24.29	2.79	2.09	1.69
	SUB TOTAL CGS						16.87
1	DVC Raghunathpur	27.94	14.58	14.58	2.51	2.30	0.31
2	DVC Mejia	57.99	64.10	57.99	2.12	2.30	-1.04
3	Maithon Power I ER	85.83	96.75	85.83	1.97	2.00	-0.26
4	Maithon Power II ER	85.83	96.78	85.83	1.97	2.00	-0.26
5	JPL Stage II	41.31	131.03	41.31	1.11	0.81	1.24
6	Jhabua SGPLNLR	63.52	78.60	63.52	1.85	1.66	1.21
	SUB TOTAL PVT.						1.19
1	PTC	122.40	139.89	122.40	3.08	3.33	-3.06
2	TATA	160.03	0.00	0.00	0.00	0.00	0.00
3	IEX		35.44	35.44	3.01	4.00	-3.51
4	PXIL		2.30	2.30	3.67	4.00	-0.08
5	DSM		52.93	52.93	1.85	4.00	-11.38
	SUB TOTAL STOA & TRADERS						-18.02

08-11-2017

Summary of computations

SUMMARY OF FUEL COST ADJUSTMENTS				
April to June 2017 (Rs. Cr.)				
SOURCE	Apr-17	May-17	Jun-17	TOTAL
CGS	21.87	22.18	16.87	60.92
PRIVATE	-1.17	-3.02	1.19	-3.00
STOA & TRADERS	-22.2	-22.42	-18.02	-62.64
TOTAL	-1.5	-3.26	0.04	-4.72

- FPA for April-June 2017 is **Rs - 4.72** Cr which means that this amount has to be given back to the consumers of KSEBL
- If the actual quantum of energy purchase under Short term & Traders, the gain KSEBL has made is huge.

- Since the amount involved is small, less than 1 paise per unit, we suggest that this amount may be carried forward to be adjusted in future FPA charges.

PRAYER

- 1. The Objector most humbly requests the Hon'ble Commission to consider the above submissions and determine appropriate FPA Charges.**
- 2. We request the Hon'ble Commission to keep the amount as a carried forward quantity for future adjustments**

Thank you