

**BEFORE THE KERALA STATE ELECTRICITY REGULATORY
COMMISSION**

IN THE MATTER OF: Proposals to introduce Fuel Price Adjustment Charges on all consumers including Bulk Consumers/ Other Licensees to recover the additional financial liability incurred over approved level on Generation and Power Purchase during the period from Jan-2010 to March-2010.

PETITIONER: Kerala State Electricity Board
Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram - 695 004

The petitioner named above respectfully submits as under:

1. Hon'ble Commission vide the notification No. KSERC/2009/XVII dated 8th January 2010 had notified the KSERC (Fuel surcharge formula) Regulations, 2009. Hon'ble Commission vide the order on petition No. OP14/2010 dated 5th April-2010 had approved the fuel surcharge for the period April-2009 to September-2009 as Rs 196.59 crore against Board's claim of Rs 311.52 crore. KSEB vide the petition dated 26-04-2010 had filed the details of Fuel Price Adjustment Charges incurred during the third quarter from October-2009 to December-2009. However, Hon'ble Commission is yet to approve the same.
2. Based on the provisions in the KSERC (Fuel surcharge formula) regulations, 2009, KSEB may submit here with the petition on fuel surcharge applicable for the fourth quarter of the Financial Year 2009-10 from January -2010 to March-2010. As per the regulations, KSEB has to file the application for the fuel surcharge within 15 days from the end of the fourth quarter. KSEB had delayed the filing the petition for want of the actual details of power procurement from various functional units. Hon'ble Commission may kindly condon the delay in filing the petition for fuel surcharge for the period from January-2010 to March-2010.
3. The source wise Generation and Power purchase approved and actual for the period from January-2010 to March-2010 is given below.

Table-1. Source wise energy input from January-2010 to March-2010

Sl No	Particulars	Jan-10		Feb-10		Mar-10		Total		
		KSERC order	Actual	KSERC order	Actual	KSERC order	Actual	KSERC order	Actual	Difference
		(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
1	Hydro									
	(a) Gross Gen	586.49	506.56	553.39	520.80	618.12	710.12	1758.00	1737.48	-20.52
	(b) Less Aux consumption	2.93	2.53	2.78	2.60	3.09	3.55	8.80	8.69	-0.11
	(c) Net Hydro Gen	583.56	504.03	550.61	518.20	615.03	706.57	1749.20	1728.79	-20.41
2	KSEB thermal							0.00	0.00	0.00
	(a) BDPP	15.50	17.38	14.00	21.99	15.50	38.26	45.00	77.62	32.62
	(b) KDPP	37.20	36.49	33.60	38.10	37.20	47.69	108.00	122.27	14.27
	(c) Subtotal	52.70	53.87	47.60	60.09	52.70	85.94	153.00	199.90	46.90
	(d) Less Aux consumption	1.32	1.35	1.19	1.50	1.32	2.15	3.83	5.00	1.17
	(e) Net BDPP+KDPP	51.38	52.52	46.41	58.58	51.38	83.79	149.17	194.90	45.73
3	CGS (Import)	711.95	670.88	643.05	600.76	711.95	644.59	2066.95	1916.23	-150.72
4	UI		44.52		24.25	0.00	-0.76	0.00	68.01	68.01
5	IPPs							0.00	0.00	0.00
	(a) RGCCPP-Kylm	93.00	122.37	84.00	95.64	93.00	117.59	270.00	335.60	65.60
	(b) BSES	89.90	8.35	81.20	20.20	89.90	73.40	261.00	101.95	-159.05
	(c) KPCL	11.55	7.05	10.43	5.42	11.55	7.56	33.53	20.03	-13.50
	(d) Wind	1.00	1.89	0.50	1.10	0.50	2.04	2.00	5.03	3.03
	(e) Ullumkal, MP Steel and Others	5.91	3.88	5.68	3.03	6.03	5.09	17.62	12.00	-5.62
	(f) Subtotal	201.36	143.54	181.81	125.39	200.98	205.68	584.15	474.61	-109.54
6	Purchase through traders		79.42		107.79	26.07	95.21	26.07	282.42	256.35
7	Sale outside the State						41.47	0.00	41.47	41.47
7	Total	1548.25	1494.91	1421.88	1434.97	1605.41	1693.61	4575.54	4623.49	47.95

4. As per the provisions of the regulations, KSEB has been filing the details of additional liability incurred for procuring energy from approved sources due to the variations in the prices of fuel during the period from January-2010 to March-2010. Accordingly, the details of additional liability incurred by KSEB for procuring energy from RGCCPP-Kayamkulam, BSES- Kochi, KPCL- Kasargod, BDPP, KDPP and NTPC's coal based stations Talcher-II and Ramagundam STPS for the period from January-2010 to March-2010 is submitted here with.

(a) RGCCPP- Kayamkulam

5. Month wise details of the energy procured from RGCCPP- Kayamkulam plant is given below. Since Ministry of Power has allotted 180MW of power from Talcher-II station to pool with the high cost Kayamkulam power, KSEB is constrained to schedule the full allocation from Kayamkulam station.

Table-2. Details of power procurement from RGCCPP- Kayamkulam from Jan-10 to Mar-10

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Admissible as per regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	90.90	122.37	90.90	4.75	7.38	32.12	23.86
Feb-10	84.00	95.64	84.00	4.75	7.22	23.62	20.75
Mar-10	93.00	117.59	93.00	4.75	7.30	29.97	23.71
Total	267.90	335.60	267.90	4.75	7.30	85.72	68.31

(b) BSES - Kochi

6. The month wise details of energy scheduled from BSES plant for the fourth quarter is as given below. Considering the exorbitant variable cost of BSES power, KSEB had scheduled the BSES power to the limited extent by replacing the same with alternate cheaper sources such as UI, energy exchange and through traders. Against the approved quantity of 261.00MU, the actual procurement from BSES for internal use was 60.48MU only.

Table-3. Details of power procurement from BSES during January to March-2010.

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Admissible as per regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	89.90	8.35	8.35	4.75	7.34	2.16	2.16
Feb-10	81.20	20.20	20.20	4.75	7.33	5.20	5.20
Mar-10	89.90	31.93	31.93	4.75	7.78	9.67	9.67
Total	261.00	60.48	60.48		7.57	17.03	17.03

(c) KPCL plant at Kasargod

7. The month wise details of the energy scheduled from KPCL plant during the period from January to March-2010 is as give below.

Table-4. Details of power procurement from KPCL from Jan-10 to March-2010.

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per the regulation	Approved	Actual	Actual	Admissible as per the regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs Cr)	(Rs. Cr)
Jan-10	11.55	7.05	7.05	4.85	7.78	2.07	2.07
Feb-10	10.43	5.42	5.42	4.85	7.66	1.52	1.52
Mar-10	11.55	7.56	7.56	4.85	7.90	2.30	2.30
Total	33.53	20.03	20.03		7.79	5.89	5.89

(d) **BDPP plant at Brahmapuram**

8. The details of the energy generated from BDPP plant during the period from January-2010 to March-2010 is detailed below. Considering the low variable cost compared to other liquid fuel stations, KSEB has scheduled power from BDPP slightly in excess of the approved quantity.

Table-5. Details of energy generated from BDPP from January to March-2010

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per the regulation	Approved	Actual	Actual	Admissible as per the regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	15.50	17.38	15.50	4.85	7.03	3.79	3.38
Feb-10	14.00	21.99	14.00	4.85	6.82	4.33	2.76
Mar-10	15.50	38.26	15.50	4.85	7.08	8.53	3.46
Total	45.00	77.63	45.00		7.00	16.65	9.59

(e) **KDPP plant at Kozhikode.**

9. The details of the energy generated from the KDPP plant during the period from January to March-2010 is given below. Against the approved quantity of 108MU the actual procurement was 122.32 MU during the period.

Table-6. Details of energy generated from BDPP from January to March-2010.

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	as per regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	37.20	36.50	36.50	4.85	7.04	7.99	7.99
Feb-10	33.60	38.13	33.60	4.85	6.70	7.05	6.22
Mar-10	37.20	47.69	37.20	4.85	7.19	11.16	8.70
Total	108.00	122.32	107.30		6.99	26.21	22.91

(f) **NTPC- Talcher II STPS**

10. The variable cost of energy generated from the Talcher-II STPS also had increased above the approved level. The details of the additional liability incurred for procuring power from Talcher-II power plant is as detailed below.

Table-7. Details of additional financial liability on procuring power from Talcher-II

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	as per regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	261.62	303.27	261.62	0.78	1.18	11.98	10.34
Feb-10	236.30	268.09	236.30	0.78	1.24	12.34	10.88
Mar-10	261.62	292.84	261.62	0.78	1.32	15.74	14.06
Total	759.54	864.21	759.54		1.24	40.07	35.28

(g) NTPC- Ramagundam

11. The variable cost of generation from NTPC's Ramagundam power plant has also increased from the rate approved in the ARR for the year 2009-10. The details of the energy procurement from Ramagundam power plant during the period from January to March-2010 is given below.

Table-8. Details of energy procured from Ramagundam STPS

Month	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	as per regulations
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
Jan-10	188.75	218.53	188.75	1.28	1.66	8.21	7.09
Feb-10	170.48	194.31	170.48	1.28	1.64	7.05	6.19
Mar-10	188.75	218.44	188.75	1.28	1.69	8.98	7.76
Total	547.97	631.29	547.97		1.66	24.24	21.04

(h) Energy procured from alternate cheaper sources such as UI, Energy Exchange and Traders

12. Hon'ble Commission may please note that, KSEB has been taking all possible efforts to procure energy from all cheaper sources such as UI, Energy exchanges, traders at rates much less than the variable cost of liquid fuel stations by limiting power procurement from costly sources. During the period from January to March-2010, KSEB had procured 68.01MU through UI @Rs 1.85per unit, 144.01MU through energy exchange @Rs 4.05 per unit and 125.31MU through traders @ Rs 5.00 per unit. Since the present regulation does not permit to claim the additional liability from alternate sources other than approved sources, Board does not claim the additional from these sources through this petition.

Summary of the Additional financial liability incurred during the period from January to March-2010.

13. The summary of the additional financial liability incurred by KSEB for procuring / scheduling energy from various thermal sources for the period from January to March-2010 is given below.

Table-9. Summary of the additional liability for the period from January to March-2010

Source	Energy procurement			Per unit cost		Add liability	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Admissible as per regulation
	(MU)	(MU)		(Rs/ kWh)	(Rs/ kWh)	(Rs. Cr)	(Rs. Cr)
RGCCPP- Kayamkulam	267.90	335.60	267.90	4.75	7.30	85.72	68.31
BSES- Kochi	261.00	60.48	60.48	4.75	7.57	17.03	17.03
KPCL	33.53	20.03	20.03	4.85	7.79	5.89	5.89
BDPP	45.00	77.63	45.00	4.85	7.00	16.65	9.59
KDPP	108.00	122.32	107.30	4.85	6.99	26.21	22.91
Talcher-II	759.54	864.21	759.54	0.78	1.24	40.07	35.28
Ramagundam	547.97	631.29	547.97	1.28	1.66	24.24	21.04
Total	2022.94	2111.56	1808.22			215.81	180.05

14. As per the KSERC (Fuel surcharge formula) Regulations, 2009, Rs 180.05 crore is admissible as fuel surcharge for the period from January to March-2010. Considering the critical financial position of the Board, Hon'ble Commission may kindly approve the fuel surcharge for the period from January to March-2010 as detailed above and allowed to recover the same from all consumers including bulk consumers as per the provisions in the KSERC (fuel surcharge formula) Regulations, 2009.

Prayer

KSEB humbly prayed before the Hon'ble Commission that,

- The fuel surcharge for the period from January-2010 to March-2010 for procuring/ generating energy from various thermal sources as detailed in the petition may kindly be approved.
- The fuel surcharge approved may be allowed to recover from consumers including bulk consumers as per the KSERC(Fuel Surcharge Formula) Regulations, 2009 with immediate effect.

Chief Engineer (Commercial & Tariff)