

**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
July – Sept 2017**

6th February 2018

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
- 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

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

- The Hon'ble commission, in its order dtd 24.01.2018 in the matter of Petition to recover the FPA charges for Q1 of 2017-18
- Commission in that order has given the monthly approved quantum for CGS, Private and Short term traders.
- The Association has relied on those monthly approved quantum for working out the second quarter approved quantity.

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.**
- **In the following slides we have worked out the monthly FPA charges inclusive of Short Term Power Purchase based on the Approved quantum by Hon'ble Commission**



July 2017		ENERGY PURCHASE (MU)			VARIABLE COST (Rs/ Kwh)		
Sl No	Name of the Station	APPROVED	ACTUAL	ELIGIBLE QUANTITY	ACTUAL	APPROVED	FUEL COST ADJUSTMENT (Rs. Cr.)
1	RSPTS I & II	140.62	165.3	140.62	2.25	2.63	-5.344
2	RSTPS III	35.37	38.95	35.37	2.21	2.69	-1.698
3	Talcher Stage - II	244.12	252.38	244.12	1.45	1.48	-0.732
4	Simhadri TPS Stage II	52.45	62.8	52.45	2.74	2.73	0.052
5	NLC - Stage-1	30.84	33.44	30.84	2.76	2.42	1.049
6	NLC - Stage-2	44.06	62.05	44.06	2.76	2.42	1.498
7	NLC- I Exp	35.94	44.82	35.94	2.52	2.28	0.863
8	NLC - II Exp	34.09	30.22	30.22	2.52	2.3	0.665
9	Vallur STPS	29.04	26	26	2.63	2.07	1.456
10	NTPL	41.86	49.48	41.86	3.16	2.09	4.479
11	NTPC-KUDGI	0.55	0.55	0.55	3.32	2.69	0.035
	SUB TOTAL CGS	688.94	765.99	682.03			2.322
1	DVC Raghunathpur	28.87	11.77	11.77	2.58	2.3	0.330
2	DVC Mejia	59.92	45.37	45.37	2.31	2.3	0.045
3	Maithon Power I ER	88.69	98.35	88.69	1.96	2	-0.355
4	Maithon Power II ER	88.69	98.35	88.69	1.96	2	-0.355
5	JPL Stage II	42.69	137.64	42.69	1.11	0.81	1.281
6	Jhabua SGPLNLR	65.64	57.37	57.37	1.88	1.66	1.262
	SUB TOTAL PVT.	374.5	448.85	334.58			2.208
1	PTC	126.48	0	0	0	3.33	0.000
2	TATA	165.36	0	0	0	4	0.000
3	IEX		88.43	88.43	3.1	4	-7.959
4	PXIL		7.79	7.79	3.88	4	-0.093
5	DSM		56.89	56.89	1.97	4	-11.549
	SUB TOTAL STOA & TRADERS	291.84	153.11	153.11			-19.601
	Subtotal CGS, Private	1063.44	1214.84	1016.61			4.531
	Subtotal CGS, Private & STOA	1355.28	1367.95	1169.72			-15.070



August 2017		ENERGY PURCHASE (MU)			VARIABLE COST (Rs/ Kwh)		
Sl No	Name of the Station	APPROVED	ACTUAL	ELIGIBLE QUANTITY	ACTUAL	APPROVED	FUEL COST ADJUSTMENT (Rs. Cr.)
1	RSPTS I & II	140.62	173.29	140.62	2.37	2.63	-3.656
2	RSTPS III	35.37	40.69	35.37	2.32	2.69	-1.309
3	Talcher Stage - II	244.12	222.02	222.02	1.36	1.48	-2.664
4	Simhadri TPS Stage II	52.45	52.28	52.28	2.83	2.73	0.523
5	NLC - Stage-1	30.84	49.02	30.84	2.71	2.42	0.894
6	NLC - Stage-2	44.06	50.84	44.06	2.72	2.42	1.322
7	NLC- I Exp	35.94	44.24	35.94	2.55	2.28	0.970
8	NLC - II Exp	34.09	12.56	12.56	2.52	2.3	0.276
9	Vallur STPS	29.04	23.92	23.92	2.59	2.07	1.244
10	NTPL	41.86	51.87	41.86	3.11	2.09	4.270
11	NTPC-KUDGI	30.52	30.52	30.52	3.46	2.69	2.350
	SUB TOTAL CGS	718.91	751.25	669.99			4.220
1	DVC Raghunathpur	28.87	10.28	10.28	2.59	2.3	0.298
2	DVC Mejia	59.92	34.44	34.44	2.31	2.3	0.034
3	Maithon Power I ER	88.69	104.35	88.69	1.93	2	-0.621
4	Maithon Power II ER	88.69	104.35	88.69	1.93	2	-0.621
5	JPL Stage II	42.69	120.25	42.69	1.11	0.81	1.281
6	Jhabua SGPLNLR	65.64	59.8	59.8	1.69	1.66	0.179
	SUB TOTAL PVT.	374.5	433.47	324.59			0.551
1	PTC	126.48	0	0	0	3.33	0.000
2	TATA	165.36	0	0	0	4	0.000
3	IEX		143.46	143.46	3.92	4	-1.148
4	PXIL		46.32	46.32	3.85	4	-0.695
5	DSM		58.32	58.32	1.98	4	-11.781
	SUB TOTAL STOA & TRADERS	291.84	248.1	248.1			-13.623
	Subtotal CGS, Private	1093.41	1184.72	994.58			4.771
	Subtotal CGS, Private & STOA	1385.25	1432.82	1242.68			-8.852

September 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	151.28	136.08	2.4	2.63	-3.130
2	RSTPS III	34.23	38.76	34.23	2.31	2.69	-1.301
3	Talcher Stage - II	236.24	233.92	233.92	1.33	1.48	-3.509
4	Simhadri TPS Stage II	50.75	25.88	25.88	2.62	2.73	-0.285
5	NLC - Stage-1	29.84	31.76	29.84	2.74	2.42	0.955
6	NLC - Stage-2	42.64	55.37	42.64	2.74	2.42	1.364
7	NLC - I Exp	34.78	41.59	34.78	2.57	2.28	1.009
8	NLC - II Exp	32.99	25.15	25.15	2.54	2.3	0.604
9	Vallur STPS	28.1	16.6	16.6	2.82	2.07	1.245
10	NTPL	40.51	17.48	17.48	3.13	2.09	1.818
11	NTPC-KUDGI	18.85	18.85	18.85	3.48	2.69	1.489
	SUB TOTAL CGS	685.01	656.64	615.45			0.260
1	DVC Raghunathpur	27.94	8.96	8.96	2.71	2.3	0.367
2	DVC Mejia	57.99	31.18	31.18	2.23	2.3	-0.218
3	Maithon Power I ER	85.83	100.72	85.83	2.01	2	0.086
4	Maithon Power II ER	85.83	100.72	85.83	2.01	2	0.086
5	JPL Stage II	41.31	120.28	41.31	1.08	0.81	1.115
6	Jhabua SGPLNLR	63.52	41.03	41.03	1.69	1.66	0.123
	SUB TOTAL PVT.	362.42	402.89	294.14			1.559
1	PTC	122.4	0	0	0	3.33	0.000
2	TATA	160.03	0	0	0	4	0.000
3	IEX		48.91	48.91	5.58	4	7.728
4	PXIL		1.69	1.69	6.72	4	0.460
5	DSM		51.47	51.47	2.41	4	-8.184
	SUB TOTAL STOA & TRADERS	282.43	102.07	102.07			0.004
	Subtotal CGS, Private	1047.43	1059.53	909.59			1.819
	Subtotal CGS, Private & STOA	1329.86	1161.6	1011.66			1.823



Power Purchase cost variation due to T&D Loss



- T&D loss approved by Hon'ble commission for the year 2017-18 was 13.65%
- KSEBL's T&D Loss for September 2017 @ 14%.
- Energy sales for September 2017 : 1619.45 MU
- Energy Input projected by KSEBL : 1883.14 MU.
- Energy Input @ 13.65% T&D Loss as appvd by Hon Commission : 1875.45 MU.
- Reduction in Energy Input requirement : 7.69 MU.
- Purchase cost reduction @ Rs.5.62/ KWh of Exchange price of Sep : Rs.4.32 Cr.
- **Allowable FPA Charges for Q2 of 2017-18 : Rs.(- 26.42) Cr**

Power Purchase above the Approved Level



During the month of Sept 2017,

- KSEBL has made power purchase of 50.65MU @ Rs.5.62

48.91 MU@ Rs 5.58/kWh from IEX

1.69MU @ Rs 6.72/kWh from PXIL.

- We would like to point out that the Hon'ble Commission had approved a rate of Rs 4/kWh for procurement of power from short term market and traders.
- This is a clear violation of the Hon'ble Commission's direction and additional cost incurred is Rs 8.20 Cr .

Summary of computations



SUMMARY OF FUEL COST ADJUSTMENTS				
July to September 2017 (Rs. Cr.)				
SOURCE	Jul-17	Aug-17	Sep-17	TOTAL
CGS	2.322	4.22	0.26	6.802
PRIVATE	2.208	0.551	1.559	4.318
Sub Total CGS & Private	4.530	4.771	1.819	11.120
Reduction on account of T&D loss variation				-4.320
STOA & TRADERS	-19.601	-13.623	0.004	-33.220
TOTAL	-15.071	-8.852	1.823	-26.420

- FPA for July-September 2017 is **Rs – 26.42** Cr which means that this amount has to be given back to the consumers of KSEBL.



PRAYER

The Objector most humbly requests the Hon'ble Commission to consider the above submissions and determine appropriate FPA Charges.

Thank you