

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

Dated this day, the 13th March, 2023

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 the 3rd billing quarter – October-2022 to December-2022 to be allowed in the billing quarter April-2023 to June-2023.

Present:

1. Sri. P. Ravikumar,	Chairman
2. Sri H.M. Manjunatha	Member
3. Sri M.D. Ravi	Member

PREAMBLE:

1. In accordance with the provisions of the KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, dated 21st October, 2022, the ESCOMs have filed their applications on the following dates, for approval of Fuel and Power Purchase Cost Adjustment (FPPCA) charges to be recovered/ refunded in the billing quarter of April-2023 to June-2023, based on the Fuel and Power Purchase Cost incurred during October-2022 to December-2022 (3rd Qtr. Of FY23).

Name of the ESCOM	Date of Submission
BESCOM	07.03.2023
MESCOM	28.02.2023
CESC	28.02.2023
HESCOM	27.02.2023
GESCOM	28.02.2023



2. The FPPCA claimed by the ESCOMs (duly including the energy balancing transactions) are as follows:

Name of the ESCOM	FPPCA claimed (Paise / unit)
BESCOM	95.69
MESCOM	92.70
CESC	86.29
HESCOM	99.74
GESCOM	77.71

3. The Commission has proceeded to compute the allowable FPPCA for the 3rd quarter of FY23, on the basis of the following:

- i. The source - wise power purchase cost incurred and submitted by the ESCOMs during the period October-2022 to December-2022 are considered.
- ii. Energy balancing transactions are excluded from the computation of FPPCA since the ESCOMs are accounting the net effect (over & under draw) at the year end.
- iii. The allowable variation in fuel and power purchase cost has been arrived with reference to the fuel and power purchase cost approved in the Tariff Order -2022 dated 04th 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 April-2023 to June-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 October-2022 to December-2022, is arrived at net of the approved transmission and distribution losses.

4. The Commission notes that, there is increase in the power purchase cost in respect of all ESCOMs during the quarter October -2022 to December-2022.



5. The Fuel Cost Adjustment Charges as per filings of the ESCOMs and as per the computation made by KERC based on the relevant records and documents / details submitted under Affidavit duly certified by the Chartered Accounts for the third quarter of FY23, are as follows:

ESCOM	As claimed by ESCOMs (with energy balancing transactions)			As Computed by KERC (without energy balancing transactions)		
	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	626.89	6550.95	95.69	680.74	6753.36	100.80
MESCOM	121.47	1307.18	92.70	121.48	1307.36	92.92
CESC	129.69	1502.99	86.29	123.48	1502.10	82.21
HESCOM	296.39	2971.74	99.74	295.12	2962.80	99.61
GESCOM	154.38	1986.60	77.71	132.85	1985.58	66.91
TOTAL	1328.52	14319.46	92.78	1353.67	14511.20	93.28

7. In accordance with the provisions of KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, the ESCOMs are allowed to recover the FPPCA of the 3rd Quarter of FY23 from their consumers during the billing quarter from 1st April-2023 to 30th June-2023 at the following rates;

ESCOM	FPPCA In paise per unit	FPPCA in paise per unit (Rounded off to nearest paise)
BESCOM	100.80	101
MESCOM	92.92	93
CESC	82.21	82
HESCOM	99.61	100
GESCOM	66.91	67

Therefore, the Commission hereby orders as follows:

ORDER

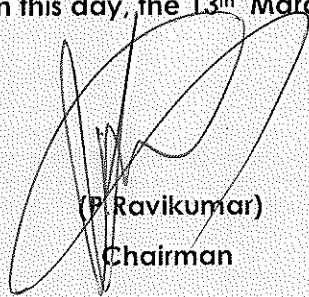
In accordance with the provisions of the KERC (Fuel and Power Purchase Cost Adjustment) Regulations, 2022, the Commission, having recognized the variations in the fuel and power purchase cost in 3rd quarter of FY23, decides to allow the ESCOMs to recover the fuel and power purchase cost adjustment charges on per

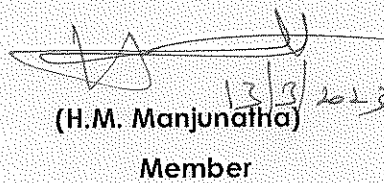
unit of sale, in the energy bills to be issued to their consumers during the billing quarter from 1st April, 2023 to 30th June, 2023 at the following rates:

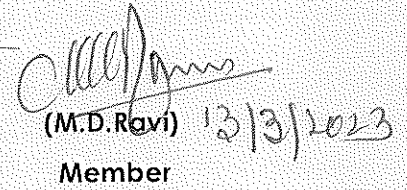
ESCOM	3 rd quarter Net FPPCA in paise per unit to be recovered from the consumers.
BESCOM	101
MESCOM	93
CESC	82
HESCOM	100
GESCOM	67

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 recovered in all the energy bills, to be issued to their consumers from 1st April, 2023 to 30th June, 2023.

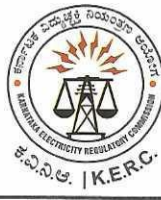
This Order is signed and issued by the Karnataka Electricity Regulatory Commission on this day, the 13th March, 2023.


(P. Ravikumar)
Chairman


(H.M. Manjunatha) 13/3/2023
Member


(M.D. Ravi) 13/3/2023
Member

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



KARNATAKA ELECTRICITY
REGULATORY COMMISSION

ಸಂಖ್ಯೆ : 16 ಸಿ-1, ಮಿಲ್ಲರ್ಸ್ ಟ್ಯಾಂಕ್ ಬೆಡ್ ಏರಿಯಾ,
ವಸಂತನಗರ, ಬೆಂಗಳೂರು - 560052.

No. 16 C-1, Millers Tank Bed Area,
Vasanthanagara, Bengaluru-560052.

KERC/DD(Tariff)/B/15/12/216/

Date: 02.06.2023

Encl: As per letter (2 pages)

The Managing Director,
BESCOM / MESCOM / CESC / HESCOM / GESCOM /
HREC / AEQUS / MSEZ.

Sir,

Sub: In the matter of extension of time for implementation of Commissions' FPPCA Order dated 13th March, 2023 relating to Fuel and Power Purchase Cost Adjustment (FPPCA) to be recovered in the third billing quarter April-2023 to June-2023.

On the subject, the Commission has issued the Order, on recovery of FPPCA pertaining to third quarter of FY23, on 02nd June, 2023. As per the order the licensees are required to The copy of this Order is enclosed for information and further needful.

The copy of the Order is also available on the Commission's website www.karunadu.karnataka.gov.in/kerc

Yours faithfully,

Secretary

for Karnataka Electricity Regulatory Commission

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

Dated this day, the 02nd June, 2023

In the matter of extension of time for implementation of Commissions' FPPCA Order dated 13th March, 2023 relating to Fuel and Power Purchase Cost Adjustment (FPPCA) to be recovered in the third billing quarter April-2023 to June-2023.

Present:

- | | |
|------------------------|----------------|
| 1. Sri. P. Ravikumar, | Chairman, |
| 2. Sri H.M. Manjunatha | Member (Legal) |
| 3. Sri M.D. Ravi | Member |

References:

1. Commissions' FPPCA order dated 13th March, 2023.
2. BESCOM , CESC, GESCOM and HESCOM letter dated 31.05.2023.

PREAMBLE:

1. The Commission has issued the order dated 13th March, 2023 approving the Fuel and Power Purchase Cost Adjustment (FPPCA) relating to third quarter of FY23, to be recovered in the billing quarter April-2023 to June-2023, as follows:

ESCOM	FPPCA (Paise/Unit)
BESCOM	101
MESCOM	93
CESC	82
HESCOM	100
GESCOM	67

2. BESCOM has requested the Commission to approve for spread over of the recovery of FPPCA approved in the Commission's Order dated 13th March, 2023 over a period of six months from July-2023 to December-2023, for the following reasons;
 - (a) FPPCA for Jan-2023 to be billed in March-2023 is not implemented in the month of March-2023 due to billing issues and also scarcity of time for implementation of regulation and computation of FPPCA.
 - (b) Consequently, FPPCA of Rs.1.49 per unit will have to be levied in June-2023 and Rs.1.81 per unit is carried forward to July-2023.
 - (c) As per the tariff order dated 12.05.2023, 70 paise per unit hike have to be claimed in June-2023. In addition to this, arrears of 70 paise per unit pertaining to April-2023 will also be added to June-2023 billing.



- (d) Thus, there will be overall increase in tariff for June-2023 by Rs.2.89 / unit.
- (e) On the similar lines, HESCOM, GESCOM and CESC have also requested to defer the claims to be recovered from July-2023 to Dec-2023.
3. The Commission has examined the proposals and decided to approve extended time for recovery of FPPCA as ordered in the Commission's Order dated 13th May, 2023.

Therefore, the Commission hereby orders as follows;

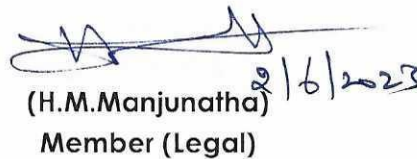
ORDER

In partial modification to the Commission's FPPCA Order dated 13th March 2023, approval is hereby accorded to allow the ESCOMs to recover the fuel and power purchase cost adjustment charges, relating to third quarter of FY23, in the energy bills to be issued to their consumers during the billing period from 1st July, 2023 to 31st December, 2023, instead of the billing quarter 1st April, 2023 to 30th June, 2023, as follows;

ESCOM	FPPCA	FPPCA
	To be recovered during the period July-2023 to Sep-2023 (Paise/Unit)	To be recovered during the period Oct-2023 to Dec-2023 (Paise/Unit)
BESCOM	51	50
MESCOM	47	46
CESC	41	41
HESCOM	50	50
GESCOM	34	33

The other contents of the FPPCA order dated 13th May, 2023 shall remain unaltered.


(P. Ravikumar)
Chairman


(H.M. Manjunatha)
Member (Legal)


(M.D. Ravi)
Member