



महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2024-25/0831

Date: 27 December, 2024

The Managing Director,
KRC Infrastructure and Projects Private Ltd.,
Raheja Tower, Level-9, Block G,
Plot No. C-30,
Bandra Kurla Office Complex,
Bandra (E), Mumbai – 400 051

Subject: Post facto approval of Fuel Adjustment Charges (FAC) submissions of KRCIPPL for the months of April 2024, May 2024, and June 2024.

Reference: 1. KRCIPPL's FAC submission for the months April 2024, May 2024, and June 2024 vide email dated 29 August 2024.
2. Datagaps communicated vide email dated 23 September 2024.
3. KRCIPPL's response to datagaps vide email dated 24th October 2024.

Sir,

Upon vetting the FAC calculations for the months of April 2024, May 2024, and June 2024 as mentioned the above reference, the Commission has accorded approval for charging FAC to its consumers as shown in the table below:

Month	April 2024	May 2024	June 2024
Z _{FAC} allowed for recovery (Rs. Crore)	0.175	0.183	0.022

The Commission allows KRCIPPL to carry forward FAC of Rs. 0.496 Crores, Rs. 0.037 Crores, and Rs. 0.001 Crore in the months of April 2024, May 2024, and June 2024, respectively. Further, as directed by the Commission, KRCIPPL shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund, and also for the information of all the stakeholders.



Yours faithfully,

(Dr. Rajendra G. Ambekar)
Secretary, MERC

Encl: Annexure A: Detailed Vetting Report for the period of April 2024, May 2024, and June 2024.

ANNEXURE

Detailed Vetting Report

Date: 27 December, 2024

**POST FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF April 2024, May 2024,
AND June 2024**

Subject: Post facto approval of Fuel Adjustment Charges (FAC) submissions of KRCIPPL for the months of April 2024, May 2024, and June 2024.

Reference:

1. KRCIPPL's FAC submission for the months April 2024, May 2024, and June 2024 vide email dated 29 August 2024.
2. Datagaps communicated vide email dated 23 September 2024.
3. KRCIPPL's response to datagaps vide email dated 24th October 2024.

1. FAC submission by KRCIPPL:

1.1 KRCIPPL has made FAC submissions for the months of April 2024, May 2024, and June 2024 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by KRCIPPL, the Commission has accorded post facto approval for the FAC amount to be charged in the billing months of June 2024, July 2024, and August 2024.

2. Background

2.1 On 31 March 2023 the Commission has issued MTR Order in respect of KRCIPPL (Case No. 214 of 2022) for Truing up of Aggregate Revenue Requirement for FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing up for FY 2022-23 and approval of revised estimates of ARR and Tariff for FY 2023-24 and FY 2024-25. Revised Tariff has been made applicable from 1 April 2023.

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 to the FAC for the month of April 2020 vide FAC vetting Report dated 7 June, 2020.
- Post-facto approval to the FAC for the months of May and June 2020 vide FAC vetting Report dated 30 September 2020.
- Post-facto approval to the FAC for the months of July 2020, August 2020, and September 2020 vide FAC vetting Report dated 08 December 2020.
- Post-facto approval to the FAC for the months of October 2020, November 2020 and December 2020 vide FAC vetting Report dated 25 March 2021.
- Post-facto approval to the FAC for the month of January to March 2021 vide FAC Vetting Report dated 10 June 2021.



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

- Post-facto approval to the FAC for the month of April 2021, May 2021, and June 2021 vide FAC Vetting Report dated 24 August 2021.
- Post-facto approval to the FAC for the month of July 2021, August 2021, and September 2021 vide FAC Vetting Report dated 5 January 2022.
- Post-facto approval to the FAC for the month of October 2021, November 2021 and December 2021 vide FAC Vetting Report dated 28 June 2023.
- Post-facto approval to the FAC for the month of January 2022, February 2022 and March 2022 vide FAC Vetting Report dated 24 July 2023.
- Post-facto approval to the FAC for the month of April 2022, May 2022 and June 2022 vide FAC Vetting Report dated 2 November 2023.
- Post-facto approval to the FAC for the month of July 2022, August 2022 and September 2022 vide FAC Vetting Report dated 2 November 2023.
- Post-facto approval to the FAC for the month of October 2022, November 2022 and December 2022 vide FAC Vetting Report dated 2 November 2023.
- Post-facto approval to the FAC for the month of January 2023, February 2023 and March 2023 vide FAC Vetting Report dated 2 November 2023.
- Post-facto approval to the FAC for the month of April 2023, May 2023 and June 2023 vide FAC Vetting Report dated 11 January 2024.
- Post-facto approval to the FAC for the month of July 2023, August 2023, and September 2023 vide FAC Vetting Report dated 11 March 2024.
- Post-facto approval to the FAC for the month of October 2023, November 2023, and December 2023 vide FAC Vetting Report dated 18 June 2024.
- Post-facto approval to the FAC for the month of January 2024, February 2024, and March 2024 vide FAC Vetting Report dated 24 July 2024.

2.4 As per provisions of MYT Regulations, 2019, a Distribution Licensee (SEZ) is required to obtain post-facto approval from the Commission on a quarterly basis for FAC charges within 60 days of close of each quarter. Accordingly, vide its letter dated **27th August 2024 (sent vide email dated 29th August 2024)**, KRCIPPL has filed FAC submissions for the months of April 2024, May 2024, and June 2024 for post-facto approval. The Commission has scrutinized the submissions provided by KRCIPPL 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 MTR Order dated 31 March 2023 passed by the Commission in Case No. 214 of 2022, the Commission has approved revised tariffs to maintain zero cross subsidy across tariff categories.

3.2 The net energy sales within the licence area as submitted by KRCIPPL 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)		
	(I)		(II=I/12)	Apr-24 (III)	May-24 (IV)
	HT Category				
HT-I Industrial	22.59		1.74	1.87	1.76



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales (MU)		
			Apr-24	May-24	Jun-24
	(I)	(II=I/12)	(III)	(IV)	(V)
HT-II Commercial	-	-	-	-	-
HT III – EV Charging Stations	-	-	0.00	0.00	0.00
LT Category		-			
LT-II (A) Commercial (0-20 kW)	0.02	0.00	0.01	0.01	0.01
LT-II (B) Commercial (above 20 kW)	0.81	0.07	0.05	0.06	0.06
LT-III (A) Industrial (0-20 kW)	-	-	0.01	0.01	0.01
LT-III (B) Industrial (above 20 kW)	5.28	0.44	0.36	0.37	0.35
LT-IV Electric Vehicle (EV) Charging Stations	-	-	0.01	0.01	0.01
Total	28.71	2.39	2.17	2.33	2.20

- 3.3 It can be observed from above Table 1 that the actual sales during the months of April 2024, May 2024, and June 2024 are 2.17 MUs, 2.33 MUs and 2.20 MUs respectively which is around 9.27%, 2.72% and 8.11% lower than approved monthly energy sales of 2.39 MUs. The major variation was observed in the LT II B – Commercial (above 20 kW) and LT-III (B) Industrial (above 20 kW).

4. Power Purchase Details

- 4.1 KRCIPPL is a deemed Distribution Licensee notified by the Commission for its IT & ITeS SEZ located at Village Kharadi, Taluka Haveli, District Pune. KRCIPPL does not own or operate any generating stations. Accordingly, KRCIPPL is required to procure power from outside sources in order to fulfil the electricity demand of its consumers.
- 4.2 KRCIPPL has procured RE power through IEX in the GDAM, through PXIL and HPX in the GTAM and through Manikaran Power Limited during the months of April 2024, May 2024 and June 2024. KRCIPPL purchased 0.35 MUs and 2.35 MUs of Solar and non-Solar power in April 2024 at an average rate of Rs. 4.49/kWh and Rs. 5.14/kWh, respectively. Similarly, KRCIPPL purchased 0.23 MUs and 2.16 MUs of Solar and non-Solar power in May 2024 at an average rate of Rs. 4.42/kWh and Rs. 3.51/kWh. Similarly, KRCIPPL purchased 0.03 MUs and 3.29 MUs of Solar and non-Solar power in June 2024 at an average rate of Rs. 4.22/kWh and Rs. 4.61/kWh. Additionally, differential cost adjustment for power procured from wind generators and claimed on provisional basis in the month of March 2023 have been made in the month of April 2024 when the actual invoice has been received. This adjustment amounts to Rs. (0.07) Crores in April 2024. Similar adjustment has also been done in the month of May 2024 for the power received in April 2024 which amounts to Rs. (0.15) Crore claimed in the month of May 2024.
- 4.3 The Commission notes that KRCIPPL has purchased RE power through the power exchanges and Manikaran Power Limited to meet the RPO obligations in the months of April 2024 to June 2024. The power purchase has been through power exchanges where the prices are market driven and competitively discovered. The Commission in the MTR Order in Case no. 214 of 2022 has approved the RE procurement up to the RPO percentage stipulated in the Regulations for FY 2023-24 and FY



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2024-25 and the tariff of RE sources is considered as Rs. 4.90 per unit which is weighted average rate of GDAM for the period of July to December 2022.

- 4.4 Further, KRCIPPL has procured 0.02 MUs, 0.93 MUs and 0.02 MUs of power from Power Exchange at average rates of Rs. 6.22/kWh, Rs. 7.47/kWh and 5.54/kWh during the months of April 2024, May 2024, and June 2024, respectively. KRCIPPL has fulfilled its total load requirement by procuring power from power exchanges under its various products GDAM/GTAM for green power requirements apart from the contracted power with MPL, and conventional power through TAM, DAM, and RTM.
- 4.5 Summary of power purchase of KRCIPPL is as under:

Table 2: Power Purchase of KRCIPPL

Sr. No.	Particular	Compliance																
1	Purchase from Approved Source	Yes. In line with the MTR order in Case No. 214 of 2024, KRCIPPL has procured power through various products of power exchange and Manikaran Power Limited for April 2024 to June 2024. Additionally, 0.02 MUs, 0.93 MUs and 0.02 MUs of conventional power has also been procured from Power Exchange (competitively discovered tariff) to meet the demand.																
2	Merit Order Dispatch	KRCIPPL met its peak power requirement through various product from power exchange and through Manikaran Power Limited which is in line with MOD principles.																
3	Fuel Utilization Plan	Not applicable. All the sources of power procurement fall under Section 63 of EA, 2003.																
4	DSM Pool	KRCIPPL has drawn 0.24 MUs in April 2024 from the DSM pool. However, KRCIPPL has injected 0.03 MUs and 0.53 MUs in month of May 2024 and June 2024.																
5	Sale of Surplus Power	KRCIPPL has sold the surplus power of 0.003 MUs, 0.03 MUs and 0.24 MUs at average rate of Rs. 8.60/kWh, Rs. 4.30/kWh and Rs. 4.23/kWh in the month of April 2024, May 2024, and June 2024.																
6	Power Purchase	Actual Power Purchase is 2.96 MUs, 3.27 MUs and 2.57 MUs in the months of April 2024, May 2024, and June 2024, respectively, as against approved monthly power purchase of 2.52 MUs. The power purchase quantum is higher on account of the estimated power purchase from RE Non-Solar sources considered by KRCIPPL in the FAC submission for Q1 of FY 2024-25 due to non-availability of invoices from wind generators. In the absence of actual power purchase quantum from the wind generators for the respective month, the Commission noted that KRC Discoms has used provisional data from the RE replacement schedule from the MSLDC Scheduling Portal for FAC computation wherever actual invoices were not available. This provisional data has led to an increase in the estimated cost of wind generation, and it has also impacted the pool imbalance quantum.																
7	Source wise Power Purchase	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Source Name</th> <th style="text-align: center;">Approved (MU) *</th> <th style="text-align: center;">Actual Apr 2024 (MU)</th> <th style="text-align: center;">Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>RE Solar</td> <td style="text-align: center;">0.34</td> <td style="text-align: center;">0.35</td> <td style="text-align: center;">11.99%</td> </tr> <tr> <td>RE Non-Solar[#]</td> <td style="text-align: center;">0.29</td> <td style="text-align: center;">12.35</td> <td style="text-align: center;">79.48%</td> </tr> <tr> <td>New Source</td> <td style="text-align: center;">1.89</td> <td style="text-align: center;">-</td> <td style="text-align: center;">0.00%</td> </tr> </tbody> </table>	Source Name	Approved (MU) *	Actual Apr 2024 (MU)	Proportion of each Source in Actual Purchase (%)	RE Solar	0.34	0.35	11.99%	RE Non-Solar [#]	0.29	12.35	79.48%	New Source	1.89	-	0.00%
Source Name	Approved (MU) *	Actual Apr 2024 (MU)	Proportion of each Source in Actual Purchase (%)															
RE Solar	0.34	0.35	11.99%															
RE Non-Solar [#]	0.29	12.35	79.48%															
New Source	1.89	-	0.00%															



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Sr. No.	Particular	Compliance			
		Exchange	-	0.02	0.61
		DSM Pool	-	0.24	8.00%
		Sale of surplus power	-	(0.00)	-0.08%
		Total	2.52	2.96	100%
		Source Name	Approved (MU)*	Actual May 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.34	0.23	7.05%
		RE Non-Solar [#]	0.29	2.16	66.11%
		New Source	1.89	-	0.00%
		Exchange	-	0.93	28.58%
		DSM Pool	-	(0.03)	-0.95%
		Sale of surplus power	-	(0.03)	-0.80%
		Total	2.52	3.27	100%
		Source Name	Approved (MU)*	Actual Jun 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.34	0.03	1.23%
		RE non-Solar [#]	0.29	3.29	128.14%
		New Source	1.89	-	0.00%
		Exchange	-	0.02	0.65%
		DSM Pool	-	(0.53)	-20.71%
		Sale of surplus power	-	(0.24)	-9.31%
		Total	2.52	2.57	100%
		<p><i>*The power purchase quantum/cost approved in MTR Order is on yearly basis, however monthly approved numbers are derived for comparison purpose.</i></p> <p><i># KRC Discoms has filed petition in Case No. 168 of 2023 before the Commission for approval of combined short term wind power procurement of up to 70 MW from M/s Manikaran Power Limited for the period 01.08.2023 to 31.07.2024 at Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects. The procurement has been approved by the Commission vide its order dated 21 June 2024 in Case No 168 of 2023. KRCIPPL has procured wind (RE) power through bilateral mode of transaction in the month of April 2024, May 2024 and June 2024 from Manikaran Power Limited.</i></p>			
8	Power Purchase under Section 63 of Electricity Act, 2003	Monthly power purchase invoices are submitted by KRCIPPL. 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:

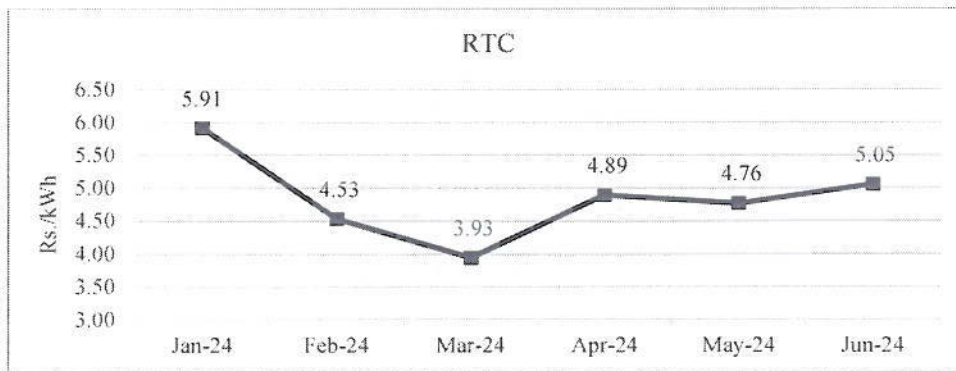
- 5.1 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of April 2024, May 2024, and June 2024, to verify the claim of KRCIPPL regarding Average Power Purchase Cost (APPC). The Commission has verified the actual as well as approved Net Purchase (MUs), Variable Cost (Rs./kWh) and Power Purchase Cost considered in FAC computation from the invoices and applicable MTR Order respectively.



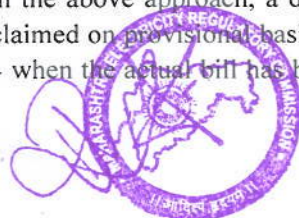
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- 5.2 The Power Purchase cost incurred in April 2024, May 2024 and June 2024 is **Rs. 1.41 Crores, Rs. 1.46 Crores and Rs. 1.36 Crores**, respectively, which is higher than the approved monthly Power Purchase cost of **Rs. 1.33 Crores** by the Commission. The power purchase cost is higher on account of higher quantum of power purchase and also due to actual cost of power purchase (per unit) being higher than the approved cost of power purchase from exchange and RE sources.
- 5.3 **Power procurement through Exchange and Other Peak Resource:** KRCIPPL has procured **0.02 MUs, 0.93 MUs and 0.02 MUs** in the months of April 2024, May 2024, and June 2024 from TAM / DAM / RTM products available on exchange platforms. Though the purchase from exchange contributed to 0.61%, 28.58% and 0.65% of the total power purchase during the months of April 2024, May 2024, and June 2024, respectively, the average rate of power purchase was Rs. 6.22/kWh, Rs. 7.47/kWh, and Rs. 5.54/kWh in April 2024, May 2024, and June 2024, respectively through these sources. The trends observed in the power exchange in the respective months as shown in the below figure.

Figure 1: Exchange price trends (RTC)



- 5.4 **Renewable Sources:** The Commission has approved Rs. 0.31 Crore each for April 2024, May 2024, and June 2024 for purchase of RE power to meet the Renewable Purchase Obligation at the average rate of Rs. 4.90/kWh. KRCIPPL has purchased RE Solar and RE non-Solar during the months of April 2024, May 2024, and June 2024. The RE Solar purchase quantum was 0.35 MUs at a power purchase rate of Rs. 4.49/kWh in April 2024, 0.23 MUs at the rate of Rs. 4.42/kWh in May 2024 and 0.03 MUs at the rate of Rs. 4.22/kWh in June 2024. Similarly, the RE non-Solar purchase quantum was 2.35 MUs at a power purchase rate of Rs. 5.14/kWh in April 2024, 2.16 MUs at the rate of Rs. 3.51/kWh in May 2024 and 3.29 MUs at the rate of Rs. 4.61/kWh in June 2024.
- 5.5 Accordingly, KRCIPPL has sourced the RE Solar and RE non-Solar power from the exchange (GDAM and GTAM) and Manikaran Power Limited to meet the RPO obligation.
- 5.6 In the response to data gaps regarding the unavailability of invoices pertaining to RE power procurement from MPL in the FAC proposal for quarter 2 of FY 2023-24, KRCIPPL had submitted that it has not received invoices from the MPL for the month in which the power was procured. Hence, KRCIPPL had considered wind generator calculation on the provisional basis based on the Renewable Energy (RE) replacement schedule derived from data provided by the Maharashtra State Load Dispatch Centre (MSLDC). Once the actual bills are received, the necessary adjustment between the provisional values and the actual values will be undertaken by KRCIPPL in the month in which the bills are received. Accordingly, in line with the above approach, a differential cost adjustment for power procured from wind generators and claimed on provisional basis in the month of March 2024 have been made in the month of April 2024 when the actual bill has been received. This adjustment



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

amounts to Rs. (0.07) Crores in April 2024. Similar adjustment has also been done in the month of May 2024 for the power received and provisionally claimed in the month of April 2024 as applicable, which amounts to Rs. (0.15) Crore. Further, the Commission observed that KRCIPPL utilized provisional data for FAC computation based on the RE replacement schedule when the actual invoice was unavailable. This use of provisional wind generator data in FAC computation has resulted in an increase in pool imbalance units, ranging from 10% to 29% of the total power purchase quantum. The commission directs the KRCIPPL to incorporate the actual power purchase quantum.

- 5.7 The actual APPC for solar and non-solar sources are lower than approved rate of Rs. 4.90/kWh for both solar and non-solar in the months of April 2024, May 2024, and June 2024 with the exception of the power purchase cost for Non-Solar RE power in April 2024 (Rs. 5.14/kWh). The Commission notes that the price of power is competitively discovered for the power sourced from the power exchange and KRCIPPL 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.
- 5.8 **DSM Pool:** KRCIPPL has drawn 0.24 MU in the month of April 2024. However, KRCIPPL has injected 0.03 MUs and 0.53 MUs in month of May 2024 and June 2024, respectively. The Commission has also considered the average price of the power in the DSM pool of Rs. 4.23/kWh, Rs. (18.63)/kWh and Rs. 1.54/kWh as submitted by the Licensee for FAC computation along with the supporting documentation for the months April 2024, May 2024, and June 2024, respectively.
- 5.9 The Commission has noted that KRCIPPL has followed Merit Order Dispatch for scheduling of power and all sources are scheduled according to SLDC instructions.
- 5.10 **Sale of Surplus Power:** KRCIPPL has sold surplus power of 0.003 MUs, 0.03 MUs and 0.24 MUs in the month of April 2024, May 2024, and June 2024 at average rate of Rs. 8.60/kWh, Rs. 4.30/kWh and Rs. 4.23/kWh.
- 5.11 The APPC in the month of April 2024 and May 2024 is lower due to purchase of lower cost of power from RE sources (both contracted as well as exchange). However, in the month of June 2024 the APPC is higher than the approved APPC due to the injection of power at lower average power purchase rate into grid (DSM pool) and sale of surplus power at lower rate.
- 5.12 The details of the overall cost approved as per MTR Order and the actual cost for the months of April 2024, May 2024, and June 2024 is as shown in the Table 3 below:

Table 3: Approved and Actual Power Purchase Cost for KRCIPPL

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)
New Source	Approved	1.89	-	-	1.02	5.40	1.02	5.40
	Actual (April 2024)	-	-	-	-	-	-	-
	Actual (May 2024)	-	-	-	-	-	-	-
	Actual (June 2024)	-	-	-	-	-	-	-
Exchange	Approved	-	-	-	-	-	-	-
	Actual (April 2024)	0.02	-	-	0.01	6.22	0.01	6.22
	Actual (May 2024)	0.93	-	-	0.70	7.47	0.70	7.47
	Actual (June 2024)	0.02	-	-	0.01	5.54	0.01	5.54
Solar & Non-Solar RE/REC	Approved	0.34 (RE Solar)	-	-	0.17	4.90	0.17	4.90
		0.29 (RE Non-Solar)	-	-	0.14	4.90	0.14	4.90



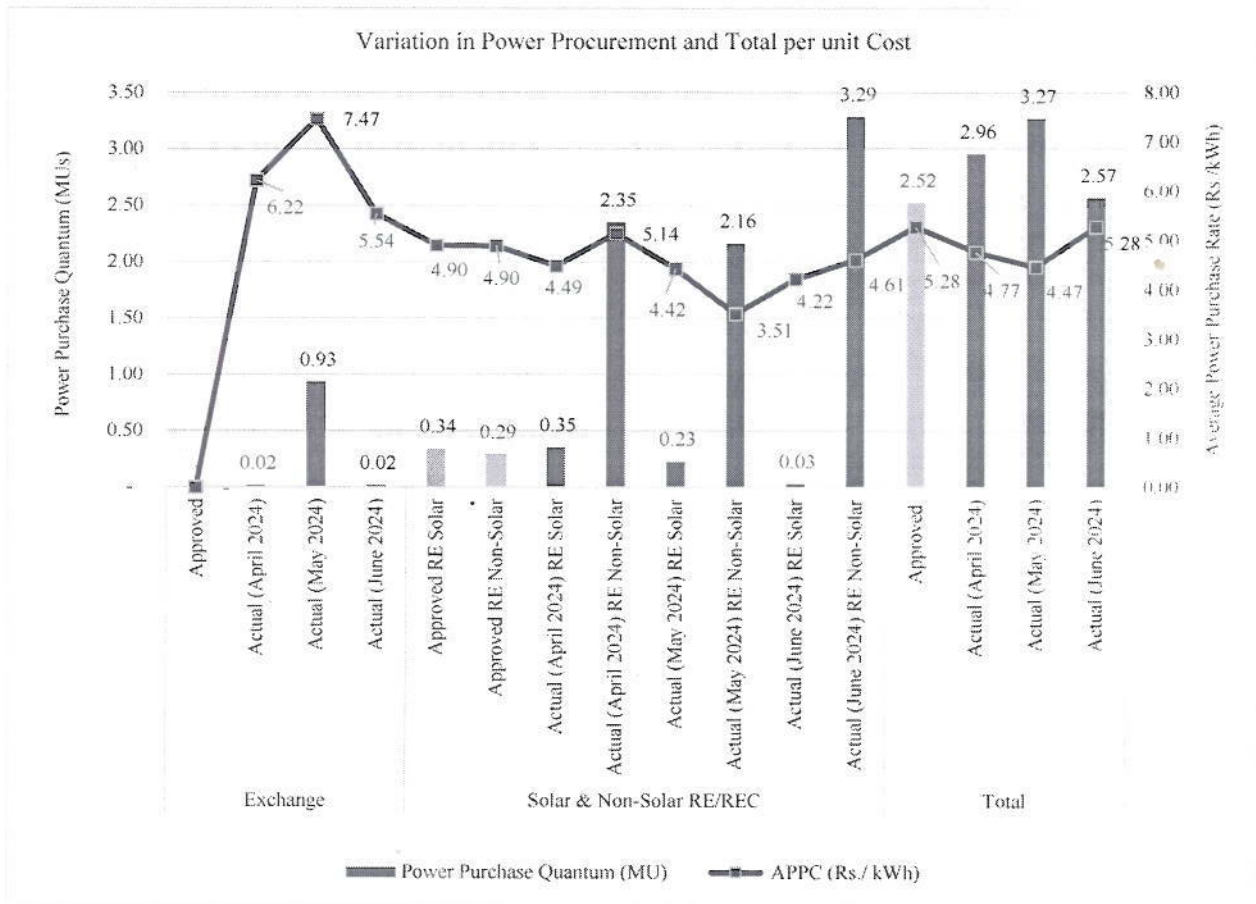
Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

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 (April 2024)	0.35 (RE Solar)	-	-	0.16 (RE Solar)	04.49 (RE Solar)	0.16 (RE Solar)	04.49 (RE Solar)
		02.35 (RE Non-Solar)	-	-	01.21 (RE Non-Solar)	05.14 (RE Non Solar)	01.21 (RE Non Solar)	05.14 (RE Non Solar)
	Actual (May 2024)	0.23 (RE Solar)	-	-	0.1 (RE Solar)	04.42 (RE Solar)	0.1 (RE Solar)	04.42 (RE Solar)
		02.16 (RE Non Solar)	-	-	0.76 (RE Non Solar)	03.51 (RE Non Solar)	0.76 (RE Non Solar)	03.51 (RE Non Solar)
	Actual (June 2024)	0.03 (RE Solar)	-	-	0.01 (RE Solar)	04.22 (RE Solar)	0.01 (RE Solar)	04.22 (RE Solar)
		03.29 (RE Non Solar)	-	-	01.52 (RE Non Solar)	04.61 (RE Non Solar)	01.52 (RE Non Solar)	04.61 (RE Non Solar)
DSM / Pool	Approved	-	-	-	-	-	-	
	Actual (April 2024)	0.24	-	-	0.10	4.23	0.10	4.23
	Actual (May 2024)	(0.03)	-	-	0.06	(18.63)	0.06	(18.63)
	Actual (June 2024)	(0.53)	-	-	(0.08)	1.54	(0.08)	1.54
SLDC Fee	Approved	-	-	-	-	-	-	
	Actual (April 2024)	-	0.001	-	-	-	0.001	-
	Actual (May 2024)	-	0.001	-	-	-	0.001	-
	Actual (June 2024)	-	0.001	-	-	-	0.001	-
Total (Including sale of surplus power)	Approved	2.52	-	-	1.33	5.28	1.33	5.28
	Actual (April 2024)	2.96	0.001	-	1.41	4.76	1.41	4.77
	Actual (May 2024)	3.27	0.001	-	1.46	4.46	1.46	4.47
	Actual (June 2024)	2.57	0.001	-	1.36	5.28	1.36	5.28

5.13 Source wise approved and actual quantum of power procured from some of the key sources and APPC for month of April 2024, May 2024, June 2024 respectively, is shown in the graph below:



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



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

Table 4: Summary of reasons for rate variation for various power sources

Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
1	Solar (S) & Non-Solar (NS) RE/REC	April 2024	4.90 (Solar) 4.90 (non-Solar)	4.49 (S)	<p>Market discovered rate: RE power was purchased during the period from April 2024 to June 2024 from Power Exchange (GDAM and GTAM). Wind energy was procured from Manikaran Power Limited at average rate of Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects.</p> <p>In addition to the actual power purchase cost, due to the non-receipt of invoices, the adjustment in the cost of wind</p>
				5.14 (NS)	
		May 2024		4.42 (S)	



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Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
				3.51 (NS)	energy procurement in month of March 2024 have been made in the month of April 2024 when actual bill has been received (difference of actual cost and provisional cost in March 2024). This adjustment amounts to Rs. (0.07) Crores in April 2024. Similar adjustment has also been done in the month of May 2024 for the power received and provisionally claimed in the month of April 2024, as applicable, which amounts to Rs. (0.15) Crore. The same as been considered for FAC.
		June 2024		4.22 (S)	
				4.61 (NS)	
2	New Source / Exchange	April 2024	5.40	6.22	While the Commission has approved power procurement from conventional sources at Rs. 5.40/kWh, no specific source has been identified. In absence of any contracted power through conventional power sources, KRCIPPL has met the peak power requirement through procurement of power from the various products of Power Exchange. No rate was approved for purchase of power from exchange. The actual rate of power purchase from exchange is higher than the approved APPC or rate from new source, however, it is competitively discovered in the power exchange.
		May 2024		7.47	
		June 2024		5.54	
3	DSM / Imbalance Pool	April 2024	-	4.23	DSM rates are based on supporting documents provided by KRCIPPL.
		May 2024		(18.63)	
		June 2024		1.54	
4	Total	April 2024	5.28	4.77	Due to the above factors
		May 2024		4.47	
		June 2024		5.28	

5.15 Considering the above, the Commission allows the average power purchase cost of Rs. 4.77/kWh, Rs. 4.47/kWh, and Rs. 5.28/kWh for the month of April 2024, May 2024, and June 2024, respectively, as shown in Table 4 above. The variation in power purchase cost is on the lower side in April 2024 and May 2024 due to the lower cost of RE purchase from exchange through various product like G-TAM and G-DAM and wind generators.

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 month of April 2024, May 2024, and June 2024 as shown in Table 4 above. The same has been compared with the average power



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purchase cost approved by the Commission in MTR Order dated 31 March 2022 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 5 shows the Z_{FAC} worked out by the Commission on account of difference in power purchase cost for the month of April 2024, May 2024, and June 2024 respectively.

Table 5: FAC on account of Fuel and Power Purchase Cost

Sr. No.	Particulars	Units	Apr-24	May-24	Jun-24
1	Average power purchase cost approved by the Commission	Rs./kWh	5.28	5.28	5.28
2	Actual average power purchase cost	Rs./kWh	4.77	4.47	5.28
3	Change in average power purchase cost (=2 -1)	Rs./kWh	(0.51)	(0.81)	0.01
4	Net Power Purchase	MU	2.96	3.27	2.57
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	(0.15)	(0.26)	0.00

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

- 7.1 The adjustment factor for over recovery / under recovery (B) is as shown in the Table 6 below:

Table 6: Adjustment for over recovery/under recovery

S. No.	Particulars	Units	Apr-24	May-24	Jun-24
1.1	Incremental cost allowed to be recovered in Month n-4	Rs. Crore	0.12	0.12	0.17
1.2	Incremental cost in Month n-4 actually recovered in month n-2	Rs. Crore	0.12	0.14	0.19
1.3	(over-recovery)/under-recovery (=1.2 - 1.1)	Rs. Crore	-0.01	-0.02	-0.02
2	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	0.82	0.50	0.04
3	Adjustment factor for over-recovery/under-recovery (1.3+2.0)	Rs. Crore	0.81	0.48	0.02

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 **Rs. 0.007 Crores, Rs. 0.004 Crores and Rs. 0.000 Crores for the month of April 2024, May 2024, and June 2024.**
- 8.2 Carrying/Holding cost is calculated by considering one-year MCLR + 150 basis points which turns out to be **10.15%, 10.15%, and 10.20%** for April 2024, May 2024, and June 2024, respectively.
- 8.3 The Commission has computed the holding cost towards the amount under recovered in the month of April 2024, May 2024, and June 2024, which is as shown in the Table 7 below:

Table 7: Carrying/Holding Cost for over/under-recovery

Particulars	Units	Apr-24	May-24	Jun-24
Adjustment factor for over-recovery/under-recovery	Rs. Crore	0.81	0.48	0.02
Interest rate	%	10.15%	10.15%	10.20%
Carrying cost for over-recovery/under-recovery	Rs. Crore	0.007	0.004	0.000



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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. The Commission decided to continue with the same principle for the FY 2023-24 and FY 2024-25 as well, as per the decision outlined in the MTR Order in Case No. 214 of 2022. Accordingly, as per said principle laid down by the Commission, KRCIPPL will carry forward the negative FAC amount and accumulate the same in the FAC Fund along with holding cost, as applicable.
- 9.2 The Commission has determined positive FAC of **Rs. 0.671 Crores, Rs. 0.220 Crores, and Rs. 0.023 Crores** for April 2024, May 2024, and June 2024 respectively. There was no FAC fund available at the beginning of April 2024. Further, the Commission has determined positive FAC for the months of April 2024, May 2024, and June 2024. Accordingly, the FAC fund of **nil** amount has been approved at the end of each the month from April 2024 to June 2024.
- 9.3 The Commission has considered the one-year MCLR rate declared by the SBI from time to time plus 150 basis points which works out to **10.15%, 10.15% and 10.20%** for the month of April 2024, May 2024, and June 2024, respectively. Considering that the FAC fund approved at the end of each the month from April 2024 to June 2024 is nil, the Commission has calculated nil holding cost for the months April 2024, May 2024, and June 2024, 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 annual sliding 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”:

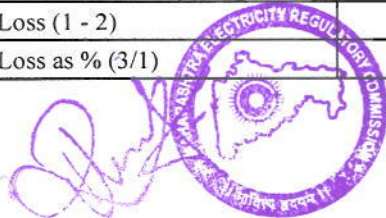
Provided that, in case of unmetered consumers, the Z_{FAC} shall be recoverable based on estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:

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 provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss:

Table 8: Disallowance of FAC due to excess Distribution Loss

Sr. No.	Particulars	Units	Approved in Tariff Order	Apr-24	May-24	Jun-24
1	Net Energy input at Distribution Voltages	MU	2.44	2.21	2.37	2.23
2	Energy sales at Distribution voltages	MU	2.39	2.17	2.33	2.20
3	Distribution Loss (1 - 2)	MU	0.05	0.04	0.04	0.04
4	Distribution Loss as % (3/1)	%	2.00%	1.64%	1.68%	1.63%



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Sr. No.	Particulars	Units	Approved in Tariff Order	Apr-24	May-24	Jun-24
5	Annual Sliding Distribution Loss	%	-	1.64%	1.64%	1.64%
6	Excess Distribution Loss = [Annual Sliding Distribution Loss - Distribution loss approved] x Net Energy Input (1)	MU	-	-	-	-
7	Disallowance of FAC due to excess Distribution Loss	Rs. Crore	-	-	-	-

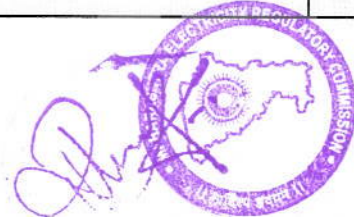
10.3 As it can be seen from the Table 8 above, the annual sliding distribution loss for the months of April 2024, May 2024 and June 2024 is 1.64%, 1.64%, and 1.64%, respectively, which is lower than the MTR approved distribution loss of 2.00%. The monthly distribution loss for the months of April 2024, May 2024 and June 2024 is also lower than the MTR approved distribution loss of 2.20%. Accordingly, the Commission has not worked out any disallowance on account of excess Distribution Loss since the actual annual sliding distribution loss is lower than approved distribution loss.

11. Summary of Allowable Z_{FAC}

11.1 The summary of the FAC amount as approved by the Commission for the month of April 2024, May 2024, and June 2024 which is allowed to be recovered in the billing month June 2024, July 2024, and August 2024 as shown in the Table 9 below.

Table 9: Summary of Allowable Z_{FAC}

Sr. No.	Particulars	Units	Apr-24	May-24	Jun-24
1	Calculation of Z_{FAC}				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	(0.151)	(0.265)	0.002
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	0.007	0.004	0.000
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.815	0.481	0.021
1.5	Z_{FAC} = F+C+B	Rs. Crore	0.671	0.220	0.023
2	Calculation of FAC Charge				
2.1	Energy Sales within the License Area	MU	2.170	2.327	2.198
2.2	Excess Distribution Loss	MU	-	-	-
2.3	Z _{FAC} per kWh *	Rs./kWh	3.090	0.945	0.103
2.4	Cap at 20% of variable component of tariff	Rs./kWh	0.900	0.900	0.900
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs./kWh	0.900	0.900	0.103
3	Recovery of FAC				
3.1	FAC disallowed corresponding to excess Distribution Loss [(2.2 x 2.3)/10]	Rs. Crore	-	-	-
3.2	Allowable FAC	Rs. Crore	0.671	0.220	0.023
4	Utilization of FAC Fund				
4.1	Opening Balance of FAC Fund	Rs. Crore	-	-	-
4.2	Holding Cost on FAC Fund	Rs. Crore	-	-	-
4.3	Z _{FAC} for the month (Sr. No. 3.2)	Rs. Crore	0.671	0.220	0.023
4.4	Closing Balance of FAC Fund	Rs. Crore	-	-	-
4.5	Z_{FAC} leviable/refundable to consumer	Rs. Crore	0.671	0.220	0.023
5	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	0.175	0.183	0.022
6	Carried forward FAC for recovery during future period (3.1-3.2-4)	Rs. Crore	0.496	0.037	0.001



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- 11.2 It can be seen from Table 9 above that the standalone FAC for the month of April 2024, May 2024 and June 2024 is Rs. 0.671 Crores, Rs. 0.220 Crores, and Rs. 0.023 Crores, respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. 3.090/kWh, Rs. 0.945/kWh, and Rs. 0.103/kWh for the months of April 2024, May 2024, and June 2024 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 2024, May 2024, and June 2024 is positive, however, as there is no FAC fund presently available with KRCIPPL, there is no adjustment of the FAC for the month with the FAC fund. As the FAC per unit computed in the month of April 2024 (Rs. 3.090/kWh), May 2024 (Rs. 0.945/kWh), and June 2024 (Rs. 0.103/kWh) as shown in Table 9 above are higher than the 20% cap (Rs. 0.90/kWh) specified in MYT Regulations, 2019, hence, the restriction is triggered with regards to such ceiling.
- 11.5 Accordingly, considering the ceiling limit (Rs. 0.90 /kWh) at 20%, the FAC recoverable will be lower. Accordingly, due to the ceiling limit (Rs. 0.90 /kWh), the FAC recoverable has been worked out as Rs. 0.175 Crore, Rs. 0.183 Crore, and Rs. 0.022 Crore for the months of April 2024, May 2024, and June 2024, respectively.
- 11.6 Thus, considering the ceiling limit of 20% of variable component of tariff and the matter discussed in the preceding paragraph, FAC equivalent to Rs. 0.496 Crore (i.e., Rs. 0.671 Crore minus Rs. 0.175 Crore) for the month of April 2024, Rs. 0.037 Crore (i.e., Rs. 0.220 Crore minus Rs. 0.183 Crore) for the month of May 2024, and Rs. 0.001 Crore (i.e., Rs. 0.023 Crore minus Rs. 0.022 Crore) for the month of June 2024 has remained unrecovered which will be recovered as part of FAC of upcoming months.
- 11.7 There was nil FAC fund available at the beginning of April 2024 and no FAC fund was created during the period from April 2024 to June 2024, accordingly, the Commission has also approved nil holding cost on the FAC Fund during the months of April 2024 to June 2024. The Commission has determined a positive FAC of Rs. 0.671 Crores, Rs. 0.220 Crores, and Rs. 0.023 Crores for the months of April 2024, May 2024, and June 2024, respectively. Accordingly, the positive FAC determined by the Commission for April 2024, May 2024, and June 2024 is recoverable from the consumers. The recovery during each month will be subject to the cap of 20% of variable component of tariff.

12. Recovery from Consumers:

- 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: —

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

Where:



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Z_{FACcat} = 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 Table 10 **Error! Reference source not found.** shows per unit Z_{FAC} for the month April 2024, May 2024, and June 2024 to be levied on consumers of KRCIPPL in the billing month of June 2024, July 2024 and August 2024

Table 10: Category-wise FAC Revenue for billing month June 2024, July 2024, and August 2024

Sr. No	Consumer Category	Slabs	ZFAC computed for the month of April 2024 (Rs. Crore)	ZFAC computed for the month of May 2024 (Rs. Crore)	ZFAC computed for the month of June 2024 (Rs. Crore)
	HT Category				
1	HT- I Industrial	all units	0.129	0.141	0.017
2	HT-II Commercial	all units	-	-	-
3	HT-III – EV Charging Stations	all units	0.000	0.000	0.000
	LT Category				
3	LT-II(A) Commercial (0-20 kW)	all units	0.001	0.001	0.000
4	LT-II (B) Commercial (above 20 kW)	all units	0.005	0.006	0.001
5	LT-III (A) Industrial (0-20 kW)	all units	0.001	0.001	0.000
6	LT-III (B) Industrial (above 20 kW)	all units	0.038	0.034	0.003
7	LT-IV – Electric Vehicle (EV) Charging Stations	all units	0.001	0.001	0.000
	Total FAC Recovery (Rs. Crore)		0.175	0.183	0.022



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