

KERALA STATE ELECTRICITY REGULATORY COMMISSION

THIRUVANANTHAPURAM

PRESENT: Shri. K.J.Mathew, Chairman
Shri. Mathew George, Member

May 28, 2012

Petition No. OP 19/2012

In the matter of

Fuel price Adjustment charges for the period from October 2011 to
December 2011

Kerala State Electricity Board

- Petitioner

ORDER

Background

1. Kerala State Electricity Board (*hereinafter referred to as the Board or KSEB*) filed a petition dated 16-2-2012 for imposing fuel surcharge on all consumers including bulk consumers and other licensees to recover the additional financial liability of Rs.79.89 Crore estimated as per KSERC (Fuel Surcharge Formula) Regulations, 2009 for the first third quarter of the financial year 2011-12 i.e., for the period from October 2011 to December 2011. The Commission admitted the petition as OPNo.19/2012 on 30-3-2012
2. In the petition the Board has estimated the additional financial liability on account of increase in fuel cost as follows:

Additional liability on account of fuel price for the period from October to Dec 2011

Source	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Admissible as per regulation
	(MU)	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
Talcher-II	799.00	748.62	748.32	1.69	2.14	33.55	33.54
Ramagundam- II&III	645.40	591.27	591.27	1.60	1.68	4.59	4.59
NLC-II Stage-1	104.22	82.68	82.68	1.21	1.95	6.10	6.10
NLC-II Stage-2	147.85	150.94	145.64	1.21	1.95	11.16	10.76
NLC- Exp- Stage-1	94.00	79.14	79.14	1.77	1.83	0.47	0.47
Simhadri	94.91	79.74	76.55	1.69	2.16	3.79	3.65
RGCCPP- Kayamkulam	252.80	122.97	104.76	8.79	9.89	11.10	9.48

Source	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Admissible as per regulation
	(MU)	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
KPCL	9.56	2.47	2.45	8.93	11.08	0.53	0.53
BDPP	34.81	14.00	14.00	8.32	10.33	2.81	2.81
KDPP	69.92	50.32	48.43	8.27	9.92	8.33	7.96
Total	2252.47	1922.14	1893.23			82.42	79.89

Hearing of the matter

3. The public hearing on the Petition was held on 25-4-2012 at the Commission's office. Other than the representatives of the Board, representatives of HT-EHT Industrial Electricity consumers Association, Kerala State Small Scale Industries Association and few other consumers were present for the hearing. In the hearing, Shri. Nawaz, representing Kerala HT-EHT Association stated that the petition should be in conformity with the Regulations and the fuel cost allowed from own stations shall be Rs.10.14 crore instead of Rs.10.77 crore estimated by the Board. He also requested that if the fuel surcharge is accepted, the billing shall be from October 2012 only. Shri. Shaji Sebastain, representing KSSIA, stated that there is delay in filing the petition by KSEB. Already fuel surcharge of 20 paise is in force and hence the fuel surcharge proposed shall be imposed only after October 2012. Shri. Satheesh, Carborandum Universal, Shri. Jijo Kuriakose, Binani Zinc limited, and Shri. Ramesh TCC limited have also requested for imposing the surcharge after completing the present collection.

Analysis of the Commission

4. The Commission has considered the petition of the Board and the objections of the consumers. As per the data provided by the Board and based on the provisions of the Regulations, the amount admissible for fuel surcharge for the 3rd quarter of 2011-12 is as follows:

Fuel surcharge admissible for the period from October to December 2011

Source	As per KSEB Estimates				Commission Estimates	
	Allowable Quantity as per Regulation	Approved Variable cost	Actual Cost	Additional liability	Allowable Quantity	Amount admissible as Surcharge
	(MU)	(Rs/ kWh)	(Rs/ kWh)	(Rs.Cr)	(MU)	(Rs.Cr)
BDPP	14.00	8.32	10.33	2.81	14.00	1.87
KDPP	48.43	8.27	9.92	7.96	48.43	6.22
RGCCPP- Kayamkulam	104.76	8.79	9.89	9.48	104.76	9.48
KPCL	2.45	8.93	11.08	0.53	2.44	0.52

Source	As per KSEB Estimates				Commission Estimates	
	Allowable Quantity as per Regulation	Approved Variable cost	Actual Cost	Additional liability	Allowable Quantity	Amount admissible as Surcharge
	(MU)	(Rs/ kWh)	(Rs/ kWh)	(Rs.Cr)	(MU)	(Rs.Cr)
Talcher-II	748.32	1.69	2.14	33.54	748.32	33.54
NLC- Exp- Stage-1	79.14	1.77	1.83	0.47	79.14	0.47
NLC II (1&2)	228.32	1.21	1.95	16.86	228.32	16.86
Simhadri	76.55	1.69	2.16	3.67	76.56	3.67
Ramagundam- II&III	591.27	1.6	1.68	4.59	591.27	4.59
Total	1893.24			79.89	1,893.24	77.22

Monthwise/source wise fuel surcharge admissible

Source	October (Rs. Cr)	November (Rs. Cr)	December (Rs. Cr)	Total (Rs. Cr)
BDPP	0.72	0.29	0.86	1.87
KDPP	0.87	1.59	3.76	6.22
RGCCPP	4.56	4.93	-	9.48
KPCL	0.20	0.14	0.18	0.52
Talcher	22.91	9.29	1.34	33.54
NLC TPS-1 Exp	0.11	0.05	0.31	0.47
NLC II (1&2)	5.95	5.30	5.61	16.86
Simhadri	2.18	0.97	0.52	3.67
Ramagundam	0.83	1.22	2.54	4.59
Total	38.33	23.78	15.12	77.22

5. The total fuel surcharge admissible for the 3rd quarter which is to be recovered from the consumers as mentioned in clause 3(6) of the KSERC (Fuel Surcharge Formula) Regulations 2009 is Rs.77.22 Crore.

6. The rate of fuel surcharge is estimated below:

Total amount to be recovered as fuel surcharge	- Rs.77.22 Cr.
Total energy input from October 2011 to December 2011	- 4762 MU
Notional sales as per approved T&D loss (15.31%)	- 4033 MU
Applying notional loss of 5% to sales to Licensees (121.63 MU)-	6 MU
Total retail sales including that of small licensees	- 4027MU
Fuel surcharge	- <u>19.18 paise/kWh</u>

(Rounded off to 20 paise/kWh for 3 months)

7. The total amount due as fuel surcharge shall be Rs.77.22 Crore, which shall be recovered from the consumers as mentioned in clause 3(6) of the KSERC (Fuel Surcharge Formula) Regulations 2009. Since already surcharge of 20 paise per

unit is in vogue till September 2012, the Commission is of the view that fuel surcharge relating to the 3rd quarter be imposed from October 2012. Accordingly the Commission orders as follows:

Orders of the Commission

8. The Commission hereby approve the recovery of an amount of Rs.77.22 crore as Fuel surcharge for the period from October 2011 to December 2011 is to be recovered from the consumers **at the rate of 20 paise per unit for the consumption from October 2012 onwards for next 3 months or until Rs.77.22 Crore is realized which ever is earlier.** The fuel surcharge shall be levied in addition to the energy charges. The Fuel surcharge shall be applicable to consumers of all licensees except domestic consumers having consumption not more than 20units per month and connected load of less than or equal to 500W, as per clause 3(6) KSERC(fuel surcharge formula) Regulations 2009.
9. Distribution licensees other than KSEB shall collect the fuel surcharge as per this order and remit the amount promptly to KSEB on a monthly basis. **All licensees on or before the close of 30 days from each month shall provide the Commission with the details of surcharge collected from each consumer category.** As soon Rs.77.22 Crore is recovered, KSEB shall inform the Commission promptly. **All licensees shall indicate the rate of surcharge and the total amount as surcharge separately in the bills issued to the consumers.** Any difficulty in complying with this direction shall be immediately brought to the notice of the Commission with suitable suggestions.
10. All licensees shall strictly adhere to the provisions of Section 65 of the Electricity Act 2003 while providing any subsidy or exemption to the consumers. Any violation in this regard will be dealt with as per the provisions of the Electricity Act 2003.
11. The petition is disposed of. Ordered accordingly.

Sd/-
Mathew George
Member

Sd/-
K.J Mathew
Chairman

Approved for Issue

Secretary