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**ABRIDGED VERSION OF THE PETITION FILED BEFORE THE HON'BLE KARNATAKA ELECTRICITY REGULATORY COMMISSION (KERC) AT BENGALURU UNDER SECTIONS 61, 62 AND 86 (1) (e) OF THE ELECTRICITY ACT, 2003 IN THE; CASE OF Q.P No.26/2015**

**Between :** Sunvik Steels Pvt Ltd .....PETITIONER

**And**

Karnataka Power Transmission Corporation Limited and others ..... RESPONDENTS

The Petitioner Company has established a 3 x 100 TPD Sponge Iron Plant at Jodidevarahalli Village, Sira Taluk, Tumakuru District. As the said plant emanates huge quantity of heat in the process of manufacture of steel, the petitioner company has set up a 10 MW Captive generation plant, which includes a heat recovery based Co-generatron power plant in the year 2010. Out of the 10 MW, 6 MW power is generated through three numbers of Waste Heat Recovery Boilers by utilizing the hot flue gases generated during the process of sponge iron manufacturing which involves direct reduction of iron ore with coal / coke in kilns. Another 4 MW power is generated by burning imported coal and dolochar (unburnt carbon obtained from the kiln after direct reduction process) in the Fluidised Bed Combustion Boiler. The Petitioner has filed a petition (OP 26/2015) before KERC for fixation of tariff at Rs.5.31 per k Whr.

The Commission had enlisted the services of Centre for Science, Technology and Policy (C STEP) to assist it in the process of determination of tariff for waste heat recovery plant of the petitioner including identification of key parameters. The parameters proposed to be adopted for tariff determination based on the report of C -STEP are as below:

Parameters for tariff computation as per C-Step Report			
Sl No	Particulars	Unit	Values
1	Power plant Capacity	MW	10
2	Power Project Cost including Preoperative expenditure	Rs Lakhs	6813.7
3	Pre-operative expenditure	Rs Lakhs	1071.7
4	Debt: Equity	Ratio	77:23*
5	Debt-Rs. Lakhs	Rs Lakhs	5246.55
6	Annual% Interest charges on Debt	%	12.50%
7	Debt Repayment period (Loan Tenure)	Years	12
8	Tax for first 10 years	nil	nil
9	Average annual gross energy Generation for last 6 years from FY-10 to FY-16	MU	73.7
10	Average Annual PLF for last 6 years from FY-10 to FY-16	%	84.13%
11	Equity	Rs. Lakhs	1567.15
12	ROE	%	16%
13	Auxiliary consumption	% of Gross Generation	12%
14	Average O & M charges for the last 6 years from FY-10 to FY-16	Rs lakhs	211.1
15	Annual O & M Escalation.	%of Annual O & M expenses	5.72%
16	Working capital for 2 months	Rs lakhs	44.74
17	Annual% Interest on Working capital	%	13.25%
18	Depreciation.		
a)	Salvage value	%	10%
b)	Depreciable amount	Rs lakhs	6132
c)	Depreciation for 1st 12 years	%	5.38%
d)	Depreciation for 13th to 20th Year	Rs Lakhs	230.27
19	Average Annual fuel Consumption	MT	35347
20	Fuel requirement for generation of one kWh including A.FBC+WHRB	Kgs /kWh	0.482
21	Fuel Cost in Rs		
a)	Weighted average CGV of Coal	k cal/kg	5543
b)	Coal Rate	Rs/MT	4832
c)	Dolchar Rate	Rs/MT	2200
	Fuel mix {Coal+ Dolchar}		
i)	Coal	%	60
ii)	Dolchar	%	40
d)	Weighted Average fuel cost	Rs/MT	3779

A copy of the petition and the report of C-STEP are available on KERC website ([www.karnataka.gov.in/kerc](http://www.karnataka.gov.in/kerc)) Any person who intends to support or oppose the petition may send comments/objections in triplicate to the Receiving Officer, KERC at No.9/2, 61h Floor, Mahalaxmi Chambers, M.G.Road, Bengaluru-560001, after serving a copy on the Petitioner's Counsel at the below mentioned address, on or before 17.5.2017.

**Date : 14-04-2017**

**Advocate for Petitioner :**

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