

PUBLIC NOTICE

Inviting Suggestions and Objections on KRC Infrastructure and Projects Private Limited's

Mid-Term-Review Tariff Petition for Truing up of FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing up for FY 2022-23 and approval of Revised ARR and Tariff for FY 2023-24 and FY 2024-25
(Case No. 214 of 2022)

- The KRC Infrastructure and Projects Private Limited (KRCIPPL) has filed Mid Term Review Tariff (MTR) Petition (Case No. 214 of 2022) for Truing-up of Aggregate Revenue Requirement (ARR) for FY 2019-20, as per MYT Regulations, 2015, FY 2020-21 and FY 2021-22 as per MYT Regulations, 2019, Provisional Truing-up of ARR for FY 2022-23 and approval of Revised ARR, expected revenue from existing Tariff and charges, expected revenue gap/(surplus) and proposed category-wise Tariff for FY 2023-24 and FY 2024-25 as per MYT Regulations, 2019.
- The Commission has admitted the Petition on 11th January, 2023 and directed KRCIPPL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions /Objections from the public.
- The salient features of the Petition are provided below:

Truing-up for FY 2019-20, FY 2020-21 and FY 2021-22 and Provisional Truing-up of FY 2022-23

The summary of Combined ARR (Wires + Supply) for truing up for FY 2019-20, FY 2020-21, FY 2021-22 and provisional True-up for FY 2022-23 vis-à-vis ARR approved by the Commission in the Multi Year Tariff (MYT) Order (Case No. 329 of 2019), is shown below:

Table 1: Combined ARR (Wires+Supply) of KRCIPPL (Rs. Crore).

Sr. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	
		Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Esti mated
1	Power Purchase Expenses (including InSTS Charges)	2.111	3.19	12.833	4.09	16.321	5.90	18.780	17.16
2	Operation & Maintenance Expenses	1.039	1.15	1.147	1.17	1.179	1.10	1.213	1.16
3	Depreciation	0.398	0.53	0.979	1.07	1.338	1.20	1.686	1.34
4	Interest on Loan Capital	0.454	0.65	1.067	1.12	1.374	0.96	1.652	1.00
5	Interest on Working Capital	-	-	0.046	0.08	0.062	0.09	0.075	0.16
6	Interest on Consumer Security Deposit	0.063	0.09	0.077	0.12	0.102	0.12	0.123	0.02
7	Write-off of Provision for bad and doubtful debts	-	-	-	-	-	-	-	0.03
8	Contribution to contingency reserves	-	-	0.073	0.08	0.105	0.11	0.137	0.12
9	Intra-State Transmission Charges	0.122	-	1.595	1.55	1.579	1.54	2.653	2.62
10	MSLDC Fees & Charges	0.069	-	0.008	0.01	0.007	0.01	0.013	0.01
11	Sharing of gains/ (losses)	-	(0.02)	-	(0.02)	-	(0.00)	-	-
12	Impact of restatement of O&M expenses based on share of sales of KRC DISCOMs	-	-	-	0.06	-	0.44	-	-
13	Total Revenue Expenditure	4.257	5.60	17.824	9.32	22.068	11.47	26.331	23.62
14	Add: Return on Equity Capital	0.340	0.47	0.747	0.94	1.016	1.06	1.288	1.07
15	Aggregate Revenue Requirement	4.597	6.07	18.571	10.26	23.083	12.53	27.619	24.69
16	Less: Non-Tariff Income	0.044	0.00	0.266	0.02	0.341	0.02	0.398	0.02
17	Aggregate Revenue Requirement from (Wires + Supply) Business	4.553	6.06	18.304	10.24	22.742	12.51	27.221	24.67

Table 2: Energy Sales for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 (MU)

Consumer Category & Consumption Slab	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	
	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Esti mated
HT Category								
HT-I - Industry	0	0	18.98	5.99	30.37	10.81	42.09	20.73
HT-II - Commercial	1.8	3.57	3.94	1.03	3.94	0.37	1.18	0.00
HT-III		0.00		0.00		0.00		0.00
HT VIII (B) - Temporary Supply Others	0.98	1.16		0.00		0.00		0.00
Sub-total	2.78	4.73	22.92	7.02	34.31	11.17	43.27	20.73
LT Category								
LT Commercial-II (A)		0		0		0.01		0.04
LT Commercial-II (B)	0.09	0	2.01	1.15	3.22	0.32	4.47	0.44
LT Commercial-II (C)	0.3	0.40		0.00		0.00		0.00
LT Industry -III (B)		0.00		1.43		2.70		4.83
LT VII (B) - Temporary Supply Others		0.03		0.00		0.00		
Sub-total	0.39	0.44	2.01	2.58	3.22	3.03	4.47	5.30
Total	3.17	5.17	24.93	9.60	37.53	14.20	47.73	26.04

Table 3: Distribution Loss and collection efficiency from FY 2019-20 to FY 2022-23

Consumer Category & Consumption Slab	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	
	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Esti mated
Distribution Loss (Excl. EHV Loss) (%)	3.63%	2.11%	3.00%	2.34%	2.75%	1.86%	2.50%	1.51%
Collection Efficiency		100%		99%		99%		99%

Table 4: Capitalisation from FY 2019-20 to FY 2022-23 (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	
	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Actual for truing up	Appr oved in MYT Order	Esti mated
Capitalization								
DPR Projects	14.59	19.93	6.33	0.14	6.46	4.51	6.46	0.6
Non DPR Projects	-	-	-	-	-	-	-	-
Total	14.59	19.93	6.33	0.14	6.46	4.51	6.46	0.6

Table 5: Aggregate Revenue Requirement for the Distribution (Wires+Supply) Business FY 2023-24 and 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
		Approved in MYT Order	Revised Projections	Approved in MYT Order	Revised Projections
1	Power Purchase Expenses (including InSTS Charges)	19.558	16.04	20.272	16.24
2	Operation & Maintenance Expenses	1.247	1.22	1.282	1.28
3	Depreciation	1.854	1.57	1.830	1.76
4	Interest on Loan Capital	1.702	1.09	1.538	1.15
5	Interest on Working Capital	0.086	0.16	0.083	0.17
6	Interest on Consumer Security Deposit	0.128	0.02	0.131	0.02
7	Contribution to contingency reserves	0.169	0.13	0.170	0.16
8	Intra-State Transmission Charges	2.770	2.62	2.851	2.62
9	MSLDC Fees & Charges	0.015	0.01	0.015	0.01
10	Total Revenue Expenditure	27.529	22.85	28.173	23.41
11	Add: Return on Equity Capital	1.427	1.23	1.431	1.39
12	Aggregate Revenue Requirement	28.955	24.08	29.604	24.80
13	Less: Non-Tariff Income	0.423	0.01	0.448	0.01
14	Aggregate Revenue Requirement from wires and Retail Supply	28.533	24.07	29.157	24.78

Table 6: Energy Sales for FY 2023-24 and FY 2024-25 (MUs)

Consumer Category	FY 2023-24		FY 2024-25	
	Approved in MYT Order	Revised Projections	Approved in MYT Order	Revised Projections
HT Category				
HT I : Industry	45.32	21.51	47.49	22.59
Sub-total HT	45.32	21.51	47.49	22.59
LT Category				
LT Commercial - II (A)	-	0.02	-	0.02
LT Commercial - II (B)	4.81	0.62	5.04	0.65
LT Industry - III (A)	-	0.00	-	0.00
LT Industry - III (B)	-	5.19	-	5.45
Sub-total LT	4.81	5.83	5.04	6.12
Total	50.13	27.34	52.53	28.71

Table 7: Power Purchase Cost for FY 2023-24 to FY 2024-25

Particulars	Source	FY 2023-24		FY 2024-25	
		Approved in MYT Order	Revised Projections	Approved in MYT Order	Revised Projections
Power Purchase Quantum (MU)	GMR STPP PPA Short-Term Peak Load	-	5.35	-	-
	Exchange	-	-	-	-
	Base Load	41.32	-	41.53	-
	Peak Load	0.00	-	0.00	-
	DSM	-	-	-	-
	New Source	-	4.72	-	7.55
	Solar/REC Purchase	5.56	10.07	7.47	13.59
	Non-Solar/REC Purchase	6.09	8.63	6.37	9.06
	Total	52.97	28.77	55.37	30.21
	Power Purchase Cost (Rs. Crore)	GMR STPP PPA Short-Term Peak Load	-	3.39	-
Exchange		-	-	-	-
Base Load		16.20	-	16.28	-
Peak Load		0.00	-	0.00	-
DSM		-	-	-	-
New Source		-	2.36	-	3.78
Solar Purchase		1.61	5.54	2.17	7.48
Non-Solar Purchase		1.75	4.75	1.83	4.98
Total		19.55	16.04	20.27	16.24
Average Power Purchase Cost (Rs. /kWh)		GMR STPP PPA Short-Term Peak Load	-	6.35	-
	Purchase of additional power (Exchange)	-	-	-	-
	DSM	-	-	-	-
	New Source	-	5.00	-	5.00
	Base Load	3.92	-	3.92	-
	Peak Load	-	-	-	-
Total	Solar Purchase	2.90	5.50	2.90	5.50
	Non-Solar Purchase	2.87	5.50	2.87	5.50
	Total	3.69	5.58	3.66	5.38

Table 8: Distribution Loss and collection efficiency for FY 2023-24 to FY 2024-25

Particulars	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Approved in MYT Order	Revised Projections	Approved in MYT Order	Revised Projections
Distribution Loss (Excl. EHV loss) (%)	2.25%	1.86%	2.00%	1.86%
Collection Efficiency (%)		98.60%		98.60%

Table 9: Capitalisation for FY 2023-24 to FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	Approved in MYT Order	Revised Projections	Approved in MYT Order	Revised Projections
Capitalization				
DPR Projects	0.15	7.09	0.05	0.05
Non DPR Projects	-	-	-	-
Total	0.15	7.09	0.05	0.05

Table 10: Carrying/(Holding) Cost for Past Gaps/(Surplus) (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
	Opening Incremental Gap/(Surplus)	-	(1.07)	(1.75)	(1.55)	
Incremental Gap/(Surplus) during the year	(1.07)	(0.67)	0.19			
Closing Gap/(Surplus)	(1.07)	(1.75)	(1.55)	(1.55)	(1.55)	
Average Gap/(Surplus)	(0.54)	(1.41)	(1.65)	(1.55)	(1.55)	
Interest Rate for Carrying/(Holding) Cost	9.66%	8.57%	8.50%	9.55%	9.55%	
Carrying/(Holding) Cost for the Year	(0.05)	(0.12)	(0.14)	(0.15)	(0.15)	(0.61)

Table 11: Projected Revenue Requirement and ACoS for FY 2023-24 and 2024-25

Sr. No.	Particulars	FY 2023-24	FY 2024-25
1.	Net ARR of Licensed Business	23.08	28.31
2.	Energy Sales (Mn. kWh)	27.34	28.71
3.	Energy Sales (Mn. kVAh)	28.51	29.94
4.	Average Cost of Supply (Rs. /kWh)	8.44	9.86
5.	Average Cost of Supply (Rs. /kVAh)	8.09	9.46
6.	Annual Tariff Increase Required (%)	13%	17%

4. Tariff Philosophy:

- KRCIPPL has proposed revision in the Retail Supply Tariff and Wheeling Charges for each of the consumer categories.
- KRCIPPL has proposed the composite Wheeling charges for HT and LT category
- KRCIPPL has not proposed ToD Tariff for FY 2023-24 and FY 2024-25

5. Tariff Proposal

Table 12: Proposed Wheeling Charges for FY 2023-24 and FY 2024-25

Particulars	Voltage Level	FY 2023-24	FY 2024-25
Wheeling Charges (Rs./kVAh)			
HT I - Industry	HT	1.67	1.74
HT II - Commercial	HT	1.67	1.74
HT III - EVCS	HT	1.67	1.74
LT I - General Purpose	LT	1.67	1.74
LT Commercial II A : 0 - 20 kW	LT	1.67	1.74
LT Commercial II B : > 20 kW	LT	1.67	1.74
LT Industrial III A : 0 - 20 kW	LT	1.67	1.74
LT Industrial III B : > 20 kW	LT	1.67	1.74
LT IV - EVCS	LT	1.67	1.7