



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/2023-24/0568

Date: 02 November, 2023

To,  
The Gigaplex Estate Private Ltd.,  
K Raheja Corp, Level-9, Raheja Tower  
Block 'G', Plot No. C-30,  
Bandra Kurla Office  
Bandra (E), Mumbai – 400 051

**Subject:** Post-facto approval of Fuel Adjustment Charges (FAC) submissions of GEPL for the months of April 2022, May 2022, and June 2022.

**Reference:** 1. GEPL's FAC submission for the month of April 2022, May 2022, and June 2022 vide email dated 30 August 2022.  
2. Data-gaps raised vide email dated 20 June 2023.  
3. GEPL's response to queries raised vide email dated 3 July, 2023.

Sir,

Upon vetting the FAC calculations for the months of April 2022, May 2022, and June 2022 as mentioned in the above reference, the Commission has accorded approval for charging FAC to its consumers as shown in the table below:

Month	April 2022	May 2022	June 2022
Z <sub>FAC</sub> allowed for recovery (Rs. Crore)	-	0.155	0.156

In the previous FAC Report, the Commission had allowed the accumulation of FAC amount of Rs. (0.86) Crore at the end of March 2022 which shall form part of FAC Fund and was carried forward to next FAC billing cycle with holding cost. This was utilized against the FAC allowed for the month of April 2022. Post adjusting the accumulated FAC and allowing the recovery of FAC for May 2022 and June 2022, the Commission allows to carry forward FAC of Rs. 0.72 Crore for the month of May 2022 and Rs. 1.67 Crore for June 2022. Further, as directed by the Commission, GEPL shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund and, also for information of all the stakeholders.

Yours faithfully,

(Dr. Rajendra G. Ambekar)  
Executive Director, MERC

Encl: Annexure A: Detailed Vetting Report for the period of April 2022 to June 2022

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**POST-FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF APRIL  
2022, MAY 2022, AND JUNE 2022**

**Subject:** Post-facto approval of Fuel Adjustment Charges (FAC) submissions of GEPL for the months of April 2022, May 2022, and June 2022.

**Reference:**

1. GEPL's FAC submission for the month of April 2022, May 2022, and June 2022 vide email dated 30 August 2022.
2. Data-gaps raised vide email dated 20 June 2023.
3. GEPL's response to queries raised vide email dated 3 July, 2023.

**1. FAC submission by GEPL:**

1.1 GEPL has made FAC submissions for the months of April 2022, May 2022, and June 2022 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by GEPL, the Commission has accorded post-facto approval for the FAC amount to be charged in the billing months of June 2022, July 2022 and August 2022.

**2. Background**

- 2.1 On 30 March, 2020 the Commission has issued Tariff Order in respect of GEPL (Case No. 330 of 2019) for approval of Aggregate Revenue Requirement and Multi Year Tariff for the Control Period from FY 2020-21 to FY 2024-25. Revised Tariff has been made applicable from 1 April, 2020.
- 2.2 Vide its letter dated 20 April, 2020, the Commission communicated the excel formats and guiding principles for filing of FAC submissions to all Distribution Licensees including SEZs. The Commission also directed all Distribution Licensees to submit FAC computations, including details pertaining to variation in fuel cost of generators for the approval of the Commission.
- 2.3 The summary of the FAC Vetting Report approvals granted by the Commission till date is given below:
- Prior approval of the FAC for the month of April, 2020 vide FAC Vetting Report dated 7 June, 2020.
  - Post-facto approval to the FAC for the month of May and June, 2020 vide FAC vetting Report dated 25 September, 2020.
  - Post-facto approval to the FAC for the months of July 2020, August 2020 and September 2020 vide FAC vetting Report dated 30 November, 2020



## Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

- Post-facto approval to the FAC for the months of October 2020, November 2020 and December 2020 vide FAC vetting Report dated 16 March, 2021.
  - Post-facto approval to the FAC for the month of January to March, 2021 vide FAC Vetting Report dated 18 June, 2021.
  - Post-facto approval to the FAC for the month of April to June, 2021 vide FAC Vetting Report dated 11 October, 2021.
  - Post-facto approval to the FAC for the month of July to September, 2021 vide FAC Vetting Report dated 30 December, 2021.
  - Post-facto approval to the FAC for the months of October 2021, November 2021 and December, 2021 vide FAC Vetting Report dated 28 June, 2023.
  - Post-facto approval to the FAC for the months of January 2022, February 2022 and March 2022 vide FAC Vetting Report dated 24 July, 2023.
- 2.4 As per provisions of MYT Regulations, 2019 a Distribution Licensee (SEZ) is required to obtain post-facto approval of the Commission on a quarterly basis for FAC charges within 60 days of close of each quarter. Accordingly, vide its letter dated 30 August 2022, GEPL has filed FAC submissions for the months of April 2022, May 2022, and June 2022 for post-facto approval. The Commission has scrutinized the submissions provided by GEPL and has also verified the fuel and power purchase bills provided along with its submissions.

### 3. Energy Sales of the Licensee

- 3.1 In the MYT Order passed by the Commission in Case No. 330 of 2019, the Commission has approved revised tariffs to maintain zero cross subsidy across tariff categories.
- 3.2 The net energy sales within licence area as submitted by GEPL in the FAC submission and as approved by the Commission are as shown in the Table 1 below:

**Table 1: Energy Sales approved and Actual in MUs**

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales (MU)		
			Apr 22	May 22	Jun 22
	(I)	(II=I/12)	(III)	(IV)	(V)
<b>HT Category</b>					
HT-I Industrial	49.29	4.11	1.85	2.14	2.12
HT-II Commercial	1.91	0.16	0.06	0.06	0.06
<b>LT Category</b>					
LT-II (A) Commercial (0-20 kW)	1.31	0.11	0.04	0.04	0.04
LT-II (B) Commercial (above 20 kW)	0.28	0.02	0.001	0.01	0.04
LT-III (A) Industrial (0-20 kW)	0.12	0.01	0.03	0.03	0.03
LT-III (B) Industrial (above 20 kW)	5.67	0.47	0.19	0.22	0.22
LT-IV Electric Vehicle (EV) Charging Stations			0.00	0.00	0.00
<b>Total</b>	<b>58.58</b>	<b>4.88</b>	<b>2.17</b>	<b>2.50</b>	<b>2.52</b>



- 3.3 It can be observed from above Table 1 that the actual sales during the months of April 2022, May 2022, and June 2022 is 2.17 MU, 2.50 MU and 2.52 MU respectively, which is **55.58%, 48.87% and 48.47%** lower than monthly approved energy sales of 4.88 MU for the FY 2022-23. The major variation was primarily observed in all categories except LT III A – Industry (0 - 20 kW). However, the major reduction was observed in the HT-I Industrial, LT II A Commercial (below 20 kW) and LT-III (B) Industrial categories, which is due to the continuation of impact of work at home approach adopted in IT industry and, also due to seasonal variations. Moreover, miniscule quantum of sale in LT IV category is also observed in the months of April 2022 to June 2022. However, an increase of around 42% growth in sales has been witnessed as compared to Quarter-to-quarter basis.

4. **Power Purchase Details**

- 4.1 GEPL is a deemed Distribution Licensee notified by the Commission for IT& ITES SEZ located at Airoli, Thane. GEPL does not own or operate any generating stations. Accordingly, GEPL is required to procure power from outside sources in order to fulfil the electricity demand of its consumers.
- 4.2 **Power Procurement from Kreate Energy (I) Pvt. Ltd.:** GEPL has medium term PPA with GMR Energy Trading Limited approved by the Commission in Case No. 266 of 2018 dated 26 September, 2018 which was valid up to March, 2021. Post that, the Commission in its Order dated 30 June, 2021 in Case No. 69 of 2021 has provided the approval of Power Purchase Agreement and Adoption of Tariff determined through transparent bidding process for a Short-Term procurement of power up to 14MW (RTC) for one year starting from 1 July, 2021 to 30 June, 2022 through combined power procurement. In the said Order, the quantum estimated for GEPL is up to 4.5 MW (Up to 2 MW RTC and up to 2.5 MW between 0800 and 2300 hours). The relevant extract is as given below:

*“Accordingly, the Commission approves PPA dated 27 May 2021 entered between KRC DISCOMs (MindSpace Business Parks Private Limited; Gigaplex Estate Private Limited; KRC Infrastructure and Projects Private Limited) and Kreate Energy (I) Pvt. Ltd. – Power Department of Sikkim.”*

- 4.3 However, GEPL has not purchased power from Kreate Energy (I) Pvt. Ltd. (KEIPL) and instead purchased power from GMR Energy Trading Limited (GMRETL) on Bilateral basis. On 7 March 2022, KEIPL requested KRC Discoms to provide a schedule for the month of April 2022. KRC Discoms sent the schedule on 9 March 2022, and have sent consistent reminders to KEIPL to schedule power for the month of April 2022. However, KRC Discoms did not receive any confirmation for the application of power. Finally on 31 March 2022, KEIPL informed its non-availability and non-scheduling of power for the month April 2022 due to constraints in generating power due to unavoidable circumstances and informed that KEIPL is the facilitator for scheduling of power from ultimate sellers of



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the buyers. Thus, KEIPL will not be able to supply power to GEPL, KRCIPPL and MBPPL for the period 1 April 2022 to 30 April 2022.

- 4.4 Under such circumstances, KRC discoms initiated steps to meet their electricity demand from power exchange. Further in response to KEIPL's notice on breach of PPA, KRC discoms directed KEIPL to comply with the obligations, failing to which KRC Discoms shall be constrained to take all acts as it may deem necessary including encashment of Contract Performance Guarantee (CPG). KRC discoms informed the Commission regarding procurement of power from power exchange due to non-supply of power by KEIPL for the month of April 2022. KRC discoms diligently explored various alternative options, including Inter-Discom trade through the DSM portal, however, KRC discoms did not find any suitable option to meet its power requirement, other than Power Exchange. In view of non-supply of power to KRC discoms in April 2022, KRC discoms have encashed the bank Guarantees (CPGs) received from KEIPL against PPA dated 27 May 2021. The CPGs amounting to Rs. 1.56 Crore, Rs. 1.08 Crore and Rs. 0.72 Crore have been adjusted in May 2022. Further for the months of May 2022 and June 2022, KRC discoms followed-up with KEIPL to schedule power, however, KEIPL neither responded to the letters nor scheduled the power.
- 4.5 GEPL has purchased power from GMR Energy Trading Limited (GMRETL) on Bilateral basis at the rates of Rs. 5.12/kWh, Rs. 12.74/kWh, and Rs. 6.67/kWh in the month of April 2022, May 2022 and June 2022, respectively, which is higher than the power procurement rate of Rs. 3.92/kWh as approved by the Commission in Tariff Order in Case No. 330 of 2019 from the medium-term source and Rs. 4.28/kWh from the Short-Term sources.
- 4.6 In this regard, the KRC Discoms had also filed a Petition with the Commission in the matter of Case No. 138 of 2022 on 22 June, 2022 seeking approval of the Commission for undertaking combined power purchase at Power Exchange linked rates for the period from July 2022, till alternative arrangements are in place. While adjudicating the matter, the Commission had gone through the details regarding non-supply of power by the contracted source i.e., Kreate Energy during the period April 2022 to June 2022 and the need for procuring power from available alternative source, albeit at higher cost than the approved power purchase cost. In this regard the Commission in its analysis and rulings in the Order in Case No. 138 of 2022 had noted the following:

*"11. Thus, failure of M/s Kreate Energy (I) Pvt. Ltd to supply power as per contract during the period of April to June 2022 and non-successful bidding process has resulted into KRC DISCOMs to depend on Power Exchanges for meeting its consumer demand. Further due to high demand, bids for all time blocks were not getting cleared on power exchanges and hence during that period, KRC DISCOMs had to depend on DG Set for maintaining continuity of power supply to its consumers. To avoid such situations, KRC DISCOMs entered into exchange linked bilateral contract with M/s GMR Energy Trading Ltd and has requested the Commission to allow such contract till it successfully selects supplier through bidding process.*



12. *The Commission notes that exchange linked bilateral contract is undertaken outside the power market platform. Such contract does not strictly fall under Section 62 (tariff determined by the Commission as per Tariff Regulations) or Section 63 (tariff discovered through competitive bidding process) of the Electricity Act, 2003. The Commission has been considering such contracts for pass through in power purchase expenses as such contracts form very small quantum of total power purchase basket of Distribution Licensee and tariff is linked to the rates that are transparently discovered in power exchange, beside most of the time some discount is also offered by seller in such contracts. But in the present case, KRC DISCOMs have proposed to meet all its power purchase quantum through such exchange linked contracts. In the normal course, such arrangement is not advisable, and this would not have been allowed. But considering the efforts taken by KRC DISCOMs for procurement of power through competitive bidding, and the fact that during high demand period, bid quantum was not getting cleared on power exchange platform forcing them to supply power from DG set is neither economical nor it is viable for longer periods, the Commission deems it fit to allow such exchange linked contracts till KRC DISCOMs successfully discovers tariff in due bidding process. The Commission also notes that KRC DISCOMs are procuring green power from GDAM/GTAM market segment on power exchanges. Such green power procurement is meeting part of its load requirement. Also, such exchange linked contracts and green power procurement from exchange is also helping KRC DISCOMs to maintain Grid Discipline by not overdrawing power from the Grid.*

13. *The Commission also notes that such exchange linked contracts entered by KRC DISCOM have charged premium (50 paise/unit) over the exchange price for certain period (7 days). KRC DISCOM have justified it as during that period its contracted supplier refused to supply the power and its bids on power exchanges were not getting cleared for all the time blocks, hence to maintain continuity in power supply, KRC DISCOM had to agree to such premium. In this regard, the Commission notes that KRC DISCOM has separately filed Petition in Case No. 162 of 2022 seeking compensation towards increased power purchase expenses on account of non-supply of power by its supplier, the Commission will decide on the issue of allowing such premium as passthrough during that proceeding.*

14. *Having allowed exchange linked contracts as above, the Commission notes that price being discovered on power exchange during recent past is much higher than average power procurement rate (Rs. 3.92 per unit) approved in MYT Orders of KRC DISCOMs. This will ultimately impact the consumer tariff through FAC mechanism or truing up process (if full expenses cannot be allowed due to FAC ceiling) in upcoming Mid Term Review process which will ultimately reduce the electricity tariff advantage vis-à-vis tariff applicable to parallel licensee in that area. Therefore, to remain competitive and protect interest of their consumers, KRC DISCOMs shall take extra efforts for finding cheaper and reliable source of power supply. Hence, the Commission allows such sole power procurement from exchange*



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*linked contracts only for FY 2022-23. KRC DISCOMs shall ensure that firm source of supply is contracted before March 2023."*

- 4.7 Accordingly, while the Commission has allowed the procurement of power through exchange linked contracts, the matter of allowing the premium charged by the supplier as a pass through in tariff was to be decided by the Commission while adjudicating the matter in Case no. 162 of 2022 which was sub-judice. The impact of the Commission's Order will be captured in the future FAC Orders or truing up Orders for FY 2022-23, as deemed appropriate by the Commission.
- 4.8 Further, GEPL has also procured RE power through IEX in the GDAM during the months of April 2022, May 2022 and June 2022. GEPL purchased 0.24 MUs and 0.38 MUs of Solar and Non-Solar power in April 2022 at an average rate of Rs. 7.95/kWh. Further, GEPL purchased 0.34 MUs and 0.31 MUs of Solar and Non-Solar Power in May 2022 at an average rate of Rs. 5.88/kWh. Similarly, GEPL purchased 0.47 MUs and 0.36 MUs of Solar and Non-Solar Power in June 2022 at an average rate of Rs. 6.58/kWh.
- 4.9 In addition to the above, GEPL has also considered Non-Solar RECs equivalent to 1.88 MU purchased in June 2022 at an average rate of Rs. 1.02/kWh. KRC DISCOMs had submitted in letter dated 19<sup>th</sup> July 2022 regarding their common reply to Queries raised that they had inadvertently not considered the amount incurred on purchase of RECs during FAC computation of Q4 of FY 2021-22 and they wish to claim the same as part of FAC of June 2022.
- 4.10 The Commission notes that GEPL has purchased RE power through the power exchanges to meet the RPO obligations along with REC in the month of June 2022 and only RE power in the months of April 2022 and May 2022. While the Commission had allowed the KRC DISCOMs to procure RECs to meet the RPO obligations in the MYT order, the Commission in its Order in Case no. 231 of 2020 dated 23 January 2021 has also permitted the KRC DISCOMs to procure RE power before FY 2022-23, so that the benefit of RE purchase can be passed on to the consumers. The power purchase has been through the power exchanges where the prices are market driven and competitively discovered.
- 4.11 GEPL has also procured 0.05 MU, 1.04 MU, and 1.34 MU of power from Power Exchange at average rates of Rs. 14.56/kWh, Rs. 6.09/kWh and Rs. 7.82/kWh during the months of April 2022, May 2022 and June 2022, respectively. GEPL has submitted that the increase in demand in the month of April 2022 to June 2022 has necessitated power procurement through Power Exchange because of non-availability of its contracted source.
- 4.12 Summary of power purchase of GEPL is as under:

Sr. No.	Particular	Compliance
1	Purchase from Approved Sources	No. GEPL has not purchased power from Kreate Energy (I) Pvt. Ltd. during April 2022, May 2022, and June 2022 which is the





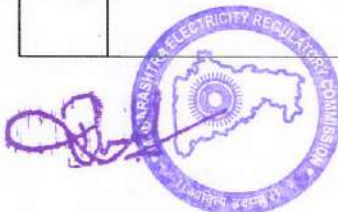
Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

Sr. No.	Particular	Compliance																																												
		approved sources of power as specified in Case No. 69 of 2021, and even though the agreement is valid for the period of 1 July 2021 to 30 June 2022.																																												
2	Merit Order Dispatch	<b>Yes.</b> GEPL has only one source of contracted power i.e., Kreate Energy (I) Pvt. Ltd., which has been contracted on short term basis. GEPL has followed merit order for scheduling of power and preference was given to cheapest power.																																												
3	Fuel Utilization Plan	<b>Not applicable.</b> All the sources of power procurement fall under Section 63 of EA, 2003.																																												
4	DSM Pool	GEPL has drawn 0.015 MU in the month of April 2022 from the DSM pool and injected 0.010 MU and 0.005 MU in the months of May 2022 and June 2022, respectively into the DSM Pool.																																												
5	Sale of Surplus Power	There was no sale of Surplus power in the months of April 2022 to June 2022.																																												
6	Power Purchase	Actual Power Purchase is <b>2.28 MU, 2.61 MU and 2.68 MU</b> for April 2022, May 2022, and June 2022, respectively, as against approved monthly power purchase of <b>5.10 MU</b> due to lower sales as compared to actual sales.																																												
7	Source wise Power Purchase	<table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual April 2022 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>RE Solar</td> <td>0.41 (Solar)</td> <td>0.24</td> <td>10.46%</td> </tr> <tr> <td>RE Non-Solar</td> <td>0.59 (Non-Solar)</td> <td>0.38</td> <td>16.47%</td> </tr> <tr> <td>Other Medium-Term source/ Bilateral Purchase (GMR Energy Trading Limited)</td> <td>3.72</td> <td>1.60</td> <td>70.05%</td> </tr> <tr> <td>Exchange/ Other Peak Source</td> <td>0.39</td> <td>0.05</td> <td>2.36%</td> </tr> <tr> <td>Kreate Energy Pvt. Ltd.</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DSM Pool</td> <td>-</td> <td>0.01</td> <td>0.66%</td> </tr> <tr> <td>Imbalance Pool</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>5.10</b></td> <td><b>2.28</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual May 2022 (MU)</th> <th>Proportion of each Source in Actual Purchase</th> </tr> </thead> <tbody> <tr> <td>RE Solar</td> <td>0.41 (Solar)</td> <td>0.34</td> <td>12.87%</td> </tr> </tbody> </table>	Source Name	Approved (MU)	Actual April 2022 (MU)	Proportion of each Source in Actual Purchase (%)	RE Solar	0.41 (Solar)	0.24	10.46%	RE Non-Solar	0.59 (Non-Solar)	0.38	16.47%	Other Medium-Term source/ Bilateral Purchase (GMR Energy Trading Limited)	3.72	1.60	70.05%	Exchange/ Other Peak Source	0.39	0.05	2.36%	Kreate Energy Pvt. Ltd.	-	-	-	DSM Pool	-	0.01	0.66%	Imbalance Pool	-	-	-	<b>Total</b>	<b>5.10</b>	<b>2.28</b>	<b>100%</b>	Source Name	Approved (MU)	Actual May 2022 (MU)	Proportion of each Source in Actual Purchase	RE Solar	0.41 (Solar)	0.34	12.87%
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Sr. No.	Particular	Compliance			
		RE Non-Solar	0.59 (Non-Solar)	0.31	11.96%
		Other Medium-Term source/ Bilateral Purchase (GMR Energy Trading Limited)	3.72	0.93	35.54%
		Exchange/ Other Peak Source	0.39	1.04	40.00%
		Kreate Energy Pvt. Ltd.	-	-	-
		DSM Pool	-	(0.01)	-0.36%
		Imbalance Pool	-	-	-
		<b>Total</b>	<b>5.10</b>	<b>2.61</b>	<b>100%</b>
		<b>Source Name</b>	<b>Approved (MU)</b>	<b>Actual June 2022 (MU)</b>	<b>Proportion of each Source in Actual Purchase</b>
		RE Solar	0.41 (Solar)	0.47	17.53%
		RE Non-Solar	0.59 (Non-Solar)	0.36	13.53%
		Other Medium-Term source/ Bilateral Purchase (GMR Energy Trading Limited)	3.72	0.50	18.88%
		Exchange/ Other Peak Source	0.39	1.34	50.25%
		Kreate Energy Pvt. Ltd.	-	-	-
		DSM Pool	-	0.005	-0.19%
		Imbalance Pool	-	-	-
		<b>Total</b>	<b>5.10</b>	<b>2.68</b>	<b>100%</b>
		<p>No power is purchased from M/s Kreate Energy Pvt. Ltd. even though the PPA is valid from 1<sup>st</sup> July, 2021 to 30<sup>th</sup> June, 2022. The quantum estimated for GEPL is up to 4.5 MW (Up to 2 MW RTC and up to 2.5 MW between 0800 and 2300 hours).</p> <p>In addition to the above, GEPL has also considered Non-Solar RECs equivalent to 1.88 MUs purchased in January 2022 at an average rate of Rs. 1.02/kWh. KRC DISCOMs had submitted in</p>			



Sr. No.	Particular	Compliance
		<p>letter dated 19<sup>th</sup> July 2022 regarding their common reply to Queries raised that they had inadvertently not considered the amount incurred on purchase of RECs during FAC computation of Q4 of FY 21-22 and they wish to claim the same as part of FAC of June 2022.</p> <p># While the Commission had allowed the KRC DISCOMs to procure RECs to meet the RPO obligations in the MYT order, in the Order in Case no. 231 of 2020 dated 23 January, 2021, the Commission has also permitted the KRC DISCOMs to procure RE power before FY 2022-23, so that the benefit of RE purchase can be passed on to the consumers.</p>
8	Power Purchase under Section 63 of Electricity Act, 2003	Monthly power purchase invoices are submitted by GEPL. Power Purchase rates are verified from the PPA signed by GEPL with each source of power. Monthly power purchase quantum and rate are verified from the invoices, and it is ensured that same has been considered in the FAC calculation.

**5. Power Purchase Cost:**

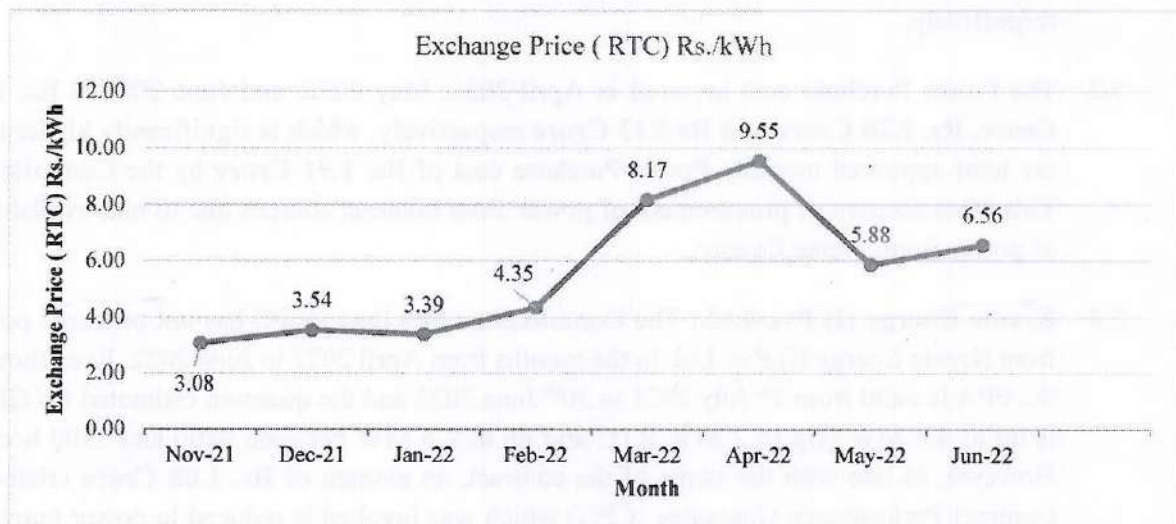
- 5.1 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of April 2022, May 2022, and June 2022, in order to verify the claim of GEPL regarding Average Power Purchase Cost (APPC). The Commission has verified the actual as well as approved Net Purchase (MUs), Variable Cost (Rs. /kWh) and Power Purchase Cost considered in FAC computation from the invoices and applicable MYT Order respectively.
- 5.2 The Power Purchase cost incurred in April 2022, May 2022, and June 2022 is **Rs. 1.39 Crore, Rs. 2.20 Crore and Rs 2.13 Crore** respectively, which is significantly higher than the total approved monthly Power Purchase cost of **Rs. 1.91 Crore** by the Commission. This is on account of procurement of power from bilateral sources due to non-availability of power from Kreate Energy.
- 5.3 **Kreate Energy (I) Pvt. Ltd.:** The Commission notes that GEPL has not procured power from Kreate Energy (I) Pvt. Ltd. in the months from April 2022 to June 2022. Even though, the PPA is valid from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 and the quantum estimated for GEPL is up to 4.5 MW (Up to 2 MW RTC and up to 2.5 MW between 0800 and 2300 hours). However, in line with the terms of the contract, an amount of **Rs. 1.08 Crore** related to Contract Performance Guarantee (CPG) which was invoked is reduced in power purchase cost of April 2022.



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

- 5.4 **Bilateral purchases from GMR Energy Trading Limited (GMRETL):** The Commission notes that GEPL has purchased 1.60 MU, 0.93 MU and 0.51 MU of power for the month of April 2022, May 2022 and June 2022 from GMR Energy Trading Limited on Bilateral basis and the average rate of power purchase was significantly high at Rs. 11.87/kWh excluding the Kreate performance bank guarantee amount and Rs. 5.12/kWh after considering the Kreate CPG invoke amount during the month of April 2022 and Rs. 12.74/kWh and Rs. 6.67/kWh during the months of May 2022 and June 2022, respectively because of non-availability of its contracted source.
- 5.5 The Commission has verified the bills from the power purchase for M/s GMR Energy Trading Limited.
- 5.6 **Power Procurement from Exchange/Other Peak Sources:** GEPL has also procured 0.05 MUs, 1.04 MUs, and 1.34 MUs for the months for April 2022, May 2022 and June 2022, respectively, to meet the peak demand from DAM / RTM / TAM products available on IEX platform. Though these sources contributed to 2.36%, 40.00%, 50.25% of the total power purchase during the months of April 2022, May 2022, and June 2022, the average rates of power purchase were high at Rs. 14.56/kWh in April 2022, Rs. 6.09/kWh and Rs. 7.82/kWh in May 2022, and June 2022, respectively. The contribution of power exchange purchases is higher in May 2022 and June 2022 because of non-availability of its contracted source. The higher cost of purchase from exchange reflects the average price trends observed in the power exchange in the month of April 2022.

Figure 1: Exchange price trends (RTC)



- 5.7 **Renewable Sources:** The Commission has approved Rs. 0.29 Crore each for April 2022, May 2022, and June 2022 for purchase of RE power to meet Renewable Purchase Obligation (RPO). GEPL has purchased RE Solar and RE Non-Solar during the period April 2022 to June 2022. The RE Solar purchase quantum was 0.24 MU, 0.34 MU and 0.47 MU at a power purchase rate of Rs. 7.94/kWh, Rs. 5.88/kWh and Rs. 6.58/kWh in the months



of April 2022, May 2022, and June 2022 respectively. Similarly, the RE Non-Solar purchase quantum was 0.38 MU, 0.31 MU and 0.36 MU at a power purchase rate of Rs. 7.95/kWh, Rs. 5.88/kWh and Rs. 6.58/kWh in the months of April 2022, May 2022, and June 2022 respectively. In addition to the above, GEPL has also considered Non-Solar RECs equivalent to 1.88 MUs purchased in January 2022 at an average rate of Rs. 1.02/kWh. KRC DISCOMs had submitted in letter dated 19<sup>th</sup> July 2022 regarding their common reply to Queries raised that they had inadvertently not considered the amount incurred on purchase of RECs during FAC computation of Q4 of FY 21-22 and they wish to claim the same as part of FAC of June 2022.

- 5.8 Accordingly, GEPL has sourced the RE Solar and RE Non-Solar Power from the exchange (GDAM) to meet the RPO obligation.
- 5.9 The Commission notes that the price of power is competitively discovered for power procured through power exchange and GEPL has provided all the necessary supporting documents for verification of the cost. Accordingly, the Commission approves inclusion of the power purchased from RE sources for recovery through the FAC mechanism.
- 5.10 **DSM Pool:** GEPL has drawn 0.015 MU in the month of April 2022 from the DSM pool and injected 0.010 MU and 0.005 MU in the months of May 2022 and June 2022, respectively into the DSM Pool.
- 5.11 The Commission has also considered the average price of the power in the DSM pool (Rs. 4.81/kWh, Rs. 0.34/kWh and Rs. 7.56/kWh) as submitted by the Licensee for FAC computation along with the supporting documentation.
- 5.12 The Commission has noted that GEPL has followed Merit Order Dispatch for scheduling of power and all sources are scheduled according to SLDC instructions.
- 5.13 No sale of surplus power was done during the period April 2022 to June 2022.
- 5.14 **Approved Cost:** The Commission has noted that GEPL procured nil quantum of power from its approved sources due to non-availability of contracted source Kreate Energy, which has resulted in higher power purchase cost for the months of April 2022 to June 2022. Instead, GEPL has purchased power from GMR Energy on Bilateral basis at Rs. 5.12/kWh in April 2022, Rs. 12.74/kWh in May 2022 and Rs. 6.67/kWh in June 2022 which is higher than the Power procurement cost of Rs. 3.92/kWh as approved by the Commission in Tariff Order in Case No. 330 of 2019 from the medium-term sources and Rs. 4.28/kWh from Exchange/Other Peak Sources.
- 5.15 The APPC during the period April 2022 to June 2022 is higher due purchase of higher cost power both conventional and RE sources from power exchange to meet the higher demand in April 2022, May 2022, and June 2022.
- 5.16 The details of the overall cost approved and actual for the months of April 2022, May 2022, and June 2022 as per MYT Order is as shown in the Table 2 below:



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

**Table 2: Approved and Actual Power Purchase Cost for GEPL**

Source		Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./ kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./ kWh)	Total Cost (Rs. Crore)	APPC (Rs./ kWh)
<b>Base Load - Medium Term Sources - Bilateral</b>	Approved	3.72	-	-	1.46	3.92	1.46	3.92
	Actual (April 2022)	1.60	-	-	0.82	5.12	0.82	5.12
	Actual (May 2022)	0.93	-	-	1.18	12.74	1.18	12.74
	Actual (June 2022)	0.51	-	-	0.34	6.67	0.34	6.67
<b>Kreate Energy (I) Pvt. Ltd.</b>	Approved	-	-	-	-	-	-	-
	Actual (April 2022)	-	-	-	-	-	-	-
	Actual (May 2022)	-	-	-	-	-	-	-
	Actual (June 2022)	-	-	-	-	-	-	-
<b>Exchange/Other Peak Source</b>	Approved	0.39	-	-	0.17	4.28	0.17	4.28
	Actual (April 2022)	0.05	-	-	0.08	14.56	0.08	14.56
	Actual (May 2022)	1.04	-	-	0.64	6.09	0.64	6.09
	Actual (June 2022)	1.34	-	-	1.05	7.82	1.05	7.82
<b>Solar &amp; Non-Solar RE/REC</b>	Approved	0.41 (Solar) 0.59 (Non-Solar)	-	-	0.12 (Solar) 0.17 (Non-Solar)	2.90 (Solar) 2.87 (Non-Solar)	0.12 (Solar) 0.17 (Non-Solar)	2.90 (Solar REC) 2.87 (Non-Solar)
	Actual (April 2022)	0.24 (RE Solar)	-	-	0.19 Solar	7.94 Solar	0.19 Solar	7.94 Solar
		0.38 (RE Non Solar)	-	-	0.30 Non Solar	7.95 Non Solar	0.30 Non Solar	7.95 Non Solar
	Actual (May 2022)	0.34 (RE Solar)	-	-	0.20 Solar	5.88 Solar	0.20 Solar	5.88 Solar
		0.31 (RE Non Solar)	-	-	0.18 Non Solar	5.88 Non Solar	0.18 Non Solar	5.88 Non Solar
	Actual (June 2022)	0.47 (RE Solar)	-	-	0.30 Solar	6.58 Solar	0.30 Solar	6.58Solar
		0.36 (RE Non Solar)	-	-	0.24 Non Solar	6.58 Non Solar	0.23 Non Solar	6.58Non Solar
		1.88 REC Non-Solar	-	-	0.19 REC Non Solar	1.02 REC Non Solar	0.19 REC Non Solar	1.02 REC Non Solar
<b>DSM / Pool</b>	Approved	-	-	-	-	-	-	-
	Actual (April 2022)	0.02	-	-	0.01	4.81	0.01	4.81
	Actual (May 2022)	(0.01)	-	-	0.00	0.34	0.00	0.34
	Actual (June 2022)	(0.01)	-	-	0.00	7.56	0.00	7.56
<b>SLDC Fee</b>	Approved	-	-	-	-	-	-	-
	Actual (April 2022)	-	0.001	-	-	-	0.001	-
	Actual (May 2022)	-	0.001	-	-	-	0.001	-

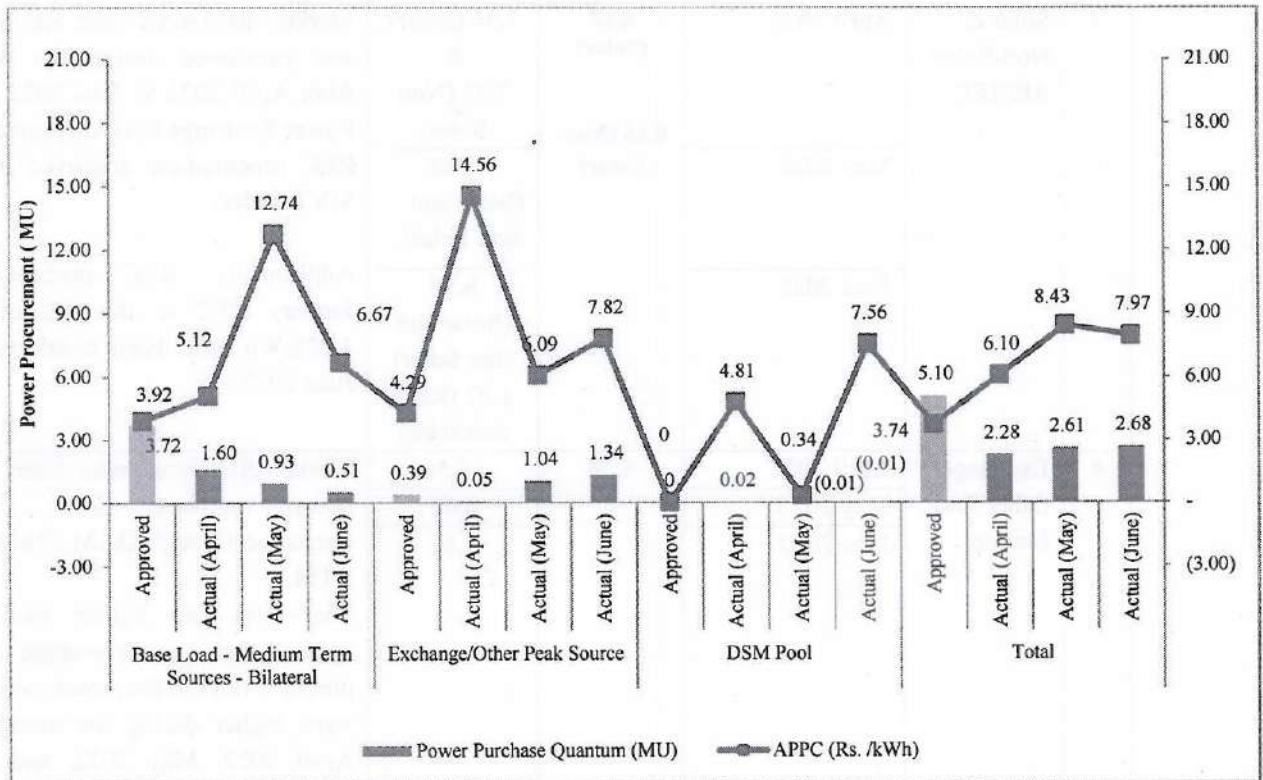


Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

Source		Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./ kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./ kWh)	Total Cost (Rs. Crore)	APPC (Rs./ kWh)
	Actual (June 2022)	-	0.001	-	-	-	0.001	-
<b>Total</b>	<b>Approved</b>	<b>5.10</b>	<b>-</b>	<b>--</b>	<b>1.91</b>	<b>3.74</b>	<b>1.91</b>	<b>3.74</b>
	<b>Actual (April 2022)</b>	<b>2.28</b>	<b>0.001</b>	<b>0.00</b>	<b>1.39</b>	<b>6.10</b>	<b>1.39</b>	<b>6.10</b>
	<b>Actual (May 2022)</b>	<b>2.61</b>	<b>0.001</b>	<b>0.00</b>	<b>2.20</b>	<b>8.42</b>	<b>2.20</b>	<b>8.43</b>
	<b>Actual (June 2022)</b>	<b>2.68</b>	<b>0.001</b>	<b>0.00</b>	<b>2.13</b>	<b>7.97</b>	<b>2.13</b>	<b>7.97</b>

5.17 Source wise approved and actual quantum of power procured from some of the key sources and APPC is shown in the graph below:

Figure 2: Variation in Power Procurement and Total per unit Cost



5.18 Reasons for the rate variation for various sources are as shown below:

Table 3: Reasons for Rate Variation for various Sources

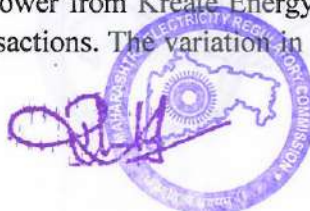
Sr. No.	Source	Month	Approved Rate (Rs./kWh)	Actual Rate (Rs./kWh)	Reason for rate variation
1		April 2022	4.29	5.12	



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
	Base Load - Medium Term	May 2022		12.74	GEPL procured power from GMR Energy on bilateral basis because of non-availability of approved sources. Kreate CPG invoke amount of Rs. 1.08 crore credited in April 2022 which has reduced APPC for April 2022.
		June 2022		6.67	
2	Kreate Energy (I) Pvt. Ltd.	April 2022	-	-	No power purchased from Kreate Energy.
		May 2022		-	
		June 2022		-	
3	Solar & Non-Solar RE/REC	April 2022	0.12 (Solar) 0.16 (Non-Solar)	7.94 (Solar) & 7.95 (Non Solar)	Market discovered rate: RE power was purchased during the period from April 2022 to June 2022 from Power Exchange (GDAM) instead of REC procurement approved in the MYT Order.
		May 2022		5.88 (Solar and Non Solar)	
		June 2022		6.58 (Solar and Non Solar) 1.02 (REC non solar)	Additionally, REC procured in January 2022 at the rate of Rs. 1.02/kWh have been considered in June 2022.
4	Exchange/ Other Peak Source	April 2022	4.28	14.56	Market discovered rate; Short term power purchase from Power Exchange through DAM, TAM and RTM. The rates are higher than the approved rates as the average power purchase rates in the power exchange were higher during the months of April 2022, May 2022, and June 2022.
		May 2022		6.09	
		June 2022		7.82	
5	DSM / Imbalance Pool	April 2022		4.81	DSM rates are based on supporting documents provided by GEPL.
		May 2022		0.34	
		June 2022		7.56	
6	Total	April 2022		6.10	Due to above factors.
		May 2022		8.43	
		June 2022		7.97	

5.19 Considering the above, the Commission allows the average power purchase cost of Rs. 6.10/kWh, Rs. 8.43/kWh and Rs. 7.97/kWh for the months of April 2022, May 2022 and June 2022 respectively as shown in Table 3 above. The increase in power purchase cost is due to non-availability of power from Kreate Energy (I) Pvt. Ltd. and reliance on Power exchange and Bilateral transactions. The variation in power purchase cost is on the higher





Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

side in April 2022, May 2022 and June 2022 higher cost of RE, REC cost and conventional power purchase from exchange. Additionally, Kreate CPG invoke amount of Rs. 1.08 crore credited in April 2022 which has reduced APPC for April 2022

**6. FAC on account of fuel and power purchase cost (F)**

6.1 The Commission has worked out the average power purchase costs for the months of April 2022, May 2022 and June 2022 as shown in Table 2 above. The same has been compared with the average power purchase cost approved by the Commission in MYT Order dated 30 March 2020 to arrive at the differential per unit rate at which  $Z_{FAC}$  is to be passed on to the consumers.

6.2 Thus, the following Table 4 shows the  $Z_{FAC}$  worked out by the Commission on account of difference in power purchase cost for the month of April 2022, May 2022, and June 2022.

**Table 4: FAC on account of Power Purchase Cost**

Sr. No.	Particulars	Units	Apr-22	May-22	Jun-22
1	Average power purchase cost approved by the Commission	Rs./kWh	3.74	3.74	3.74
2	Actual average power purchase cost	Rs./kWh	6.10	8.43	7.97
3	Change in average power purchase cost (=2 - 1)	Rs./kWh	2.36	4.68	4.22
4	Net Power Purchase	MU	2.28	2.61	2.68
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	0.54	1.22	1.13

**7. Adjustment for over recovery/under recovery (B)**

1.1. There is no past adjustment for over recovery/under recovery for the month of April 2022 and May 2022 since there was a negative FAC (B) is as shown in the Table 5 below:

**Table 5 Adjustment for over recovery/under recovery**

S. No.	Particulars	Units	Apr-22	May-22	Jun-22
1.1	Incremental cost allowed to be recovered in Month n-4	Rs. Crore	-	-	-
1.2	Incremental cost in Month n-4 actually recovered in month n-2	Rs. Crore	-	-	-
1.3	(over-recovery)/under-recovery (=1.2 - 1.1)	Rs. Crore	-	-	-
2.0	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	-	-	-
3.0	Adjustment factor for over-recovery/under-recovery (1.3+2.0)	Rs. Crore	-	-	0.72



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8. **Carrying Cost for over recovery/under recovery (C)**

- 8.1 Carrying/Holding Cost for under recovery/over recovery has been granted at the approved interest rate for the eligible amount which works out to Nil for the months April 2022 & May 2022 and **Rs. 0.01 Crore** for the month of June 2022.
- 8.2 Holding cost for the month of April 2022 to June 2022 is calculated by considering MCLR + 150 basis points which turns out to be **8.50%, 8.60% and 8.70%** for April 2022, May 2022 and June 2022 respectively.
- 8.3 The Commission has computed the holding cost towards the amount over recovered in the month of April 2022 to June 2022 which is as shown in the Table below:

**Table 6: Carrying/Holding Cost for over/under recovery.**

Particulars	Units	Apr 22	May 22	Jun 22
Adjustment factor for over-recovery/under-recovery	Rs. Crore	-	-	0.72
Interest rate	%	8.50%	8.60%	8.70%
<b>Carrying cost for over-recovery/under-recovery</b>	<b>Rs. Crore</b>	<b>-</b>	<b>-</b>	<b>0.01</b>

9. **Holding Cost for FAC Fund**

- 9.1 The Commission in its FAC approval for the month of March 2021 has decided to accumulate the FAC fund arising out of negative monthly FAC up to March 2023 along with the holding cost. Accordingly, as per said principle laid down by the Commission, GEPL has carried forward the negative FAC amount and accumulated the same in the FAC Fund along with holding cost.
- 9.2 On the similar principle, the commission has allowed GEPL to carry forward the negative FAC amount in excess of FAC fund approved in the MYT order and accumulate in the FAC fund up to March 2023 along with holding cost.
- 9.3 The Commission has determined positive FAC of Rs. 0.53 Crore, Rs. 1.21 Crore and Rs. 1.83 Crore for the months of April 2022, May 2022 and June 2022, respectively. Accordingly, the Commission has determined FAC fund of Rs. (0.33) Crore and nil at the end of April 2022 and June 2022, respectively (after adjustment of positive/negative FAC for the respective months).
- 9.4 The Commission has considered SBI MCLR rate of the month plus 150 basis points which works out to 8.50%, 8.60% and 8.70% for April 2022, May 2022, and June 2022, respectively. Accordingly, the Commission has calculated holding cost of Rs. (0.006) Crore and Rs. (0.002) for April 2022 and May 2022, respectively, to be contributed to the FAC Pool.

10. **Disallowance due to excess Distribution Loss**



- 10.1 Regulation 10.8 of MYT Regulations, 2019 provides for FAC amount to be reduced in case the actual distribution loss for the month exceeds the approved distribution loss. The relevant extract is reproduced as follows.

*“10.8 The total  $Z_{FAC}$  recoverable as per the formula specified above shall be recovered from the actual sales in terms of “Rupees per kilowatt-hour”:*

*Provided that, in case of unmetered consumers, the  $Z_{FAC}$  shall be recoverable based on estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

*Provided further that, where the actual annual sliding distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of  $Z_{FAC}$  corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total  $Z_{FAC}$  recoverable.”*

- 10.2 The following Table 7 provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss:

**Table 7: Disallowance of FAC due to excess Distribution Loss**

Sr. No.	Particulars	Units	Approved in Tariff Order	Apr-22	May-22	Jun-22
1	Net Energy input at Distribution Voltages	MU	4.94	2.21	2.53	2.57
2	Energy sales at Distribution voltages	MU	4.88	2.17	2.50	2.52
3	Distribution Loss (1 - 2)	MU	0.06	0.04	0.03	0.05
4	Distribution Loss as % (3/1)	%	1.20%	1.88%	1.15%	1.96%
5	Annual Sliding Distribution Loss	%		2.62%	2.43%	2.35%
6	Excess Distribution Loss = [Annual Sliding Distribution Loss - Distribution loss approved] x Net Energy Input (1)	MU		0.03	0.03	0.03
7	<b>Disallowance of FAC due to excess Distribution Loss</b>	<b>Rs. Crore</b>		<b>0.01</b>	<b>0.02</b>	<b>0.02</b>

- 10.3 As seen from the above Table 7, the annual sliding distribution loss for the months of April 2022, May 2022 and June 2022 is 2.62%, 2.43% and 2.35%, respectively, which is higher than the MYT approved distribution loss of 1.20%. The monthly distribution loss for the months of April 2022 to June 2022 are also higher than the MYT approved distribution loss of 1.20%.

- 10.4 The Commission observed that GEPL has worked out disallowance of FAC due to excess Distribution Loss based on the annual sliding Distribution Loss corresponding to the



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

standalone energy input at distribution voltage for the month of May 2022, and June 2022. GEPL has considered Rs. 0.015 Crore and Rs. 0.022 Crore disallowance of FAC due to excess distribution loss for the months of May 2022, and June 2022, respectively, since the standalone FAC for all these months is positive. The Commission considers the same for disallowance of FAC due to excess distribution loss, for the purpose of approval. However, for the month of April 2022 GEPL has not considered disallowance of FAC due to excess distribution loss, commission has calculated it at Rs. 0.008 Crore.

**11. Summary of Allowable Z<sub>FAC</sub>**

11.1 The summary of the FAC amount as approved by the Commission for the month April 2022, May 2022, and June 2022 which is allowed to be recovered in the billing month June 22, July 22 and August 22 as shown in the Table8 below.

**Table 8: Summary of Allowable Z<sub>FAC</sub>**

Sr. No.	Particulars	Units	Apr-22	May-22	Jun-22
<b>1</b>	<b>Calculation of Z<sub>FAC</sub></b>				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	0.538	1.222	1.130
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	-	0.005
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	-	-	0.715
<b>1.5</b>	<b>Z<sub>FAC</sub> = F+C+B</b>	<b>Rs. Crore</b>	<b>0.538</b>	<b>1.222</b>	<b>1.851</b>
<b>2</b>	<b>Calculation of FAC Charge</b>				
2.1	Energy Sales within the License Area	MU	2.168	2.496	2.516
2.2	Excess Distribution Loss	MU	0.031	0.031	0.030
2.3	ZFAC per kWh *	Rs./kWh	2.481	4.897	7.357
2.4	Cap at 20% of variable component of tariff	Rs./kWh	0.621	0.621	0.621
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs./kWh	0.621	0.621	0.621
<b>3</b>	<b>Recovery of FAC</b>				
3.1	FAC disallowed corresponding to excess Distribution Loss $[(2.1+2.2) \times 2.3/10]$	Rs. Crore	0.008	0.015	0.022
3.2	Allowable FAC	Rs. Crore	0.530	1.207	1.829
<b>4</b>	<b>Utilization of FAC Fund</b>				
4.1	Opening Balance of FAC Fund	Rs. Crore	(0.858)	(0.334)	-
4.2	Holding Cost on FAC Fund	Rs. Crore	(0.006)	(0.002)	-
4.3	Z <sub>FAC</sub> for the month (Sr. No. 3.2)	Rs. Crore	0.530	1.207	1.829
4.4	Closing Balance of FAC Fund	Rs. Crore	(0.334)	-	-
4.5	Z <sub>FAC</sub> leviable/refundable to consumer	Rs. Crore	-	0.870	1.829



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

Sr. No.	Particulars	Units	Apr-22	May-22	Jun-22
5	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	-	0.155	0.156
6	Carried forward FAC for recovery during future period (3.1-3.2-4)	Rs. Crore	-	0.715	1.673

11.2 It can be seen from the above Table 8Table that the standalone FAC for the month of April 2022, May 2022, and June 2022 is Rs. 0.530 Crore, Rs. 1.207 Crore and Rs. 1.829 Crore, respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. 2.481/kWh, Rs. 4.897/kWh and Rs. 7.376/kWh for the months of April 2022, May 2022, and June 2022, respectively as shown above.

11.3 Further, the Regulation 10.9 of MYT Regulations, 2019 specifies as:

*Provided that the monthly  $Z_{FAC}$  shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*

11.4 The FAC in April 2022, May 2022, and June 2022 is positive and hence same is adjusted in the FAC fund being maintained by GEPL. As the FAC per unit computed in the month of April 2022, May 2022, and June 2022 as shown in Table above is higher than the 20% cap (Rs. 0.621/kWh) specified in MYT Regulations, 2019, hence, the restriction is triggered with regards to such ceiling.

11.5 Accordingly, considering the ceiling limit (Rs. 0.621/kWh), the FAC recoverable will be lower. Accordingly, due to ceiling limit (Rs. 0.621/kWh), the FAC recoverable has been worked out as Rs. 0.150 Crore and Rs. 0.151 Crore for the months of May 2022 and June 2022, respectively. Thus, FAC equivalent Rs. 0.720 Crore (i.e., Rs. 0.870 Crore minus Rs. 0.150 Crore) for the month of May 2022 and Rs. 1.683 Crore (i.e., Rs. 1.834 Crore minus Rs. 0.151 Crore) for the month of June 2022 has remained unrecovered which will be recovered as part of FAC of upcoming months.

11.6 The Commission has also approved a holding cost of **Rs. (0.006) Crore** and **Rs. (0.002) Crore** on the opening value of the FAC Fund available during the months of April 2022 and May 2022, respectively. The value of the opening FAC fund in April 2022 after considering the holding cost is Rs. (0.865) Crore. The Commission has determined a positive FAC of Rs. 0.530 Crore, Rs. 1.207 Crore and Rs. 1.829 Crore for April 2022, May 2022, and June 2022, respectively. The FAC fund is exhausted in May 2022 after adjusting the positive FAC for the month of May 2022 and hence no opening FAC is available in the month of June 2022 for adjusting the positive FAC. Accordingly the positive FAC determined by the Commission for May 2022 (after adjusting the available FAC fund) and June 2022 is recoverable from the consumers.

**12. Recovery from Consumers:**



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

12.1 Regulation 10.9 of MERC MYT Regulations, 2019 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

*“10.9 The  $Z_{FAC}$  per kWh for a particular Tariff category/sub-category/consumption slab shall be computed as per the following formula: —*

$$Z_{FAC\ Cat} (Rs/kWh) = [Z_{FAC} / (\text{Metered sales} + \text{Unmetered consumption estimates} + \text{Excess distribution losses})] * k * 10,$$

*Where:*

*$Z_{FAC\ Cat}$  =  $Z_{FAC}$  component for a particular Tariff category/sub-category/consumption slab in ‘Rupees per kWh’ terms;*

*$k$  = Average Billing Rate / ACOS;*

*Average Billing Rate = Average Billing Rate for a particular Tariff category/sub-category/consumption slab under consideration in ‘Rupees per kWh’ as approved by the Commission in the Tariff Order:*

*Provided that the Average Billing Rate for the unmetered consumers shall be based on the estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

*ACOS = Average Cost of Supply in ‘Rupees per kWh’ as approved for recovery by the Commission in the Tariff Order:*

*Provided that the monthly  $Z_{FAC}$  shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*

*Provided further that any under-recovery in the  $Z_{FAC}$  on account of such ceiling shall be carried forward and shall be recovered by the Distribution Licensee over such future period as may be directed by the Commission....”*

12.2 The Commission has worked out FAC per unit for each category of consumer based on the formula provided in the above Regulations.

12.3 The following Table9Error! Reference source not found. shows per unit  $Z_{FAC}$  for the month of April 2022, May 2022, and June 2022 to be levied on consumers of GEPL in the billing month of June 2022, July 2022, and August 2022.



Approval of FAC Charges for the months of April 2022, May 2022, and June 2022

**Table 9: Category wise FAC Revenue for billing month of June 2022, July 2022, and August 2022**

Sr. No	Consumer Category	Slabs	Z <sub>FAC</sub> computed for the month of April 2022 (Rs. Crore)	Z <sub>FAC</sub> computed for the month of May 2022 (Rs. Crore)	Z <sub>FAC</sub> computed for the month of June 2022 (Rs. Crore)
	<b>HT Category</b>				
1	HT- I Industrial	all units	-	0.12	0.12
2	HT-II Commercial	all units	-	0.00	0.00
	<b>LT Category</b>				
3	LT-II(A) Commercial (0-20 kW)	all units	-	0.00	0.00
4	LT-II (B) Commercial (above 20 kW)	all units	-	0.00	0.00
5	LT-III (A) Industrial (0-20 kW)	all units	-	0.00	0.00
6	LT-III (B) Industrial (above 20 kW)	all units	-	0.02	0.02
7	LT-IV – Electric Vehicle (EV) Charging Stations	all units	-	0.00	0.00
	<b>Total FAC Recovery (Rs. Crore)</b>		-	<b>0.15</b>	<b>0.15</b>



