

## CHAPTER – 2

### SUMMARY OF FILING & TARIFF DETERMINATION PROCESS

#### 2.0 Background for Current Filing:

The Commission in its Tariff Order dated 14<sup>th</sup> May, 2018 had approved the revised ARR for FY19 and Retail Supply Tariff of GESCOM for FY19 under the MYT principles. The GESCOM in its present application filed on 29<sup>th</sup> November, 2019, has sought Annual Performance Review (APR) for FY19 based on the audited accounts, and consequent revision of ARR and Retail Supply Tariff for FY21.

#### 2.1 Preliminary Observations of the Commission:

After a preliminary scrutiny of applications, the Commission had communicated its observations to the GESCOM on 18<sup>th</sup> December, 2019, which were mainly on the following points:

- Capital Expenditure
- Sales Forecast
- Projected IP set consumption for FY19
- Power Purchase
- RPO Compliance
- Wheeling and Banking
- Cross subsidy surcharge
- Additional Surcharge
- Issues pertaining to items of revenue and expenditure
- Energy flow diagram
- Compliance to Directives

In response, the GESCOM had furnished its replies on 2<sup>nd</sup> January, 2020. The replies furnished by the GESCOM are considered in the respective chapters of this Order.

## 2.2 Public Hearing Process:

As per the Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, read with the KERC (Tariff) Regulations, 2000, and KERC (General and Conduct of Proceedings) Regulations, 2000, the Commission, in its letter dated 7<sup>th</sup> January, 2020 treated the tariff application of GESCOM as a petition and directed GESCOM to publish the summary of ARR and Tariff proposals in the newspapers calling for objections, if any, from the interested persons.

Accordingly, the GESCOM has published the same in the following newspapers:

Name of the News Paper	Language	Date of Publication
The New Indian Express	English	10.01.2020
The Hindu		
Vijayakarnataka	Kannada	
Vijayavani		
The Hindu	English	11.01.2020
Deccan Herald		
Udayvani	Kannada	
Prajavani		

The GESCOM's application on APR of FY19, Revision of ARR for FY21 and revision of Retail Supply Tariff for FY21 was also hosted on the web-sites of the GESCOM and the Commission, for the ready reference and information of the general public.

In response to the application of the GESCOM, the Commission has received two number of written objections within the time stipulated for filing objections. The GESCOM has furnished its replies to all the objections. The Commission has held a Public Hearing on 15.02.2020, at Gulbarga. The details of the written / oral submissions made by various stakeholders and the responses from the GESCOM thereon have been discussed in Chapter – 3 and Appendix to this Order.

### **2.3 Consultation with the State Advisory Committee of the Commission:**

The Advisory Committee discussed the proposals of the KPTCL and all the ESCOMs in the State Advisory Committee meeting held on 11<sup>th</sup> March, 2020. During the meeting the KPTCL and ESCOMs made brief presentations on the important issues in the tariff application filed before the Commission. The Committee discussed various issues involved in the tariff application.

The Members of the Committee made valuable suggestions on the proposals. The Commission has taken note of these suggestions while passing the Order.