

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : Shri T K Jose, Chairman
Shri B Pradeep, Member
Adv. A.J Wilson, Member

OP No 76/2022

In matter of : Petition on 'Proposals to recover the additional liability incurred during the period April 2022 to June 2022 over the approved level on Generation and Power Purchase due to variation in cost of fuel from all consumers including Bulk Consumers and other Licensees through Fuel Surcharge'.

Petitioner: Kerala State Electricity Board Ltd.

Date of hearing: 18.01.2023 through video conference.

Order Dated 25.01.2023

1. KSEB Ltd, on 19.12.2022 filed a petition for recovery of fuel surcharge for the period from **April 2022 to June 2022**, with prayers as follows:
 - a) *Additional financial liability incurred by KSEBL, amounting to Rs.87.07 Cr, resulting from the variation in variable charges of power purchase from approved sources for the period from **April 2022 to June 2022** as per Regulation 86 of KSERC Tariff Regulations 2018 as detailed in Annexure IV & V of this petition may kindly be approved.*
 - b) *This approved additional cost may kindly be allowed to be recovered from consumers including bulk consumers and other licensees as fuel surcharge as per the Regulation 86 of KSERC Tariff regulations 2018, @ 14 paise per unit from 1st December 2022 onwards.*
2. Summary of the petition filed by KSEB Ltd is given below.
 - (1) The Regulation 87 of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (herein after referred to as Tariff Regulations, 2021) provides to pass through the additional expenditure/savings on account of variation in actual fuel cost over approved level through fuel surcharge at the rates approved by the Commission.

Regulation 87 (5) therein stipulates that *“Every Distribution business/licensee shall, within forty five days after the close of each quarter, file before the Commission a petition with all relevant details required for the approval of the amount of fuel surcharge to be adjusted*

from the consumers alongwith the proposed rate and period of such adjustment”.

- (2) As per the provisions of the Tariff Regulations, 2021, KSEB Ltd has to file the fuel surcharge for the first quarter of the Year 2022-23 latest by 15.08.2022. However, KSEB Ltd has filed the petition on 17.11.2022, thus there is a delay of 93 days from 15th August 2022 for filing the petition.

KSEB Ltd has filed an application for condonation of delay along with the petition. KSEB Ltd submitted the following reasons for the delay in filing the petition.

- (i) Delay in finalizing the REA by SRPC and to admit and finalize the monthly power purchase statements.
 - (ii) Due to change in blending ratio of coal, there is a wide variation in variable cost. KSEB Ltd could not provide admissibility of the same in time in the absence of CERC order for such blending. CERC finally issued the order of blending only on 26.07.2022, however the effective date of implementation of the Order was not specified therein. Hence there is delay in admitting the invoices.
- (3) The Commission vide the Order dated 25.06.2022 in Petition OP No. 11/2022 has approved the source wise details of the generation and power purchase for the MYT period from 2022-23 to 2026-27.
- (4) A comparison of the actual variable cost claimed by KSEB Ltd against the same approved vide Order dated 25.06.2022 in OP No. 11/2022 during the first quarter of 2022-23 is given below.

Table-1
Comparison of the variable cost approved and actuals for the 1st quarter of the FY 2022-23

Sl No	Source	Approved (Rs/ kWh)	Actual (Rs/ kWh)		
			Apr-22	May-22	Jun-22
Central Generating Stations					
1	NTPC-RSTPS Stage I & II	2.780	3.087	3.272	4.583
2	NTPC-RSTPS Stage III	2.610	3.043	3.086	3.637
3	Talcher	1.870	1.761	1.609	1.896
4	Simhadri TPS Stage II	2.920	3.625	3.665	3.923
5	NLC-Stage-1	2.700	2.667	2.667	2.734
6	NLC-Stage-II	2.700	2.667	2.667	2.734
7	NLC I Expansion	2.460	2.434	2.434	2.443
8	NLC II Expansion	2.600	2.586	2.586	2.583
9	Vallur STPS	3.190	3.187	3.735	3.938
10	NTPL	3.070	3.864	4.029	4.043
11	NTPCKudgi	3.560	5.229	5.113	5.444
12	NNTPP	2.240	2.186	2.186	2.199
Independent Power Producers					
13	RTPS	3.140	3.095	3.012	3.331

14	Mejia	2.930	3.089	2.881	3.480
15	Maithon I	2.540	2.536	2.615	2.698
16	Maithon II	2.540	2.536	2.615	2.698
17	Jindal Power Ltd-Bid I	1.330	1.330	1.330	1.330
18	BALCO	1.180	0.000	0.000	0.000

3. The summary of additional liability claimed by KSEB Ltd for the first quarter of the FY 2022-23 is given below.

Table-2
Summary of the additional liability claimed as fuel surcharge for the 1st quarter of the FY 2022-23

Source	Energy procurement			Add liability		
	Approved quantity	Actual	Admissible as per regulation	Actual	Admissible as per regulation	Claim of KSEBL
	(MU)	(MU)	(MU)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
CGS	2395.88	2377.37	2193.23	81.71	79.35	79.35
IPPs	1338.93	1165.25	1112.23	8.32	7.71	7.71
Total	3734.81	3542.62	3305.45	90.03	87.07	87.07

4. The summary of the source wise details of the additional liability for the FY 2022-23 is given below.

Table-3
Summary of the source wise details of addl liability of the 1st quarter of the FY 2022-23

Source	Approved energy requirement	Actual Energy procurement	Per unit cost		Additional liability	
			Approved	Actual	Actual	Admissible
	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
CGS						
RSTPS I & II	423.04	414.00	2.78	3.69	37.59	35.55
RSTPS III	106.19	94.71	2.61	3.16	5.16	4.79
Talcher Stage-II	743.20	857.01	1.87	1.76	-9.88	-8.64
Simhadri TPS Stage II	149.60	129.52	2.92	3.70	10.15	9.47
NLC Stage-I	105.29	104.70	2.70	2.69	-0.11	-0.10
NLC Stage-II	150.38	151.24	2.70	2.69	-0.20	-0.18
NLC 1 Expansion	115.72	136.20	2.46	2.44	-0.31	-0.27
NLC II Expansion	127.53	90.89	2.60	2.59	-0.14	-0.14
Vallur STPS	87.44	87.17	3.19	3.61	3.67	3.62
NTPL	126.24	94.61	3.07	4.00	8.78	8.78
Kudgi	194.64	157.42	3.56	5.29	27.30	26.76
NNTPP	66.62	59.91	2.24	2.19	-0.30	-0.28
Sub Total CGS	2395.88	2377.37			81.71	79.35
Private IPPs outside the State						
DVC RTPS	86.78	62.23	3.14	3.15	0.06	0.06
DVC Mejia	175.89	172.50	2.93	3.15	3.75	3.72
Maithon Power Ltd-I, ER	258.03	283.40	2.54	2.62	2.26	1.97
Maithon Power Ltd-II, ER	258.03	283.40	2.54	2.62	2.26	1.97

Jindal Power Ltd-Bid I	373.46	363.72	1.33	1.33	0.00	0.00
BALCO	186.73	0.00	1.18	0.00	0.00	0.00
Sub Total IPPS	1338.93	1165.25			8.32	7.71
Total	3734.81	3542.62			90.03	87.07

5. The summary of the issues raised in the petition is given below.

(1) There is variation in energy availability from various approved generating stations, due to the following.

- (i) Changes in annual maintenance schedule.
- (ii) Coal Shortage
- (iii) Unscheduled outages in generating stations as well as transmission lines.

(2) Scheduling of CGS and IPP's being strictly monitored on a day-to-day basis to ensure that the generators are not diverting power to other utilities by backing off supply to KSEB Ltd. Invoices for the power supplied are processed based on the REA statements published by SRPC. In the case of power stations, whose tariff is determined by CERC, variable charges and landed cost of fuel are verified with the details in Form 15. The Price of coal is taken from the latest price notifications by Coal India Ltd/ Singareni Collieries Ltd. In the case of IPPs, the invoices are processed as per the provisions of the PPA.

(3) The variation in the per unit variable cost, over the approved level on account of the following;

- (i) Variation price of primary and secondary fuels,
- (ii) Variation in calorific value of the fuel,
- (iii) Variation in cost of transportation.

The energy charges depend on the price of coal notified for each mine depending on grade of coal etc, blending ratio of imported coal with domestic coal, transportation cost etc.

(iv) In the case of coal-based stations the linkage of fuel is mainly from Coal India Ltd (CIL) and Singareni Collieries Ltd (SCCL). Due to shortage from linkage sources, the generating stations has to augment coal from other domestic sources and import coal as well.

Coal from Eastern Coal Fields (ECL) and SECL is expensive as compared to coal from Mahanadi coal fields (MCL) under Coal India Ltd due to the variations in grade of coal and other reasons. Price of coal from Singareni Collieries (SCCL) is based on the price notifications of Singareni Collieries from time to time whereas price of Coal India Ltd (CIL) is based on the notification dated 08.01.2018. Fuel price is based on the coal price and the transportation cost.

- (v) The reason for wide variations in energy charges for the first quarter is due to the change in blending ratio of coal owing to coal shortage. The Regulation 43(3) of the CERC Tariff Regulation 2019 provide as follows;

“(3) In case of part or full use of alternative source of fuel supply by coal based thermal generating stations other than as agreed by the generating company and beneficiaries in their power purchase agreement for supply of contracted power on account of shortage of fuel or optimization of economical operation through blending, the use of alternative source of fuel supply shall be permitted to generating station:

Provided that in such case, prior permission from beneficiaries shall not be a precondition, unless otherwise agreed specifically in the power purchase agreement:

Provided further that the weighted average price of alternative source of fuel shall not exceed 30% of base price of fuel computed as per clause (5) of this Regulation:

Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and in that event, prior consultation with beneficiary shall be made at least three days in advance.”

As per the provisions of the said Regulations, KSEBL has deducted Rs.33,30,47,620/- from energy charges of various generators from April 2022 to July 2022.

However, subsequently, as per the various directions of MoP and CERC Order dated 26.07.2022, allowed blending up to 20% from alternate sources of fuel supply including imported coal for the period till 31.10.2022. There is no specific direction in the CERC order regarding the date of applicability of the Order.

Further considering the stringent provisions in the Electricity (Late payment surcharge and other matters) Rules, 2022, **which are applicable to outstanding dues not stayed by a competent court or Tribunal or dispute resolution agency as designated in the Power Purchase Agreement, which remains unpaid by the beneficiary beyond the due date**, KSEBL decided to release 95% of the disputed amount up to the date of Order in line with the Tripartite Agreement (TPA) provisions under “protest” with a condition to recover the differential amount with LPSC as per Rules and to take up the matter with the Central Electricity Regulatory Commission as early as possible for removing the ambiguity on the effective date of the CERC Order dated 26.07.2022.

- (vi) KSEBL further submitted that, there is a net liability amounting to Rs 79.35Cr during first quarter of FY2022-23 while purchasing power from

CGS and a net additional liability of Rs.7.71 Cr on purchasing from various IPPs, and the total additional liability of Rs 87.07Cr.

- (vii) KSEB Ltd proposes to recover the additional liability @14 paise per unit from 1st December 2022 for three months.

Public hearing

6. Public hearing on both the petitions are conducted on 18.01.2023 through video conference. The summary of the deliberations during the hearing is given below:

(1) KSEB Ltd team led by Shri R.Biju, Financial Advisor holding full additional charge of Director (Finance) along with Shri.M.P. Rajan, DY CE, Smt.Seema.P.Nair AEE, were present during the deliberations. The summary of the issues raised by KSEB Ltd is given below.

(i) The petition OP No.76/2022 is filed in accordance with Regulation 87 of KSERC (Terms and Conditions for Determination of Tariff) Regulations,2021, and also as per the Order of the Commission dated 25.11.2022 in OP No:11/2022.

(ii) The fuel surcharge is claimed for twelve (12) Central Generating Stations and six (6) Independent Power Producers (IPPs), from which the power purchase was approved by the Commission in the MYT Order dated 25.06.2022 in OP No:11/2022.

(iii) The Commission in the ARR Order dated 25.06.2022 has estimated the 'variable cost' by escalating the average actual variable cost from April 2021 to September 2021 by 2% annually.

(iv) However, the actual Variable cost has varied due to the following reasons;

- Landed price of primary and secondary fuel
- Increase in rail freight charges for coal transportation
- Variation in calorific value of coal
- Blending of imported coal due to shortage in domestic coal

(v) KSEB Ltd further submitted that MoP, Gol, in its letter dated 28.04.2022 has directed the generating stations to blend the imported coal up to 10% of the total energy requirement to mitigate the coal shortage. However, the Regulation 43(3) of the CERC Tariff Regulation 2019 provide as follows;

“....

Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the

Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and, in that event, prior consultation with beneficiary shall be made at least three days in advance.”

MoP also directed CERC to allow higher amount of blending subject to technical feasibility without the consultation of the beneficiaries for the period up to 31.03.2023.

CERC vide the Order dated 26.07.2022 has allowed blending up to 20% from alternate fuel subject to technical feasibility without the prior permission from the beneficiaries. But the CERC Order has not specified the date of implementation of the Order. Accordingly, KSEB Ltd withheld ₹33.30 Crores due to the CGS and other IPPs opted for blending of imported coal.

However, considering the stringent provisions of the Electricity (Late Payment Surcharge and other matters) Rule 2022, and also due to the threat from generating stations to divert the allocation power in the event of nonpayment of the dues, KSEB Ltd has been constrained to release 95% of the disputed amount and also has taken up the matter with CERC regarding the effective date of the implementation of the CERC Order dated 26.07.2022.

- (vi) KSEB Ltd further submitted that it has been scheduling the power from each generating stations strictly based on the Merit Order of variable cost. The total additional liability due to variation in fuel cost during first quarter of the year 2022-23 was ₹79.35 Crores from CGS and ₹7.71 Crores from IPPs.
 - (vii) KSEB Ltd proposed to recover the fuel surcharge claimed @Rs 0.14/unit along with the electricity charges for three months.
- (2) During the hearing the Commission raised serious apprehensions on the purchase of power from various CGS and IPPs. The Commission noted that the power purchase from the low variable cost stations such as BALCO, Jindal Power Ltd, NLC stations etc. are less than the quantum approved in the ARR Order. Further, the low-cost variable cost stations such as BALCO etc has not declared availability during most of the months under consideration.
- Hence the Commission directed the licensee to submit the reasons for the variation.
- (3) Shri. Saji Mathew, presented the comments on behalf of the HT & EHT Consumers Association and its summary is given below;
- (i) There was considerable delay in filing the Fuel Surcharge petitions by KSEB Ltd.

- (ii) During the third quarter the FY 2021-22, variation in variable Cost of NTPC RSTPS station is in the range of 11-13%. However, the Variable cost of DVCs Raghunathpur Thermal power station was up to 35%. KSEB Ltd has purchased power from Vallur STPS in the month of November 2021 and December 2021 even though the energy exchange rate was considerably less than the Variable Cost of Vallur STPS.
 - (iii) The Association also pointed out that the IEX rate in January 2022 was much less than the KUDGI station of NTPC. If KSEB Ltd procured power from IEX instead of KUDGI station it would have resulted in a savings of ₹3.06 Crores.
 - (iv) The association pointed out that, in the first quarter of the FY 2022-23, the variable cost of RSTPS station was increased up to 65% and 53% in the case of KUDGI station of NTPC.
 - (v) The association also pointed out that the amount of ₹33.3 Crores withheld by KSEB Ltd during the 1st quarter of FY 2022-23 up to July 2022 may be deducted from the Energy Charges of various generating stations while allowing the fuel surcharge.
 - (vi) The association also raised the issue that since the BALCO has been declaring nil availability from April 2022 onwards, KSEB Ltd may be directed to take legal action and impose penalty against BALCO as per the provisions of the agreement. The penalty received may be deducted from the fuel surcharge claimed.
- (4) Shri. Prasanna Kumar, a consumer submitted during the hearing that the surcharge may be imposed only to the consumers having regular income. He also requested to not to increase electricity tariff for next 10years.
- (5) Shri. Sharfuddin raised the issue that the surcharge claimed by the KSEB Ltd is the liability incurred during the past period from October 2021 to June 2022. However, KSEB Ltd proposed to raise the surcharge from all consumers existing as on date which includes the newly added consumers after the surcharge period. He submitted that the surcharge may be imposed only on the consumers existing during the period the surcharge liability was incurred.
- (6) Shri. Raymant Antony requested before the Commission to direct KSEB Ltd to resort to monthly billing instead of the 'bi-monthly billing' now in force. He further submitted that there is lack of clarity in the petition and hence the same may be rejected.
- (7) Shri. Rajesh Kuruvilla, Carborundum Universal Ltd, submitted that the fuel surcharge at the rate of 20paise per unit may result in an additional liability of ₹70 Lakhs to their Company. Hence the Commission may not approve the same at this stage.

- (8) Shri. Jiju.R., Patspin India Ltd submitted that the Commission may take a decision on the Fuel Surcharge petitions only after getting clarifications on the issues raised by the Commission.
- (9) Shr. Prabhakaran Office Manager of the HT & EHT association submitted that the commencement date of the Order on Fuel Surcharge may be fixed at the beginning of the month so as to facilitate easy implementation of the surcharge. Shri. Pradeep M, Hindalco submitted that they fully endorse the views of the association.
- (10) Regarding the zero declaration by BALCO, KSEB Ltd during the hearing submitted that, it has been reducing the fixed charges payable to BALCO as per the provisions of the Power Supply Agreement. KSEB Ltd further submitted that, it had through the State Government has raise the issue of zero declaration with the Central Government. KSEB Ltd further that, the details sought by the Commission may be submitted within two weeks. However, Commission clarified that, the details sought are readily available information with State Load Dispatch Center and the details shall be submitted by return. The Commission further directed that, henceforth, the officials of the SLDC shall also appear before the Commission during all important hearings.

7. In compliance of the directions of the Commission, KSEB Ltd on 20.01.2023, submitted the month wise details of the total availability, actual drawal, surrender and the reasons for the variations over approval.

- (i) The summary of the of month wise details of the power availability and actual drawls from CGS is given below.

Table-4
CGS- monthly availability and actual drawl

Month	KSERC Approval in the ARR*	Availability	Actual drawal	Surrender	Surrender as (%) of total availability
	(MU)	(MU)	(MU)	(MU)	(%)
Oct-21	964.37	938.62	823.21	115.41	12.3%
Nov-21	932.13	925.39	653.29	272.1	29.4%
Dec-21	945.98	1029.99	895.27	134.72	13.1%
Jan-22	974.22	1079.42	898.22	181.2	16.8%
Feb-22	910.37	986.83	905.40	81.43	8.3%
Mar-22	1094.7	1062.2	1041.63	20.57	1.9%
Apr-22	952.42	960.76	954.01	6.75	0.7%
May-22	984.17	937.45	928.07	9.38	1.0%
Jun-22	952.42	1045.27	1020.51	24.76	2.4%

* KSERC approval upto March 2022 includes the purchase from Bhavini Nuclear station also, but not achieved COD as scheduled

(ii) The month wise details of the surrender from each CGS is given below.

Table-5
Surrender details of CGS

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
RSTPS Stage I & II	15%	44%	23%	31%	16%	2%	2%	14%	4%
RSTPS Stage III	38%	72%	35%	21%	8%	1%	1%	7%	1%
Talcher Stg II	6%	22%	6%	7%	0%	0%	0%	1%	0%
Simhadri	29%	46%	20%	40%	25%	2%	1%	16%	7%
NLC II Stage I	42%	45%	16%	13%	5%	0%	1%	2%	0%
NLC II Stage II	11%	14%	7%	11%	4%	0%	0%	2%	0%
NLC Exp Stg I	25%	40%	11%	10%	1%	0%	0%	1%	0%
NLC II Exp Stg II	4%	7%	1%	9%	2%	0%	0%	2%	0%
MAPS	0%	0%	0%	0%	0%	0%	0%	0%	0%
KAIGA Stg I II III & IV	0%	0%	0%	0%	0%	0%	0%	0%	0%
Kudamkulam Stg I & II	0%	0%	0%	0%	0%	0%	0%	0%	0%
NTECL, Vallur	44%	58%	33%	44%	31%	9%	3%	19%	7%
NTPL, Tuticorin	11%	34%	28%	39%	9%	10%	1%	29%	9%
Kudgi Unit I, II & III	13%	89%	56%	54%	43%	13%	4%	49%	14%
NNTPP	8%	6%	7%	7%	0%	0%	0%	0%	0%

(iii) The summary of the of month wise details of the power availability and actual draws from IPPS is given below.

Table-6
IPPs monthly availability and actual drawl

Month	KSERC Approval in the ARR*	Availability	Actual drawal	Surrender	Surrender as (% of total availability)
	(MU)	(MU)	(MU)	(MU)	(%)
Oct-21	687.15	571.69	542.53	29.16	5.1%
Nov-21	733	783.79	687.9	95.89	12.2%
Dec-21	789.7	801.65	759.7	41.95	5.2%
Jan-22	687.1	790.7	736.5	54.2	6.9%
Feb-22	711.13	625.31	607.26	18.05	2.9%
Mar-22	789.77	688.34	687.8	0.54	0.1%
Apr-22	727.66	645.75	645.36	0.39	0.1%
May-22	751.91	673.42	662.53	10.89	1.6%
Jun-22	727.66	657.26	655.34	1.92	0.3%

(iv) The month wise details of surrender from each IPPs is given below.

Table-7
Month wise details of surrender from IPPs

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
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Maithon I	9%	23%	8%	12%	4%	0%	0%	1%	0%
Maithon II	9%	23%	8%	12%	4%	0%	0%	1%	0%
DVC Mejja	17%	52%	28%	35%	25%	0%	0%	10%	2%
DVC RTPS	6%	35%	23%	25%	14%	2%	0%	9%	1%
Jindal 200 MW	0%	0%	0%	0%	0%	0%	0%	0%	0%
Jindal 150 MW	0%	0%	0%	0%	0%	0%	0%	0%	0%
JITPL 100 MW	0%	5%	0%	0%	0%	0%	0%	0%	0%
Jhabua 115 MW	0%	0%	0%	0%	0%	0%	0%	0%	0%
Jhabua 100 MW	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balco 100 MW	1%	6%	0%	0%	0%	0%	0%	0%	0%

Analysis and Decision

8. The Commission has examined in detail the petitions filed by KSEB Ltd for the approval of the fuel surcharge for the first quarter of the FY 2022-23 (April 2022 to June 2022), the objections made by the stakeholders, provisions of the Electricity Act, 2003, KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018, Judgment of the Hon'ble Appellate Tribunal for Electricity (APTEL), and other relevant documents and records, hereby decide as follows.

9. The Section 62(4) of the Electricity Act, 2003 provides for recovery of fuel surcharge as per the fuel surcharge formula specified by the Commission, which is extracted below.

“(4) No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.”

10. Hon'ble APTEL vide judgment dated 11.11.2011 in OP No. 1 of 2011 had issued directions to all the State Commissions in the Country, regarding the fuel surcharge as follows.

65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:

.....

(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/mechanism.”

11. The Regulation-87 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (herein after referred as Tariff Regulations, 2021), deals with the 'Fuel Surcharge Formula' and related aspects, which is extracted below for ready reference.

“87. Fuel Surcharge Formula.–

- (1) *The tariff or any part of tariff determined in accordance with these Regulations shall not ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted by the Commission under the terms of fuel surcharge formula specified in this Regulation.*
- (2) *Fuel surcharge is the amount approved by the Commission for all the Commission approved PPAs having provision for fuel surcharge, in terms of the formula specified in Annexure 3 of these Regulations, by way of recovery from or refund to the consumer, so as to enable the distribution business/ licensee to pass through to the consumer as additional expenditure or savings due to,-*
 - (i) *the difference between the actual cost of fuel and the cost of fuel approved in the Aggregate Revenue Requirement by the Commission for the generation of electricity in the generating stations owned by the distribution business/ licensee; and*
 - (ii) *The difference on account of the change in the cost of fuel, between the actual cost of power purchase and the cost of power purchase as approved by the Commission in the Aggregate Revenue Requirement.*
- (3) *The distribution business/ licensee may be allowed by the Commission to adjust the fuel surcharge on quarterly basis, at the rate and for the period of adjustment as approved by the Commission, based on the petition filed by the distribution business/ licensee specifically for this purpose.*
- (4) *The amount of fuel surcharge to be adjusted shall be determined by the Commission in accordance with the formula specified in Annexure 3.*
 - (i) *The difference between the actual cost of fuel and the approved cost of fuel for own generation shall be computed for each quarter with respect to the month wise quantity of generation as approved by the Commission in the Aggregate Revenue Requirement of the distribution business/ licensee, based on merit order.*
 - (ii) *The difference between the actual cost of power purchase and the approved cost of power purchase on account of the change in cost of fuel shall be computed for each quarter, with respect to the month wise quantity of power purchase as approved by the Commission in the Aggregate Revenue Requirement of the distribution business/ licensee, based on merit order.*
- (5) *Every distribution business/ licensee shall, within forty five days after the close of each quarter, file before the Commission a petition with all the relevant details required for the approval of the amount of fuel surcharge to be adjusted from the consumers along with the proposed rate and period of such adjustment:*

Provided that the distribution licensees who purchase electricity from KSEB Limited in bulk for retail sale, are exempted from the above requirement.
- (6) *The Commission may, after prudence check, approve with modifications if any, the amount of fuel surcharge to be adjusted from the consumers and stipulate the rate and the period of such adjustment.*

- (7) *The rate of adjustment of fuel surcharge shall be expressed as paise per kWh and it shall be adjusted in the energy charges as per the existing tariff for the energy billed to each consumer, on a monthly or bi-monthly basis, as the case may be.*
- (8) *The adjustment on account of fuel surcharge as approved by the Commission shall be effected from the third month of the subsequent quarter onwards or as directed by the Commission.*
- (9) *The fuel surcharge adjustment shall be uniformly applicable to all the consumers in the State, except the domestic consumers with connected load of and below 1000 Watts and having monthly consumption of and below 40 units.*
- (10) *The Commission may decide the appropriate rate and period of adjustment of the amount of fuel surcharge, considering the impact on the tariff of the consumers.*
- (11) *Once the period of adjustment approved by the Commission is over, no further amount on account of fuel surcharge shall be collected from their consumers till further orders of the Commission.*
- (12) *The distribution business/ licensee shall file to the Commission, -*
- (i) *The month-wise details of the changes in the cost of fuel with respect to the approved cost for all its generating stations using liquid fuel or gas or coal, for each quarter separately.*
 - (ii) *The source wise and month-wise details of the changes in the cost of power purchase with respect to the approved cost of power purchase on account of change in cost of fuel, for each quarter separately.*
 - (iii) *The month-wise details as specified in clauses (i) and (ii) above shall be filed on quarterly basis in the Format, as specified in Annexure 3(a) to these Regulations.*
- (13) *Distribution licensees who purchase electricity from KSEB Limited in bulk for retail sale, -*
- (i) *shall within fifteen days of the close of each month, provide to KSEB Limited with a copy to the Commission, the month-wise details of the retail sale of energy to facilitate the estimation of fuel surcharge;*
 - (ii) *KSEB Limited shall consolidate the details of such retail sales and indicate with calculations, the provisional amount and the rate of fuel surcharge to be adjusted, along with the details furnished in Annexure 3(a).*
- (14) *The distribution licensees who purchase electricity in bulk from KSEB Limited shall promptly adjust to KSEB Limited on a monthly basis, the amount of fuel surcharge adjusted from their consumers.*
- (15) *The Commission may seek additional information or any other documents, if any required, from the distribution business/ licensee and the distribution business/ licensee shall file the details within the time limit*

stipulated by the Commission.

12. The fuel surcharge formula specified under Annexure-3 of the Tariff Regulations, 2021 is extracted below.

Fuel Surcharge Formula for Thermal Stations

The Formula for adjustment of fuel surcharge shall be as under:

The rate of fuel surcharge adjustment in **paise per kWh = $(F \div E) \times 100$** ;
Where,-

F = the amount of fuel surcharge in rupees, which is the sum of **Fg**, **Fp** and **A**, (**Fg** and **Fp** shall be calculated for each station month-wise and added up);

E = Energy billed for retail sale to the consumers other than the domestic consumers with connected load of and below 1000 W and consumption of and below 40 kWh, in the relevant quarter, based on the approved level of transmission and distribution loss;

A = Balancing term to take care of the difference, if any, in the energy sales;

Fg = the change in the cost of fuel for generation of electricity from own stations:

$$Fg = \sum^n Qg \times (R1 - R2);$$

Where,

Qg is the quantity of fuel used for generation of electricity from own stations:

Qg = (Approved station heat rate in kilo calories per kWh x Actual or approved energy, whichever is less, in MU x 1000) ÷ Calorific value of the fuel in kilo calories per kilo gram;

R1 = Actual price of fuel in rupees per metric ton;

R2 = Approved price of fuel in rupees per metric ton.

Fp = the change in cost of the energy purchased, due to the change in fuel cost:

$$Fp = \sum^n Qp \times (P1 - P2);$$

Where,

Qp = Actual quantity of energy purchased or approved, whichever is lesser;

P1 = Actual price of purchased energy in rupees per kWh;

P2 = Approved price of purchased energy in rupees per kWh.

13. The Commission vide Order dated 25.06.2022 in the matter of approval of the 'ARR, ERC and Tariff for the MYT period from 2022-23 to 2026-27' has approved the source wise details of the power purchase and cost from various sources including 'Central Generating Stations (CGS)' and also the power purchase under long term contracts from private IPPs.
14. The Commission vide the paragraph 8.8 of the Order dated 25.06.2022 in petition OP No. 11/2022 has directed KSEB Ltd to strictly comply with the

Regulation 87 of the Tariff Regulations, 2021 in filing the petition on fuel surcharge.

15. The provisions for recovery of fuel surcharge in the Tariff Regulations 2021 is to recover the additional liability incurred by the licensee on the purchase of power or to pass on the savings in power purchase if any, to the consumers. While calculating the fuel surcharge only the variations in cost of power purchase due to fuel cost from the approved sources in ARR are considered.
16. The month wise details of the power purchase and variable cost from each of the approved sources as per the ARR, ERC and Tariff Order dated 25.06.2022 in OP No. 11/2022 and the actuals are detailed in the subsequent paragraphs.

Table-8
Talcher-II Super Thermal Power Station

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	244.99	279.52	245.01	244.99	1.87	1.76	-3.05	-2.67
May-22	253.16	290.30	253.18	253.16	1.87	1.61	-7.58	-6.61
Jun-22	244.99	287.19	245.01	244.99	1.87	1.90	0.75	0.64
Total	743.14	857.01	743.20	743.14	1.87	1.75	-9.88	-8.64

Table-9
Ramagundam Stage -I &II

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	139.46	137.28	137.28	137.28	2.78	3.087	4.21	4.21
May-22	144.11	125.95	125.95	125.95	2.78	3.272	6.20	6.20
Jun-22	139.46	150.78	139.46	139.46	2.78	4.583	27.18	25.14
Total	423.03	414.01	402.69	402.69	2.78	3.688	37.59	35.56

Table-10
Ramagundam STPS Stage-III

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	35.00	40.88	35.01	35.00	2.610	3.043	1.77	1.52
May-22	36.17	38.76	36.18	36.17	2.610	3.086	1.85	1.72
Jun-22	35.00	15.07	15.07	15.07	2.610	3.637	1.55	1.55
Total	106.17	94.71	86.26	86.24	2.610	3.155	5.17	4.78

Table-11
NLC-TPS-II Stage-1

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	34.70	37.83	34.71	34.70	2.700	2.667	-0.12	-0.11
May-22	35.86	31.86	31.86	31.86	2.700	2.667	-0.11	-0.11
Jun-22	34.70	35.01	34.71	34.70	2.700	2.734	0.12	0.12
Total	105.26	104.70	101.28	101.26	2.700	2.689	-0.11	-0.10

Table-12
NLC-TPS-II Stage-2

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	49.57	57.23	49.58	49.57	2.700	2.667	-0.19	-0.16
May-22	51.22	50.11	50.11	50.11	2.700	2.667	-0.17	-0.17
Jun-22	49.57	43.89	43.89	43.89	2.700	2.734	0.15	0.15
Total	150.36	151.23	143.58	143.57	2.700	2.686	-0.21	-0.18

Table-13
NLC-I- Expansion

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	38.08	45.28	38.15	38.08	2.460	2.434	-0.12	-0.10
May-22	39.15	45.60	39.42	39.15	2.460	2.434	-0.12	-0.10
Jun-22	38.08	45.33	38.15	38.08	2.460	2.443	-0.08	-0.06
Total	115.31	136.21	115.72	115.31	2.460	2.437	-0.32	-0.27

Table-14
NLC-II- Expansion

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	41.99	23.82	23.82	23.82	2.600	2.586	-0.03	-0.03
May-22	43.39	34.06	34.06	34.06	2.600	2.586	-0.05	-0.05
Jun-22	41.99	33.00	33.00	33.00	2.600	2.583	-0.06	-0.06
Total	127.37	90.88	90.89	90.88	2.600	2.585	-0.14	-0.14

Table-15
Simhadri STPS

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	49.61	59.00	49.32	49.61	2.920	3.625	4.160	3.50
May-22	51.26	41.87	41.87	41.87	2.920	3.665	3.120	3.12
Jun-22	49.61	28.64	28.64	28.64	2.920	3.923	2.870	2.87
Total	150.48	129.51	119.84	120.12	2.920	3.704	10.15	9.49

Table-16
Vallur STPS

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	28.84	30.69	28.83	28.84	3.19	3.187	-0.01	-0.01
May-22	29.80	27.00	27.00	27.00	3.19	3.735	1.47	1.47
Jun-22	28.84	29.48	28.83	28.84	3.19	3.938	2.20	2.16
Total	87.48	87.17	84.66	84.68	3.190	3.611	3.66	3.62

Table-17
NLC Tamilnadu Power Ltd (NTPL)

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	41.88	21.33	21.33	21.33	3.070	3.864	1.69	1.69
May-22	43.28	34.64	34.64	34.64	3.070	4.029	3.32	3.32
Jun-22	41.88	38.65	38.65	38.65	3.070	4.043	3.76	3.76
Total	127.04	94.62	94.62	94.62	3.070	3.998	8.77	8.78

Table-18
NTPC- Kudgi

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	64.26	54.66	54.66	54.66	3.560	5.229	9.13	9.12
May-22	66.40	35.68	35.68	35.68	3.560	5.110	5.54	5.53
Jun-22	64.26	67.07	64.17	64.26	3.560	5.440	12.64	12.08
Total	194.92	157.41	154.51	154.60	3.560	5.292	27.31	26.73

Table-19
Neyveli New TPS

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	18.36	18.28	18.28	18.28	2.240	2.186	-0.10	-0.10
May-22	18.97	23.12	19.21	18.97	2.240	2.186	-0.12	-0.10
Jun-22	18.36	18.52	18.52	18.36	2.240	2.199	-0.08	-0.08
Total	55.69	59.92	56.01	55.61	2.240	2.190	-0.30	-0.28

Table-20
Maithon- contract-1

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	85.07	89.39	85.06	85.07	2.540	2.536	-0.04	-0.03
May-22	87.90	93.19	87.90	87.90	2.540	2.615	0.70	0.66
Jun-22	85.07	100.82	85.06	85.07	2.540	2.698	1.59	1.34
Total	258.04	283.40	258.02	258.04	2.540	2.620	2.25	1.97

Table-21
Maithon- contract-2

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	85.07	89.39	85.06	85.07	2.540	2.536	-0.04	-0.03
May-22	87.90	93.19	87.90	87.90	2.540	2.615	0.70	0.66
Jun-22	85.07	100.82	85.06	85.07	2.540	2.698	1.59	1.34
Total	258.04	283.40	258.02	258.04	2.540	2.620	2.25	1.97

Table-22
DVC Mejia

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	57.99	59.92	57.99	57.99	2.930	3.089	0.95	0.92
May-22	59.92	56.67	56.67	56.67	2.930	2.881	-0.28	-0.28
Jun-22	57.99	55.91	55.91	55.91	2.930	3.480	3.07	3.08
Total	175.90	172.50	170.57	170.57	2.930	3.147	3.74	3.72

Table-23
DVC RSTPS

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	28.61	17.66	17.66	17.66	3.14	3.095	-0.08	-0.08
May-22	29.56	22.46	22.46	22.46	3.14	3.012	-0.29	-0.29
Jun-22	28.61	22.11	22.11	22.11	3.14	3.331	0.42	0.42
Total	86.78	62.23	62.23	62.23	3.140	3.149	0.05	0.06

Table-24
Jindal Power Limited- Bid-1

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs. Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5) = Lesser of (2) & (3)	(6)	(7)	(8)	(9) = (5)x((7)-(6))
Apr-22	123.12	118.97	118.97	118.97	1.33	1.33	0.00	0.00
May-22	127.22	121.28	121.28	121.28	1.33	1.33	0.00	0.00
Jun-22	123.12	123.47	123.12	123.12	1.33	1.33	0.00	0.00
Total	373.46	363.72	363.37	363.37	1.330	1.330	0.00	0.00

Table-25
BALCO- Bid-2

Month	Quantum (MU)				Rate (Rs/ kWh)		Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Approved	Actual	Actual	Approved for recovery as 'FS'
(1)	(2)	(3)	(4)	(5)= Lesser of (2) & (3)	(6)	(7)	(8)	(9)= (5)x((7)-(6))
Apr-22	61.56	0	0	0.00	1.18	0	0.00	0.00
May-22	63.61	0	0	0.00	1.18	0	0.00	0.00
Jun-22	61.56	0	0	0.00	1.18	0	0.00	0.00
Total	186.73	0.00	0.00	0.00	1.18	0	0.00	0.00

17. The summary of the fuel surcharge claimed by KSEB Ltd and the same admissible as per the Tariff Regulations 2021 is given below.

Table-26
Additional liability claimed by KSEB Ltd and admissible as per Tariff Regulation's 2021

Sources	Quantum (MU)				Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Actuals claimed by KSEB Ltd	Approved for recovery as 'FS'
Talcher-II	743.14	857.01	743.20	743.14	-9.88	-8.64
Ramagundam I&II	423.03	414.01	402.69	402.69	37.59	35.56
Ramagundam-III	106.17	94.71	86.26	86.24	5.17	4.78
NLC TPS-II Stage-1	105.26	104.70	101.28	101.26	-0.11	-0.10
NLC TPS-II Stage-2	150.36	151.23	143.58	143.57	-0.21	-0.18
NLC-1 Expansion	115.31	136.21	115.72	115.31	-0.32	-0.27
NLC-II Expansion	127.37	90.88	90.89	90.88	-0.14	-0.14
Simhadri	150.48	129.51	119.84	120.12	10.15	9.49
Vallur STPS	87.48	87.17	84.66	84.68	3.66	3.62
NTPL	127.04	94.62	94.62	94.62	8.77	8.78
NTPC Kudugi	194.92	157.41	154.51	154.60	27.31	26.73
NNTPP	55.69	59.92	56.01	55.61	-0.30	-0.28
Maithon-1	258.04	283.40	258.02	258.04	2.25	1.97
Maithon-2	258.04	283.40	258.02	258.04	2.25	1.97
DVC-Mejia	175.90	172.50	170.57	170.57	3.74	3.72
DVC-Regunathpur	86.78	62.23	62.23	62.23	0.05	0.06
JPL- 200 MW - Bid1	373.46	363.72	363.37	363.37	0.00	0.00
BALCO - Bid2	186.73	0.00	0.00	0.00	0.00	0.00
Total	3725.20	3542.63	3305.47	3304.97	89.98	87.07

As detailed above, as per the provisions of the Tariff Regulations 2021 KSEB Ltd is eligible to recover Rs 87.07 crore as fuel surcharge during the first quarter of the FY 2022-23 i.e., from April-2022 to June 2022, due to variation in fuel cost for purchase of power from the approved sources.

18. The Commission decided to allow the licensee to recover the approved fuel surcharge amounting to Rs 87.07 crore, from the consumers over a period of four months from 01.02.2023 to 31.05.2023, at the rate estimated below.

- (1) The energy sale anticipated for the period from 1st February 2023 to 31st May-2023 as per the ARR Order dated 25.06.2022 is given below.

Table-27
Energy sale anticipated for the February-2023 to May 2023

Month	Approved energy consumption (MU)	T&D loss approved	Energy sale approved (MU)
Feb-23	2275.02	11.28%	2018.40
Mar-23	2741.73	11.28%	2432.46
Apr-23	2727.25	10.88%	2430.53
May-23	2796.17	10.88%	2491.95
Total	10540.17		9373.33

- (2) The rate of fuel surcharge recovery based on the anticipated energy sale for the months February 2023 to May 2023.

Table-28
Rate of fuel surcharge recovery

Energy sale estimated for the period from 1 st February 2023 to 31 st May 2023	(MU)	9373.33
Fuel surcharge approved	(Rs.Cr)	87.07
Rate of fuel surcharge for recovering the approved surcharge from 1 st February 2023 to 31 st May -2023	(Rs/unit)	0.093
(Rounded off to 9 paise/kWh)		

19. The approved amount of fuel surcharge for the first quarter of the FY 2022-23, amounting to Rs 87.07 crore shall be recovered from the consumers @9 paise per unit from 01.02.2023 onwards till 31.05.2023 or, till the approved amount is recovered fully, whichever is earlier. The fuel surcharge is applicable to all consumers including the consumers of all licensees, except the 'domestic consumers with connected load of and below 1000 watt and monthly consumption of and below 40units'. Further, the fuel surcharge shall be collected in addition to the normal electricity charges as per the tariff schedule in force.

Orders of the Commission

20. The Commission after detailed examination of the petition filed by KSEB Ltd, public hearing, the objections raised by the stake holders, the provisions of the Electricity Act, 2003 and the Tariff Regulations 2021, hereby orders the following;

- (1) The amount admissible for recovery as fuel surcharge as per the Tariff Regulations, 2021 for the first quarter of financial year 2022-23 (April 2022 to June 2022) is approved at Rs 87.07 crore.
- (2) The approved fuel surcharge is allowed to be recovered from the consumers at the rate of Rs 0.09/unit (paise 9 per unit), over a period of four months for the consumption from 01.02.2023 till 31.05.2023 or until the approved amount of Rs 87.07 crore is fully realized, whichever is earlier.
- (3) The fuel surcharge is applicable to all consumers including the consumers of KSEB Ltd and all other licensees except the 'domestic consumers with connected load of and below 1000 watt and monthly consumption of and below 40 units.
- (4) Distribution licensees other than KSEB Ltd shall also collect the fuel surcharge as per this order and remit the amount promptly to KSEB Ltd on a monthly basis.
- (5) KSEB Ltd shall provide the details of the fuel surcharge collected in each month to the Commission, within 10 days from the end of the month concerned.
- (6) KSEB Ltd and all other licensees shall indicate the rate of fuel surcharge and the amount of surcharge in the bills issued to consumers separately.
- (7) KSEB Ltd and other licensees shall account the fuel surcharge collected from each category of consumers separately.
- (8) KSEB Ltd and other licensees shall strictly adhere to the Section 65 of the Electricity Act-2003 while providing any subsidy or exemption to the consumers.

The petition is disposed of. Ordered accordingly.

Sd/-
Adv. A J Wilson
Member

Sd/-
B Pradeep
Member

Sd/-
T K Jose
Chairman

Approved for issue

Sd/-
C R Satheeshchandran
Secretary

Annexure 1

List of stakeholders participated in the public hearing held on 18.01.2023

1. Sri. Sri. Biju.R, Financial Advisor holding full additional charge of Director (Finance)
2. Shri. Rajan.M.P, DY CE, TRAC,KSEB Ltd
3. Smt. Seema P Nair, AEE, TRAC, KSEB Ltd
4. Sri. Prabhakaran K.V, HT & EHT Association
5. Sri. Rajesh J Kuruvilla, Carborandum
6. Sri. Saji Mathew, MRF Ltd
7. Shri. Prasannakumar, Consumers association
8. Shri. Sharafudin Alangadan, Consumer
9. Shri. Raymant Antony, Consumer
10. Shri. Jiju.R., Patspin India Ltd
11. Shri. Pradeep.M. Hindalco