

KARNATAKA ELECTRICITY REGULATORY COMMISSION

TARIFF ORDER 2020

OF

KPTCL

ANNUAL PERFORMANCE REVIEW FOR FY19,

APPROVAL OF REVISED ANNUAL REVENUE REQUIREMENT FOR FY21

&

REVISION OF TRANSMISSION TARIFF FOR FY21

4th November, 2020

No. 16 C-1, Miller Tank Bed Area, Vasanthnagar, Bengaluru-560 052

Phone: 080-22268677/22268678/22268679

Fax: 080-22268667/22370214

Website: https://karunadu.karnataka.gov.in/kerc

E-mail: kerc-ka@nic.in

CONTENTS

CHAPTER		
	Order page	1
	CHAPTER - 1 INTRODUCTION	3
1.0	KPTCL – A brief Profile of the State Transmission Utility	3
1.1	KPTCL at a glance	4
1.2	Transmission capacity of KPTCL in FY19	5
	CHAPTER - 2 TARIFF APPLICATION PROCESS	6
2.1	Background	6
2.2	Commission's Directives and Compliance by KPTCL	6
2.3	Public Hearing Process	6
2.4	Consultation with Advisory Committee of the	7
	Commission CHAPTER – 3 PUBLIC CONSULTATION SUGGESTIONS / OBJECTIONS & REPLIES	8
3.1	Suggestions / Objections and Replies	8
3.2	Written Objections	8
3.3	Public Hearing	9
J.J	CHAPTER – 4 ANNUAL PERFORMANCE REVIEW FOR	11
	FY19	••
4.0	KPTCL's Application for APR for FY19	11
4.1	KPTCL's Submission	11
4.2	Financial Performance of KPTCL as per Audited	12
	Accounts for FY19	
4.3	Annual Performance Review for FY19	13
4.3(i)	Transmission Losses for FY19	14
4.3(ii)	Transmission System Availability (TSA)	18
4.3(iii)	Incentive for Transmission System Availability	21
4.3(iv)	Operation and Maintenance Expenses	22
4.3(v)	Depreciation	28
4.3(vi)	Capital Expenditure for FY19	30
4.3(vii)	Interest and Finance Charges	38
4.3(viii)	Interest on Working Capital	39
4.3(ix)	Other Debits	40
4.3(x)	Return on Equity	40
4.3(xi)	Provision for Taxation	42
4.3(xii)	Net Prior Period Income and Expenses /Losses	43
4.3(xiii)	Other Expenses Capitalized	43
4.3(xiv)	Other Income	43
4.3(xv)	SLDC Charges	44
4.3(xvi)	Revenue	45
4.3(xvii)	Abstract of Approved ARR for FY19 as per APR	46
4.4	Treatment of Gap in Revenue for FY19	47
	CHAPTER – 5 ANNUAL REVENUE REQUIREMENT FOR FY21	48
5.1	Approved ARR for FY21	48
5.1(i)	Revised Transmission tariff for FY21	50
5.1(ii)	SLDC Charges	53
	APPENDIX - COMMISSION'S DIRECTIVES AND COMPLIANCE BY THE KPTCL	56

LIST OF TABLES

Table	Content	Page No.
No.		
4.1	KPTCL's Filing – APR FY19	11
4.2	Financial Performance of KPTCL – FY19	13
4.3	Transmission System Availability - FY19	18
4.4	Incentive for better Transmission System Availability	22
4.5	Length of Transmission lines and Number of Bays	26
4.6	Computation of Inflation Rates	27
4.7	Approved Normative O & M Expenses for FY19	27
4.8	Approved Allowable O & M Expenses for FY19	28
4.9	Allowable Depreciation for FY19	29
4.10	Allowable Interest and Finance Charges	39
4.11	Allowable Interest on Working capital	40
4.12	Return on Equity – KPTCL's Submission	41
4.13	Status of Debt Equity Ratio for FY 19	41
4.14	Allowable RoE for FY 19	42
4.15	SLDC Charges for FY 19- KPTCL's Submission	44
4.16	Allowable SLDC Charges for FY 19	44
4.17	Abstract of approved ARR for FY 19 as per APR	46
5.1	Approved ARR FY21	48
5.2	Revised ARR for FY21	49
5.3	ESCOM wise capacity Allocation for FY21- As per Tariff Order dated 30.05.2019	50
5.4	ESCOM wise capacity Allocation for FY21 –KPTCL Submission	51
5.5	ESCOM wise capacity Allocation for FY19	51
5.6	ESCOM-Wise Approved Transmission Capacity for FY21	52
5.7	Transmission Charges payable by ESCOMs for FY21	52
5.8	SLDC charges – Approved for FY21 in Tariff Order 2019	53
5.9	Approved Revised SLDC charges of FY21	53
5.10	Revised transmission charges for short term open	54
	access consumers – FY21	

	ABBREVIATIONS
ABT	Availability Based Tariff
A & G	Administrative & General Expenses
ALDC	Area Load Dispatch Centre
APR	Annual Performance Review
ARR	Annual Revenue Requirement
ATE	Appellate Tribunal for Electricity
BESCOM	Bangalore Electricity Supply Company
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CEA	Central Electricity Authority
CESC	Chamundeshwari Electricity Supply Corporation
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DA	Dearness Allowance
DPR	Detailed Project Report
EA	Electricity Act
EC	Energy Charges
ERC	Expected Revenue From Charges
ESAAR	Electricity Supply Annual Accounting Rules
ESCOMs	Electricity Supply Companies
FoR	Forum of Regulators
FY	Financial Year
GESCOM	Gulbarga Electricity Supply Company
GFA	Gross Fixed Assets
Gol	Government Of India
GoK	Government Of Karnataka
HESCOM	Hubli Electricity Supply Company
HP	Horse Power
ICAI	Institute of Chartered Accountants of India
IFC	Interest and Finance Charges
IEGC	Indian Electricity Grid Code
IW	Industrial Worker
KASSIA	Karnataka Small Scale Industries Association
KEB	Karnataka Electricity Board
KER Act	Karnataka Electricity Reform Act
KM/Km	Kilometre
KPCL	Karnataka Power Corporation Limited
kV	Kilo Volts
kVA	Kilo Volt Ampere
kW	Kilo Watt
kWH	Kilo Watt Hour
LDC	Load Despatch Centre
MAT	Minimum Alternate Tax
MD	Managing Director

MESCOM	Mangalore Electricity Supply Company
MFA	Miscellaneous First Appeal
MIS	Management Information System
MoP	Ministry of Power
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NTP	National Tariff Policy
O&M	Operation & Maintenance
P & L	Profit & Loss Account
PCKL	Power Corporation of Karnataka Ltd.
P & G Trust	Pension & Gratuity Trust
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R & M	Repairs and Maintenance
ROE	Return on Equity
ROW	Right of Way
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition System
SLDC	State Load Despatch Centre
SRLDC	Southern Regional Load Dispatch Centre
STU	State Transmission Utility
TSA	Transmission System Availability
TCC	Total Contracted Capacity
TR	Transmission Rate
WPI	Wholesale Price Index
WC	Working Capital