





**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION**

**BANGALORE**

**Dated this day, the 22<sup>ND</sup> December, 2022**

**Applications of:**

Bangalore Electricity Supply Company Ltd. (BESCOM),

Mangalore Electricity Supply Company Ltd. (MESCOM),

Chamundeshwari Electricity Supply Corporation Ltd. (CESC),

Hubli Electricity Supply Company Ltd. (HESCOM),

Gulbarga Electricity Supply Company Ltd. (GESCOM).

**In the matter of approval of Fuel and Power Purchase Cost Adjustment (FPPCA) due for Second Billing Quarter- July, 2022 to September, 2022 to be allowed in the Billing Quarter- January, 2023 to March, 2023.**

**Present:**

1. Sri. P. Ravi Kumar

Chairman

2 3. Sri M.D. Ravi

Member

**PREAMBLE:**

1. In accordance with the provisions of the KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, notified on 21<sup>st</sup> October, 2022, the ESCOMs have filed their applications, for approval of Fuel and Power Purchase Cost Adjustment (FPPCA) charges to be recovered/ refunded in the billing quarter of January-2023 to March-2023, based on the Fuel and Power Purchase Cost incurred during July, 2022 to September, 2022 (2<sup>nd</sup> Qtr. Of FY23), on the following dates:



Name of the ESCOM	Date of Submission
BESCOM	06.12.2022
MESCOM	29.11.2022
CESC	30.11.2022
HESCOM	30.11.2022
GESCOM	30.11.2022

2. The FPPCA claimed by the ESCOMs are as follows:

Name of ESCOM	FPPCA claimed in Paise Per Unit
BESCOM	-32.66
MESCOM	-39.42
CESC	18.46
HESCOM	15.91
GESCOM	21.40

3. The Commission has proceeded to compute the allowable FPPCA for the 2<sup>nd</sup> quarter of FY23, by considering the following:

- i. The source - wise power purchase cost incurred and submitted by the ESCOMs during the period July-2022 to September-2022;
- ii. Energy balancing transactions are excluded from the computation of FPPCA since the ESCOMs are accounting the net effect of energy balancing (over & under drawl), at the year end.
- iii. The allowable variation in fuel and power purchase cost has been arrived at with reference to the fuel and power purchase cost (both fixed and variable cost), approved in Commission's Tariff Order -2022 dated 04<sup>th</sup> April 2022 and applying the formula as notified in KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022.
- iv. The Retail Sales for the quarter January-2023 to March-2023 have been projected as per Clause 4.2 of the KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, considering the quantum of energy



purchased as per latest SLDC reconciliation statement for the period from July-2022 to September-2022 is arrived net of the approved transmission and distribution losses.

4. The Commission notes that, there is decrease in the power purchase cost in respect of BESCOM and MESCOM, whereas in respect of CESC, HESCOM and GESCOM there is an increase during the quarter July, 2022 to September, 2022.
5. The Fuel Cost Adjustment Charges as claimed by the ESCOMs and the computations made by the Commission, without considering the energy balancing transactions based on the relevant records and documents / details submitted under Affidavit duly certified by the Chartered Accounts for the second quarter of FY23, are as follows:

ESCOM	As claimed by ESCOMs			As Computed by KERC		
	FPPCA in Rs. Crores	Sales in MU as filed	FPPCA in paise per unit	Allowable FPPCA in Rs. Crores	Sales computed in MU with approved T&D Losses	FPPCA in paise per unit
BESCOM	-218.09	6677.12	-32.66	-232.29	6336.34	-36.66
MESCOM	-38.50	976.81	-39.42	-38.50	976.81	-39.41
CESC	23.03	1247.32	18.46	23.73	1247.32	19.02
HESCOM	53.46	3360.79	15.91	53.46	2419.30	22.10
GESCOM	35.91	1678.05	21.40	36.00	1776.26	20.27
<b>TOTAL</b>	<b>-144.19</b>	<b>13940.09</b>	<b>-11.36</b>	<b>-157.61</b>	<b>12756.03</b>	<b>-12.36</b>

7. Accordingly, in accordance with the provisions of KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, the ESCOMs are allowed to refund / recover the FPPCA of the 2<sup>nd</sup> Quarter of FY23 from their consumers during the billing quarter from 1<sup>st</sup> January-2023 to 31<sup>st</sup> March-2023 at the following rates;

ESCOM	FPPCA in paise per unit	FPPCA in paise per unit (Rounded off to nearest paise)
BESCOM	-36.66	-37
MESCOM	-39.41	-39
CESC	19.02	19
HESCOM	22.10	22
GESCOM	20.27	20

The FPPCA approved in the above table is apart from the Commission approved FAC of 1<sup>st</sup> Quarter of FY23 which is also to be recovered during January-2023 to March-2023.

Therefore, the Commission hereby orders as follows;

### ORDER

In accordance with the provisions of the KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, the Commission, having recognized the variations in the fuel and power purchase cost in 2<sup>nd</sup> quarter of FY23, decides to allow the ESCOMs to refund/recover the fuel and power purchase cost adjustment charges per unit of sale, in the energy bills to be issued to their consumers during the billing quarter from 1<sup>st</sup> January, 2023 to 31<sup>st</sup> March, 2023 at the following rates:

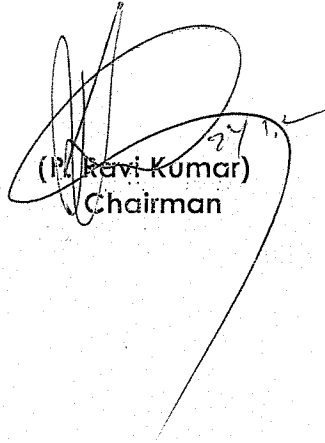
ESCOM	2 <sup>nd</sup> quarter Net FPPCA in paise per unit to be refunded to /recovered from the consumers.
BESCOM	-37
MESCOM	-39
CESC	19
HESCOM	22
GESCOM	20

The fuel cost adjustment charges of MESCOM are also applicable to consumers of Mangalore SEZ and the fuel cost adjustment charges of HESCOM are also applicable to consumers of Hukeri RECS and AEQUS SEZ, to be refunded/ recovered

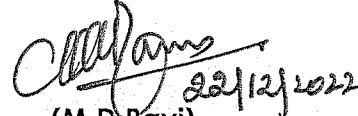


in all the energy bills, to be issued to their consumers from 1st January, 2023 to 31st March, 2023.

This Order is signed and issued by the Karnataka Electricity Regulatory Commission on this day, the 22nd December, 2022.



(P. Ravi Kumar)  
Chairman



22/12/2022  
(M.D. Ravi)  
Member

