



महाराष्ट्र विद्युत नियामक आयोग

Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2024-25/ 0169

Date: 18 March 2025

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 July 2024, August 2024, and September 2024

Reference: 1. GEPL's FAC submission for the month of July 2024, August 2024, and September 2024 vide email dated 29th November 2024
2. Data gaps raised vide email dated 23rd December 2024
3. GEPL's response to data gaps vide email dated 15th January 2025.

Sir,


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

Month	July 2024	August 2024	September 2024
Z _{FAC} allowed for recovery (Rs. Crore)	0.432	-	-

The Commission allows the carry forward of positive FAC of Rs. 0.001 Crores for the months of July 2024. The Commission allows the accumulation of negative FAC of Rs. (0.290) Crore and Rs. (0.779) Crore for the months of August 2024 and September 2024, respectively. This balance is after adjusting the negative FAC for the months of August 2024 and September 2024 in the opening FAC fund at the beginning of the respective months. The Commission allows the accumulation of FAC amount of Rs. (0.779) Crore which shall form part of FAC Fund and shall be carried forward to next FAC billing cycle with holding cost. 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)
Secretary, MERC

Encl: Annexure A: Detailed Vetting Report for the period of July 2024, August 2024, and September 2024.

Page 1 of 17

१३वा मजला, केंद्र क्र. १, जागतिक व्यापार केंद्र, कफ परेड, मुंबई - ४०० ००५.

13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai - 400 005.

Tel.: 022-2216 3964 / 2216 3965 / 2216 3969 Fax : 022-2216 3976

E-mail : mercindia@merc.gov.in / mercindia@mercindia.org.in Website : www.merc.gov.in / www.mercindia.org.in

ANNEXURE - A
Detailed Vetting Report
Date: 18 March 2025

POST-FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF July 2024, August 2024 AND September 2024

Subject: Post-facto approval of Fuel Adjustment Charges (FAC) submissions of GEPL for the months of July 2024, August 2024 and September 2024.

Reference:

1. GEPL's FAC submission for the month of July 2024, August 2024, and September 2024 vide email dated 29 November 2024
2. Data gaps raised vide email dated 23rd December 2024
3. GEPL's response to data gaps vide email dated 15th January 2025.

1. FAC submission by GEPL:

1.1 GEPL has made FAC submissions for the months of July 2024, August 2024, and September 2024 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 July 2024, August 2024, and September 2024

2. Background

2.1 On 31st March 2023 the Commission has issued MTR Order in respect of GEPL (Case No. 215 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 1st April 2023.

2.2 Vide its letter dated 20th 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
- 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.



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 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.
- Post-facto approval to the FAC for the months of April 2022, May 2022 and June 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of July 2022, August 2022 and September 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of October 2022, November 2022 and December 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of January 2023, February 2023 and March 2023 vide FAC Vetting Report dated 02 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.
- Post-facto approval to the FAC for the month of April 2024, May 2024 and June 2024 vide FAC Vetting Report dated 27 December, 2024.

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 **29th November 2024**, GEPL has filed the FAC submission for the month of July 2024, August 2024, and September 2024. 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 MTR Order dated 31st March 2023 passed by the Commission in Case No. 215 of 2022, 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:

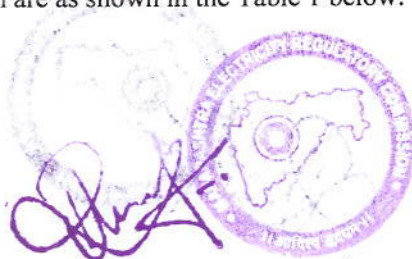


Table 1: Energy Sales approved and actual in MUs

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales (MU)		
	(I)		Jul-24	Aug-24	Sep-24
	(I)	(II=I/12)	(III)	(IV)	(V)
HT Category					
HT-I Industrial	23.38	1.95	1.91	1.94	1.87
HT-II Commercial	0.79	0.07	-	-	-
		-			
LT Category		-			
LT-II (A) Commercial (0-20 kW)	0.41	0.03	0.05	0.04	0.04
LT-II (B) Commercial (above 20 kW)	0.44	0.04	0.02	0.02	0.03
LT-III (A) Industrial (0-20 kW)	0.30	0.02	0.04	0.04	0.04
LT-III (B) Industrial (above 20 kW)	2.33	0.19	0.34	0.33	0.32
LT-IV Electric Vehicle (EV) Charging Stations	-	-	0.01	0.01	0.01
Total	27.64	2.30	2.36	2.38	2.30

3.3 It can be observed from above Table 1 that the actual sales during the months of July 2024, August 2024, and September 2024 is 2.36 MUs, 2.38 MUs and 2.30 MUs, respectively, which is **2.42%**, and **3.53%** and **-0.33%**, respectively, higher than the monthly approved energy sales of **2.30 MUs** for the FY 2024-25. The major variation was primarily observed in LT-III (B) Industrial (above 20 kW).

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 to fulfil the electricity demand of its consumers.
- 4.2 GEPL has procured RE power through IEX, HPX and PXIL and through Manikaran Power Limited during the months of July 2024, August 2024, and September 2024. GEPL purchased 0.05 MUs and 6.32 MUs of Solar and Non-Solar power at an average rate of Rs. 4.72/kWh and Rs. 3.55/kWh, respectively, in July 2024. Further, GEPL purchased 0.27 MUs of Solar power and 3.70 MUs of non-Solar power at an average rate of Rs. 3.72/kWh and Rs. 3.2/kWh, respectively, in August 2024. Similarly, GEPL purchased 0.36 MUs and 3.64 MUs of Solar and non-Solar power at an average rate of Rs. 4.74/kWh and Rs. 3.25/kWh, respectively, in September 2024. Further, additionally a differential cost adjustment has been made in the month of September 2024, for power procured from wind generators and claimed on provisional basis in the month of April 2024 and May 2024 when the actual bills have been received. This adjustment amounts to Rs. (0.13) Crore in September 2024.
- 4.3 The Commission notes that GEPL has purchased RE power through the power exchanges and Manikaran Power Limited (MPL) to meet the RPO obligations in the months of July 2024 to September 2024. The power purchase has been through the power exchanges where the prices are



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

market-driven and competitively discovered. The Commission in the MTR Order in Case no. 215 of 2022 has approved the RE procurement up to the RPO percentage stipulated in the Regulations for FY 2023-24 and FY 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, GEPL has procured 0.01 MUs, 0.06 MUs, and 0.06 MUs of conventional power from Power Exchange at average rates of Rs. 6.35/kWh, Rs. 6.43/kWh, and Rs. 5.95/kWh during the months of July 2024, August 2024, and September 2024 respectively. GEPL has fulfilled its total load requirement by procuring power from power exchanges under its various products GDAM/GTAM/GDAM Hydro apart from the contracted power with MPL for green power requirements and TAM, DAM, and RTM for conventional power.
- 4.5 Summary of power purchase of GEPL is as under:

Table 2: Power Purchase by GEPL

Sr. No.	Particular	Compliance																								
1	Purchase from Approved Sources	Yes. The Commission in the MTR Order in Case No. 215 of 2022 had approved procurement of RE power and conventional power. In line with the aforesaid order GEPL has procured power from MPL (wind power), and through various products from power exchange (both RE and conventional power).																								
2	Merit Order Dispatch	Yes. GEPL procures power on short-term basis for bilateral mode of transaction (Wind generator). Further, GEPL met its peak power requirement through various product from power exchange and MPL 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	GEPL has injected 2.68 MUs, 0.85 MUs and 1.03 MUs into the pool in the months of July 2024, August 2024 and September 2024.																								
5	Sale of Surplus Power	GEPL has sold surplus power of 0.75 MUs, 0.41 MUs and 0.04 MUs in month of July 2024, August 2024 and September 2024.																								
6	Power Purchase	Actual Power Purchase is 2.95 MUs, 2.78 MUs, and 2.99 MUs for July 2024, August 2024 and September 2024 respectively, as against approved monthly power purchase of 2.41 MUs . The power purchase quantum is higher on account of the estimated power purchase from RE Non-Solar sources considered by GEPL 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"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)*</th> <th>Actual Jul 2024 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>RE Solar</td> <td>0.33</td> <td>0.05</td> <td>1.75%</td> </tr> <tr> <td>RE non-Solar[†]</td> <td>0.28</td> <td>6.32</td> <td>213.90%</td> </tr> <tr> <td>New Source</td> <td>1.81</td> <td>-</td> <td>0.00%</td> </tr> <tr> <td>Exchange</td> <td>-</td> <td>0.01</td> <td>0.27%</td> </tr> <tr> <td>DSM Pool</td> <td>-</td> <td>-2.68</td> <td>-90.54%</td> </tr> </tbody> </table>	Source Name	Approved (MU)*	Actual Jul 2024 (MU)	Proportion of each Source in Actual Purchase (%)	RE Solar	0.33	0.05	1.75%	RE non-Solar [†]	0.28	6.32	213.90%	New Source	1.81	-	0.00%	Exchange	-	0.01	0.27%	DSM Pool	-	-2.68	-90.54%
Source Name	Approved (MU)*	Actual Jul 2024 (MU)	Proportion of each Source in Actual Purchase (%)																							
RE Solar	0.33	0.05	1.75%																							
RE non-Solar [†]	0.28	6.32	213.90%																							
New Source	1.81	-	0.00%																							
Exchange	-	0.01	0.27%																							
DSM Pool	-	-2.68	-90.54%																							



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Sr. No.	Particular	Compliance			
		Sale of Surplus Power	-	-0.75	-25.38%
		Total	2.41	2.95	100.00%
		Source Name	Approved (MU)*	Actual Aug 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.33	0.27	9.69%
		RE non-Solar [#]	0.28	3.70	133.35%
		New Source	1.81	-	0.00%
		Exchange	-	0.06	2.13%
		DSM Pool	-	-0.85	-30.57%
		Sale of Surplus Power	-	-0.41	-14.59%
		Total	2.41	2.78	100.00%
		Source Name	Approved (MU)*	Actual Sep 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.33	0.36	12.17%
		RE Non-Solar [#]	0.28	3.64	121.55%
		New Source	1.81	-	0.00%
		Exchange	-	0.06	1.94%
		DSM Pool	-	-1.03	-34.33%
		Sale of Surplus Power	-	-0.04	-1.34%
		Total	2.41	2.99	100.00%
		<p>*The power purchase quantum/cost approved in MTR Order is on yearly basis, however monthly approved numbers are derived for comparison purpose.</p> <p>[#] 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. Since the power purchase agreement between MPL and KRC Discoms was expired on 31st July 2024, KRC Discom and M/s Manikaran Power Limited has mutually extended the contract for period of one year for the period from 01.08.2024 to 31.07.2025. GEPL has intimated the Commission pertaining to extension of current contract vide letter dated 18.07.2024. The Commission has noted the submission regarding the same.</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 July 2024, August 2024, and September 2024, to verify the claim of GEPL regarding

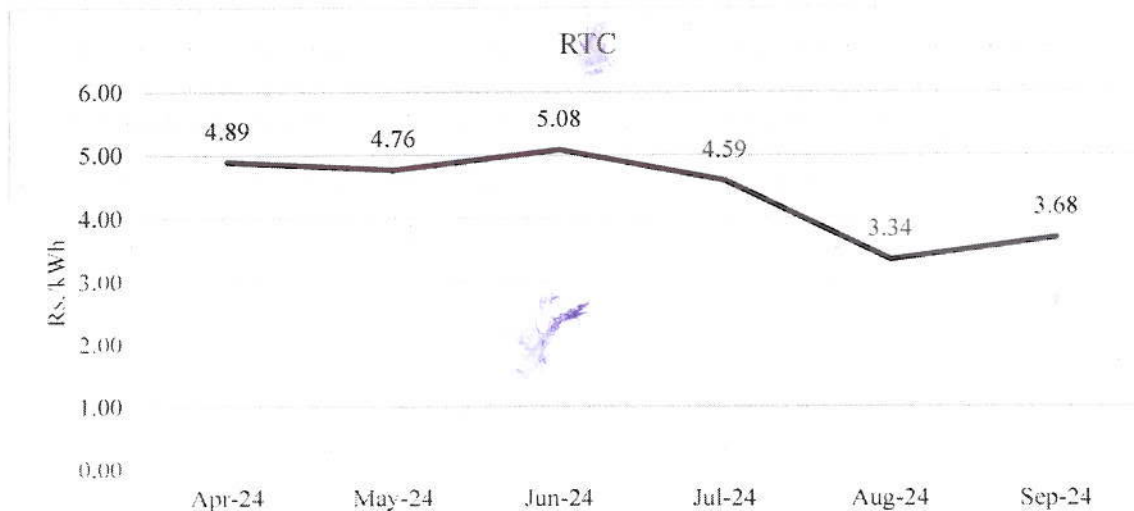


Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

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.

- 5.2 The Power Purchase cost incurred in July 2024, August 2024, and September 2024 is **Rs. 1.63 Crores, Rs. 1.18 Crores, and Rs. 1.10 Crores** respectively. In the month of July 2024, the power purchase cost is significantly higher than the total approved monthly Power Purchase cost of Rs. 1.27 Crores by the Commission. The actual power purchase cost is higher in month of July 2024 on account of injection of surplus power into grid at the very lower rate. Further, the quantum of surplus power to net power purchase requirement is around 116%. GEPL is directed to optimise the power purchase cost by proper planning of power procurement and submit the detailed compliance along with the justification for the surplus power procurement.
- 5.3 **Power Procurement from Exchange/Other Peak Sources:** GEPL has procured 0.01 MUs, 0.06 MUs, and 0.06 MUs of power from TAM / DAM / RTM products available on Power Exchange at average rates of Rs. 6.35/kWh, Rs. 6.43/kWh and Rs. 5.95/kWh during the months of July 2024, August 2024, and September 2024, respectively. The trends observed in the RTM power in IEX in the months of July 2024, August 2024 and September 2024 are shown in the below figure.

Figure 1: Exchange price trends (RTC)



- 5.4 **Renewable Sources:** The Commission has approved Rs. 0.30 Crore each for July 2024, August 2024, and September 2024 for purchase of RE power to meet Renewable Purchase Obligation (RPO). GEPL has purchased RE Solar and RE Non-Solar during the period July 2024 to September 2024. The RE Solar purchase quantum was 0.05 MUs, 0.27 MUs and 0.36 MUs at a power purchase rate of Rs. 4.72/kWh, Rs. 3.72/kWh and Rs. 4.74/kWh in the months of July 2024, August 2024, and September 2024 respectively. Similarly, the RE Non-Solar purchase quantum was 6.32 MUs, 3.70 MUs, and 3.64 MUs at a power purchase rate of Rs. 3.55/kWh, Rs. 3.20/kWh, and Rs. 3.25/kWh in the months of July 2024, August 2024, and September 2024, respectively.
- 5.5 Accordingly; GEPL has sourced RE non-Solar power through the bilateral mode of transaction (wind generator - MPL). Further, the RE Solar and additional RE non-Solar power have also been sourced from the exchange (GDAM and GTAM), to meet the RPO obligation.

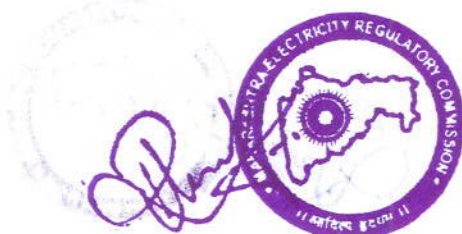


Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 5.6 In the response to data gaps regarding unavailability of invoices pertaining to RE power procurement from MPL in the FAC proposal for Quarter 2 of FY 2023-24, GEPL had submitted that it has not received invoices from the MPL for the month in which the power was procured. Hence, GEPL 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 GEPL 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 April 2024 and May 2024 have been made in the month of September 2024 when the actual bills have been received. This adjustment amounts to Rs. (0.13) Crore in September 2024. Further, the Commission observed that GEPL 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 20% of the total power purchase quantum. The commission directs the GEPL to incorporate the actual power purchase quantum.
- 5.7 The APPC for solar and non-solar sources is lower than the approved rate of Rs. 4.90/kWh for both solar and non-solar in the months of July 2024, August 2024, and September 2024. The Commission notes that the price of power is competitively discovered for the power sourced from the 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.
- 5.8 **DSM Pool:** GEPL has injected 2.68 MUs, 0.85 MUs and 1.03 MUs into the grid in months of July 2024, August 2024 and September 2024 respectively. The Commission has also considered the average price of the power in the DSM pool at rate of Rs. 1.03/kWh, Rs. 0.45/kWh and Rs. 1.51/kWh as submitted by the Licensee for FAC computation along with the supporting documentation.
- 5.9 The Commission has noted that GEPL has followed Merit Order Dispatch for scheduling of power and all sources are scheduled according to SLDC instructions.
- 5.10 **Sale of Surplus Power:** GEPL has sold surplus power of 0.75 MUs, 0.41 MUs and 0.04 MUs at average rate of Rs. 4.86/kWh, Rs. 2.64/kWh and Rs. 3.21/kWh in the months of July 2024, August 2024 and September 2024.
- 5.11 The details of the overall cost approved and actual for the months of July 2024, August 2024 and September 2024, as per MTR Order is as shown in the Table given below:

Table 3: 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)
New Source	Approved	1.81	-	-	0.98	5.40	0.98	5.40
	Actual (July 2024)	-	-	-	-	-	-	-
	Actual (August 2024)	-	-	-	-	-	-	-



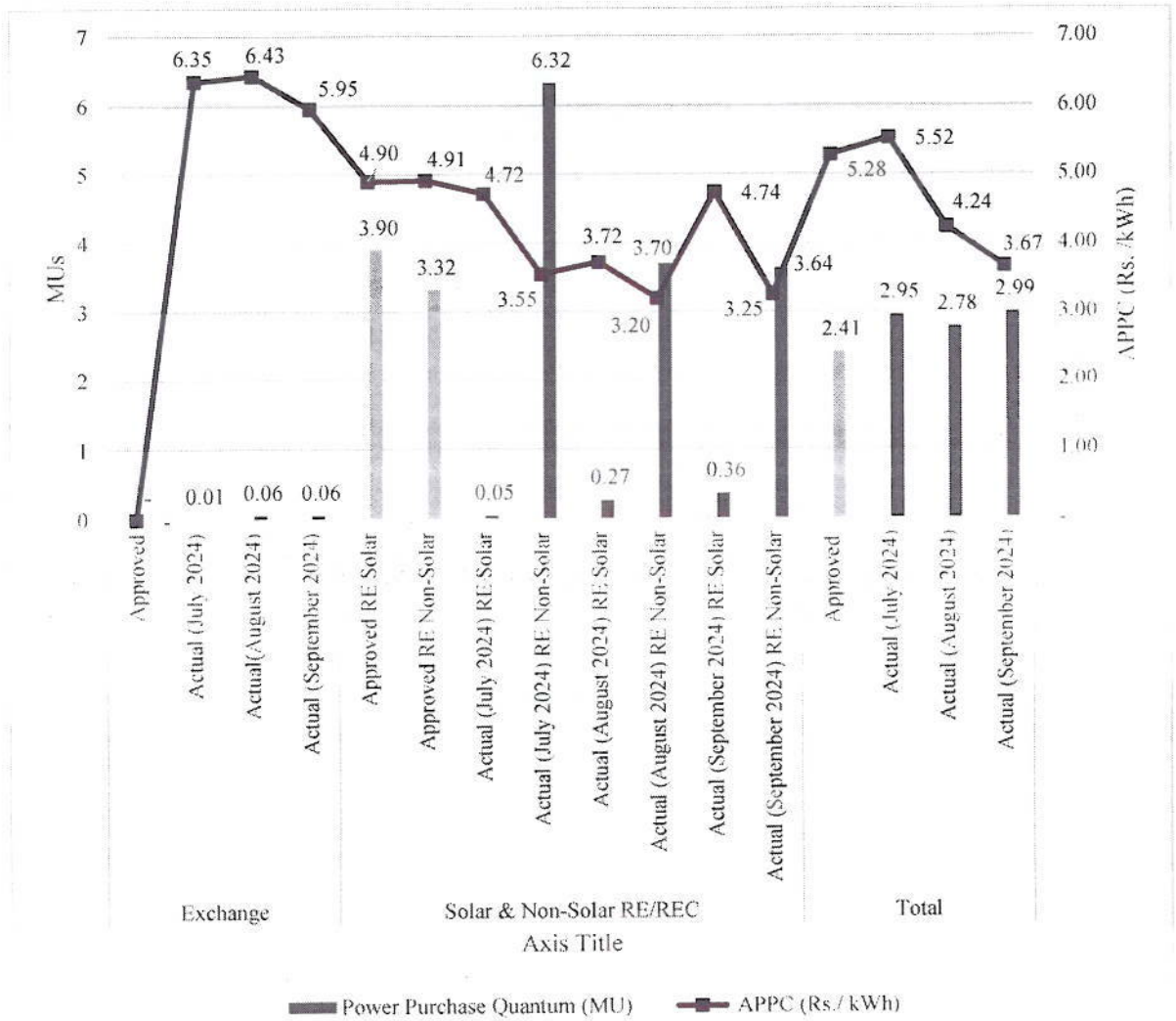
Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

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 (September 2024)	-	-	-	-	-	-	-
Exchange	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	0.01	-	-	0.01	6.35	0.01	6.35
	Actual (August 2024)	0.06	-	-	0.04	6.43	0.04	6.43
	Actual (September 2024)	0.06	-	-	0.03	5.95	0.03	5.95
Solar & Non-Solar RE/REC	Approved	0.33	-	-	0.16	4.90	0.16	4.90
		0.28	-	-	0.14	4.91	0.14	4.91
	Actual (July 2024)	0.05	-	-	0.02	4.72	0.02	4.72
		6.32	-	-	2.24	3.55	2.24	3.55
	Actual (August 2024)	0.27	-	-	0.10	3.72	0.10	3.72
		3.70	-	-	1.18	3.20	1.18	3.20
	Actual (September 2024)	0.36	-	-	0.17	4.74	0.17	4.74
		3.64	-	-	1.18	3.25	1.18	3.25
DSM / Pool	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	(2.68)	-	-	(0.28)	1.03	(0.28)	1.03
	Actual (August 2024)	(0.85)	-	-	(0.04)	0.45	(0.04)	0.45
	Actual (September 2024)	(1.03)	-	-	(0.15)	1.51	(0.15)	1.51
SLDC Fee	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	-	0.001	-	-	-	0.001	-
	Actual (August 2024)	-	0.001	-	-	-	0.001	-
	Actual (September 2024)	-	0.001	-	-	-	0.001	-
Total	Approved	2.41	-	-	1.27	5.28	1.27	5.28
	Actual (July 2024)	2.95	0.001	-	1.63	5.52	1.63	5.52
	Actual (August 2024)	2.78	0.001	-	1.18	4.24	1.18	4.24
	Actual (September 2024)	2.99	0.001	-	1.10	3.67	1.10	3.67

5.12 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



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

Table 4: Reasons for rate variation for various 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	July 2024	4.90 (Solar) 4.91 (Non-Solar)	4.72	Market discovered rate: RE power was purchased during the period from July 2024 to September 2024 from Power Exchange (GDAM, and GTAM). Wind energy was also 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
				3.55	



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
		August 2024		3.72	IV projects. However, due to unavailability of invoices, the quantum and cost are considered on provisional basis. The differential cost is considered in the FAC computation in the month of receipt of such invoices. Accordingly, a differential cost adjustment for power procured from wind generators and claimed on provisional basis in the month of April 2024 and May 2024 have been made in the month of September 2024 when the actual bills have been received. This adjustment amounts to Rs. (0.13) Crore in September 2024.
				3.20	
		September 2024		4.74	
				3.25	
2	Exchange	July 2024	-	6.35	In addition to the contracted power, the peak power requirement was met through procurement of power from the various products (RTM and DAM) of Power Exchange. The Commission in its MTR Order dated 31 March 2023 in Case no. 215 of 2022 has not considered any power from exchange.
		August 2024		6.43	
		September 2024		5.95	
3	DSM Imbalance Pool	July 2024	-	1.03	DSM rates are based on supporting documents provided by GEPL.
		August 2024		0.45	
		September 2024		1.51	
4	Total	July 2024	5.28	5.52	Due to above factors
		August 2024		4.24	
		September 2024		3.67	

5.14 Considering the above, the Commission allows the average power purchase cost of Rs. 5.52/kWh, Rs. 4.24/kWh and Rs. 3.67/kWh for the months of July 2024, August 2024 and September 2024.

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 July 2024, August 2024 and September 2024 as shown in Table 4 above. The same has been compared with the average power purchase cost approved by the Commission in MTR Order dated 31 March 2023 in Case no. 215 of 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

6.3 Table 5 shows the Z_{FAC} worked out by the Commission on account of difference in power purchase cost for the month of July 2024, August 2024 and September 2024.



Table 5: FAC on account of Power Purchase Cost

Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-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	5.52	4.24	3.67
3	Change in average power purchase cost (=2 -1)	Rs./kWh	0.25	(1.04)	(1.61)
4	Net Power Purchase	MU	2.95	2.78	2.99
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	0.07	(0.29)	(0.48)

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	Jul-24	Aug-24	Sept-24
1.1	Incremental cost allowed to be recovered in Month n-4	Rs. Crore	0.46	0.43	0.43
1.2	Incremental cost in Month n-4 actually recovered in month n-2	Rs. Crore	0.43	0.43	0.44
1.3	(over-recovery)/under-recovery (=1.2 - 1.1)	Rs. Crore	0.03	(0.00)	(0.00)
2	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	0.33	0.00	-
3	Adjustment factor for over-recovery/under-recovery (1.3+2.0)	Rs. Crore	0.36	(0.00)	(0.00)

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

8.1 Carrying Cost/(Holding Cost) for under recovery/(over recovery) has been granted at the approved interest rate for the eligible amount which works out to be **Rs. 0.003069 Crores, Rs. (0.000017) Crores, and Rs. (0.000042) Crores** for the months of July 2024, August 2024 and September 2024, respectively.

8.2 The Commission has considered one-year SBI MCLR rate of the month plus 150 basis points which works out to be **10.30%** for July 2024, **10.40%** for August 2024, and **10.45%** for September 2024, respectively.

8.3 The Commission has computed the holding cost towards the amount over recovered in the month of July 2024 to September 2024 which is as shown in the Table 7 below:

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

Particulars	Units	Jul-24	Aug-24	Sep-24
Adjustment factor for over-recovery/under-recovery	Rs. Crore	0.36	(0.00)	(0.00)
Interest rate	%	10.30%	10.40%	10.45%
Carrying cost for over-recovery/under-recovery	Rs. Crore	0.003069	(0.000017)	(0.000042)

9. Holding Cost for FAC Fund



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 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. 215 of 2022. Accordingly, as per said principle laid down by the Commission, GEPL 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 FAC of Rs. 0.433 Crores, Rs. (0.290) Crore and Rs. (0.486) Crore for the months of July 2024, August 2024 and September 2024, respectively. There was nil FAC fund available at the beginning of July 2024. Further, the Commission has determined positive FAC for the months of July 2024 and negative FAC for the month of August 2024 and September 2024. Accordingly, the FAC fund of Rs. (0.290) Crore and Rs. (0.779) Crore has been approved at the end of the August 2024 and September 2024 after the adjusting the opening FAC balance and holding cost for the respective months.
- 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 **10.30%** for July 2024, **10.40%** for August 2024, and **10.45%** for September 2024, respectively. Considering that the FAC fund approved by the Commission is **Rs. (0.290) Crore** and **Rs. (0.779) Crore** at the end of the August 2024 and September 2024, the Commission has also calculated holding cost of **Rs. (0.003) Crore** for the months of September 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 kWh or Rupees per kVAh as the case may be”:

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 cumulative distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of ZFAC corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total ZFAC 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	July-24	Aug-24	Sep-24
1	Net Energy input at Distribution Voltages	MU	2.33	2.39	2.42	2.33
2	Energy sales at Distribution voltages	MU	2.30	2.36	2.38	2.30



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Sr. No.	Particulars	Units	Approved in Tariff Order	July-24	Aug-24	Sep-24
3	Distribution Loss (1 - 2)	MU	0.03	0.03	0.04	0.03
4	Distribution Loss as % (3/1)	%	1.20%	1.42%	1.49%	1.38%
5	Annual Sliding Distribution Loss	%		1.25%	1.26%	1.28%
6	Excess Distribution Loss = [Distribution Loss - Distribution loss approved] x Net Energy Input (1)	MU		0.01	0.01	0.00
7	Disallowance of FAC due to excess Distribution Loss	Rs. Crore		0.001	-	-

10.3 As seen from the above Table 8, the annual sliding distribution loss for the months of July 2024, August 2024 and September 2024 are 1.25%, 1.26%, and 1.28%, respectively, which are higher than MTR approved distribution loss of 1.20%.

10.4 The Commission has worked out disallowance of FAC due to excess Distribution Loss based on the annual approved distribution loss and the annual sliding Distribution corresponding to the standalone energy input at distribution voltage for the month of July 2024, August 2024 and September 2024. As the standalone FAC for the month of July 2024 is positive and since the month wise annual sliding losses are higher than the approved distribution loss for month of July 2024, the Commission has considered Rs. 0.001 Crore amount of the disallowance of FAC due to excess distribution loss for the months of July 2024. As the standalone FAC for the month of August 2024 and September 2024 is negative and although the month wise annual sliding losses are higher than the approved distribution loss for month of July 2024, August 2024 and September 2024, the Commission has considered Rs. nil amount for the disallowance of FAC due to excess distribution loss for the months of August 2024 and September 2024.

11. Summary of Allowable Z_{FAC}

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

Table 9: Summary of Allowable Z_{FAC}

Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-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	0.073	(0.288)	(0.482)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	0.003	(0.000)	(0.000)
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.357	(0.002)	(0.005)
1.5	$Z_{FAC} = F+C+B$	Rs. Crore	0.433	(0.290)	(0.486)
2	Calculation of FAC Charge				
2.1	Energy Sales within the License Area	MU	2.359	2.384	2.295
2.2	Excess Distribution Loss	MU	0.001	-	-



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-24
2.3	ZFAC per kWh *	Rs./kWh	1.836	(1.216)	(2.119)
2.4	Cap at 20% of variable component of tariff	Rs./kWh	1.891	1.891	1.891
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs./kWh	1.836	(1.216)	(2.119)
3	Recovery of FAC				
3.1	FAC disallowed corresponding to excess Distribution Loss $(((2.1+2.2) \times 2.3)/10)$	Rs. Crore	0.000	-	-
3.2	Allowable FAC	Rs. Crore	0.433	(0.290)	(0.486)
4	Utilization of FAC Fund				
4.1	Opening Balance of FAC Fund	Rs. Crore	-	-	(0.290)
4.2	Holding Cost on FAC Fund	Rs. Crore	-	-	(0.003)
4.3	Z _{FAC} for the month (Sr. No. 3.2)	Rs. Crore	0.433	(0.290)	(0.486)
4.4	Closing Balance of FAC Fund	Rs. Crore	-	(0.290)	(0.779)
4.5	Z _{FAC} leviable/refundable to consumer	Rs. Crore	0.433	-	-
5	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	0.432	-	-
6	Carried forward FAC for recovery during future period (3.1-3.2-4)	Rs. Crore	0.001	-	-

11.2 It can be seen from the above table that the standalone FAC for the month of July 2024, August 2024 and September 2024 is Rs. 0.433 Crore, Rs. (0.290) Crore, and Rs. (0.486) Crore respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. 1.836/kWh, Rs. (1.216)/kWh and Rs. (2.119)/kWh for the months of July 2024, August 2024 and September 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 July 2024 is positive while for August 2024 and September 2024, it is negative and same are adjusted in the FAC fund being maintained by GEPL. As the FAC per unit computed for the months of July 2024 as shown in the Table 8 is lower than the 20% cap (Rs. 1.891/kWh) specified in the MYT Regulations, 2019, hence, there is restriction triggered with regards to such ceiling. However, the FAC per unit computed for the months of August 2024 and September 2024 is nil as the standalone FAC for the months of August 2024 and September 2024 is negative.

11.5 Accordingly, as FAC per unit (Rs. 1.836/kWh) computed, the FAC recoverable has been worked out as Rs. 0.432 Crores in the month of July 2024, Whereas Nil for the month of August 2024 and September 2024 as the standalone FAC for the month of August 2024 and September 2024 is negative.



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 11.6 There was nil FAC fund available at the beginning of July 2024 and August 2024 while opening FAC balance of Rs. (0.290) Crore in September 2024 was created, accordingly, the Commission has also approved holding cost of (0.003) for the month of September 2024. The Commission has determined a positive FAC of Rs. 0.433 Crores for the month of July 2024, and negative FAC of Rs. (0.290) Crore and Rs. (0.486) Crore for the months of August 2024, and September 2024, respectively. Accordingly, the positive FAC determined by the Commission for July 2024, is recoverable from the consumers. The recovery during each month will be subject to the cap of 20% of variable component of tariff as discussed earlier.

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: —

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

Where:

$Z_{FAC\ Cat}$ = Z_{FAC} component for a particular Tariff category/sub-category/consumption slab in 'Rupees per kWh' terms or 'Rupees per kVAh' terms as approved by the Commission in the Tariff Order;

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' or 'Rupees per kVAh' 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' or 'Rupees per kVAh' 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 **Error! Reference source not found.** shows per unit ZFAC for the month July 2024 to be levied on consumers of KRCIPPL in the billing month of September 2024



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Table 10 Category wise FAC Revenue for billing month of month September 2024

Sr. No	Consumer Category	Slabs	ZFAC computed for the month of July 2024 (Rs. Crore)
	HT Category		
1	HT- I Industrial	all units	0.349
2	HT-II Commercial	all units	-
	LT Category		
3	LT-II(A) Commercial (0-20 kW)	all units	0.009
4	LT-II (B) Commercial (above 20 kW)	all units	0.004
5	LT-III (A) Industrial (0-20 kW)	all units	0.007
6	LT-III (B) Industrial (above 20 kW)	all units	0.062
7	LT-IV – Electric Vehicle (EV) Charging Stations	all units	0.001
	Total FAC Recovery (Rs. Crore)		0.432

