



To,

January 19, 2019

Secretary
Karnataka Electricity Regulatory Commission,
No.16, C -1, Miller Tank Bed Area,
Vasanthanagara, Bengaluru 560 052

Respected Sir,

Sub: Submission of observation, objections and suggestion in notification for approval for ARR and Tariff Application for FY-20 of The Hukeri Rural Electric Co-Operative Society Ltd., Hukeri Belagavi -591309.

Reference : HRECS notification published in Deccan Herald, Daily newspaper dated 02-01-2109

Respected Sir,

With reference to above we would like to submit observations, objections and suggestions in notification for approval for ARR and Tariff Application for FY-20 of The Hukeri Rural Electric Co-Operative Society Ltd., Hukeri Belagavi -591309.

Kindly take in your record and acknowledge.

Yours Faith fully,
For Aequs SEZ-Private Ltd

Authorised Signatories

Attached as above.

CC : The Hukeri Rural Electric Co-Operative Society Ltd., Hukeri Belagavi -591309.

Aequs SEZ Private Limited
Corporate Identity Number: U45202KA2007PTC043154

Registered Office: No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India
Corporate Office: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belgaum - 591243
T: +91 0831 309 0000 F: +91 0831 309 0001
www.aequs.com



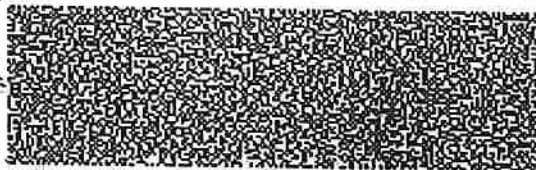
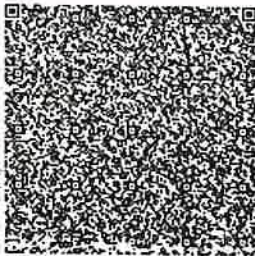
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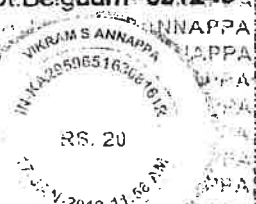
Government of Karnataka

e-Stamp

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 First Party : VIKRAM S ANNAPPA
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For The Patil Multipurpose Soudard
 Sahakari Ltd. Yamakanmardi
 Tq:Hukkeri Dt:Belgaum -591248



Please write or type below this line

This Stamp paper forms part and parcel of Affidavit executed by and between Vikram S Annappa and KERC Bengaluru



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KARNATAKA GOVERNMENT OF KARNATAKA

BEFORE THE HON'BLE KARNATAKA ELECTRICITY REGULATORY
COMMISSION BANGALORE

IN THE MATTER OF:

Submission of observation, objections and suggestion in an Application for approval for ARR and Tariff Application for FY-20 of The Hukkeri Rural Electric Co-Operative Society Ltd., Hukkeri Belagavi - 591309.

BETWEEN

Aequus SEZ Pvt. Ltd.

AND

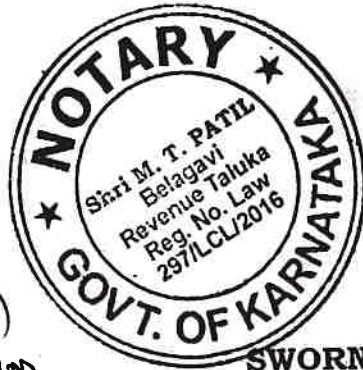
The Hukkeri Electric Co-Operative Society Ltd.

I, Mr. Vikram Annappa, S/o Annappa H and aged around 41 years, Authorised representative of Aequus SEZ private limited, Aequus Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belagavi - 591243, do hereby solemnly affirm and confirm that the contents in the affidavit filled by me are true to the best of my knowledge and belief.

I request the Hon'ble commission, to kindly consider the observations, objections and suggestions made herein during the review and approval of proposed ARR and Tariff proposal made by M/S HRECS for year FY 20.

Place: BELAGAVI

Date: 23 JAN 2019



DEPONENT

IDENTIFIED BY

[Handwritten signature]
M. T. Patil
Adv. - B.M.

SWORN TO BEFORE ME

[Handwritten signature]
M. T. PATIL
B.A.L.L.B (Spl.)
ADVOCATE & NOTARY
B. Kudachi, Belgaum

23 JAN 2019

No. of Corrections ↑



**BEFORE THE HON'BLE KARNATAKA ELECTRICITY REGULATORY
COMMISSION BANGALORE**

IN THE MATTER OF:

Submission of observation, objections and suggestion in an Application for approval for ARR and Tariff Application for FY-20 of The Hukkeri Rural Electric Co-Operative Society Ltd., Hukkeri Belagavi - 591309.

BETWEEN

Aequs SEZ Pvt. Ltd.

AND

The Hukkeri Electric Co-Operative Society Ltd.

1. Name and address of the objector:

Aequs SEZ Pvt Ltd
Rep: Mr Vikram Annappa,
Aequs Special Economic Zone, 437/A,
Hattargi Village, Hukkeri Taluk,
Belagavi -591243.

2. Statement of Observations, Suggestion and Objections made on the ARR FY 20 filed by M/s HRECS at Hon'ble Karnataka Electricity Regulatory Commission.
 1. Following observations has been made in the The Hukkeri Electric Co-Operative Society Ltd.(HRECS)
 - a. In ARR application filling for FY20, in table 42, page No.102, projection of sale of energy for ASEZ for FY 20 has been shown as 35.427 MU's and the actual sale of energy for FY18 to ASEZ is shown at 18.43 MU's.



Aequs: - Based on the Aequs consumers demand the energy consumption estimated for FY 20 is 23.67 MU's as ASEZ filling for FY 20. On this basis, the estimated power requirement at IF point is considered at 24.80 MU's. Similarly the actual quantity of power purchased from HRECS at IF point for FY 18 is 18.98 MU's and not 18.43 MUs shown in HRECS filing.

- ii. (a) In page No.117, para 25.2.7 HRECS has requested for increase in PP cost for FY20 to Rs7.066/Kwh and in Page No. 118, in the Prayer, (b) HRECS has requested the Honourable Commission KERC to approve the PP cost of Rs 7.066/Kwh as mentioned in para 25.2.7, and (c) Similarly In Page No.135, under table 63, HRECS have requested for increase in Tariff for ASEZ by INR 1.13/Kwh.

Aequs: While fixing the PP rate for FY 19, the Hon'ble Commission considering the deemed distribution licensee status of AEQUS, in our Tariff Order dated 14th May, 2018 approved the power purchase rate from HRECS at Rs.5.936 unit based on following parameters:

- i. KERC Considered, the total purchase cost of the State excluding KPC & Other Hydro power, as the basis to arrive at the average cost of power purchase at the generation and to that Rs.1/unit is added, to the average rate, towards grid support charges, trading margins and energy handling charges to determine the power purchase cost.
- ii. The end PP rate of Rs.5.936/unit is inclusive of trading margin payable to HRECS besides charges payable to KPTCL, PGCIL, SLDC and POSOCO.

We hereby submit, that HRECS should also adopt similar methodology approved by Hon'ble Commission, while proposing the Power purchase rate for Aequs SEZ. We request the Honourable Commission, to approve the PP cost for AEQUS as per the methodology it has been following and to decline the request of HRECS keeping in view the arbitrary nature of the increase proposed by HRECS and the interest of our consumers as well.

In view of the above submission, I pray to Hon'ble commission not to consider the PP rate proposed by HERCS to AEQUS in the petition and to provide us an opportunity in the public hearing to make further submissions.

For Aequs SEZ Pvt. Ltd



Mr Vikram Annappa
Aequs SEZ private limited



Copy to: The Managing Director,
Hukkeri Rural Electrical Company Ltd,
Hukkeri, Belagavi – 591309.