

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

OP No 15/2023

In matter of : 'Proposals to recover the additional liability incurred during the period July 2022 to September 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.

OP No 16/2023

In matter of : 'Proposals to recover the additional liability incurred during the period October 2022 to December 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 : 12.04.2023 (through video conference)

Common Order Dated 31.05.2023

OP No 15/2023

1. KSEB Ltd, on 09.12.2022 filed a petition for recovery of fuel surcharge for the period July 2022 to September 2022, with the following prayers;

- (1) *Additional financial liability incurred by KSEBL, amounting to **Rs.189.38 Cr**, resulting from the variation in variable charges of power purchase from approved sources for the period from **July 2022 to September 2022** as per Regulation 87 of KSERC Tariff Regulations 2021 as detailed in Annexure III & IV of this petition may kindly be approved.*

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 87 of KSERC Tariff regulations 2021, @ 30 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 along with 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 2nd quarter of the Year 2022-23 latest by 15.11.2022. However, KSEB Ltd has filed the petition on 09.12.2022, with the delay of 23 days from 15th November 2022 for filing the petition.

KSEB Ltd has filed an application for condonation of delay (IA: 01/23) along with the petition, with the following reasons for the delay in filing the petition.

- (a) The bills are prepared based on the energy scheduled to each beneficiary from the CGS as per the provisional Regional Energy Accounts (REAs) finalized by Southern Regional Power Committee (SRPC) at Bangalore. Provisional REA for all stations will be available only by 8th of the next month and the final REA will be available only in 22nd of next month. The power suppliers could raise the final bill only thereafter.
- (b) KSEB Ltd has been taking three to four weeks for proper verification and settle the final bills. The petition can be finalized thereafter only.
- (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. In the said order, for the purpose of estimating the cost of power purchase for each year of the MYT period, the Commission has adopted the average variable cost of first six months of the year 2021-22 as the base, and 2% escalation is allowed for arriving the variable cost of the subsequent years.

However, the actual variable cost was different from the same adopted for estimating the cost of power purchase in the Order on ARR for the MYT period from 2022-23 to 2026-27, due to the reasons explained in the subsequent paragraphs.

- (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 second quarter of the year 2022-23 is given below.

Table-1
Comparison of the variable cost approved and actuals for the 2nd quarter of the FY 2022-23

Sl No	Source	Approved	Actual (Rs/ kWh)		
		(Rs/ kWh)	July-22	Aug-22	Sept-22
Central Generating Stations					
1	NTPC-RSTPS Stage I & II	2.780	4.744	4.812	5.100
2	NTPC-RSTPS Stage III	2.610	0.000	4.853	5.214
3	Talcher	1.870	2.353	2.382	2.243
4	Simhadri TPS Stage II	2.920	4.465	4.600	4.936
5	NLC-Stage-1	2.700	2.748	2.759	2.769
6	NLC-Stage-II	2.700	2.748	2.759	2.769
7	NLC I Expansion	2.460	2.444	2.441	2.446
8	NLC II Expansion	2.600	2.590	2.629	2.617
9	NNTPP	2.240	2.221	2.225	2.214
10	Vallur STPS	3.190	4.014	4.257	4.151
11	NTPL	3.070	4.142	4.468	4.387
12	NTPCKudgi	3.560	6.282	6.093	6.357
Independent Power Producers					
13	RTPS	3.140	4.052	4.408	4.431
14	Mejia	2.930	4.148	4.907	4.266
15	Maithon I	2.540	2.771	2.867	2.474
16	Maithon II	2.540	2.771	2.867	2.474
17	Jindal Power Ltd-Bid I	1.330	1.240	1.320	1.330
18	BALCO	1.180	0.000	0.000	0.000

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

Table-2
Summary of the additional liability claimed for the 2nd quarter of the FY 2022-23

Source	Energy procurement			Per unit cost		Add liability claimed by KSEB Ltd	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual	Actual	Claimed as per regulation
	(MU)	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
CGS	2411.86	1825.01	1761.21	2.55	3.28	159.16	156.50
IPPs	1353.64	1107.26	1055.80	2.10	2.52	33.56	32.87

Total	3765.50	2932.27	2817.01	2.39	2.99	192.72	189.38
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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 additional liability claimed for the 2nd quarter of the FY 2022-23

Source	Approved quantum	Actual purchase	Per unit cost (avg of the quarter)		Additional liability claimed by KSEBL	
			Approved	Actual	Actual	Claimed as per Regulation
	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
CGS						
RSTPS I & II	427.69	235.87	2.780	4.888	49.72	49.72
RSTPS III	107.36	39.11	2.610	5.079	9.66	9.66
Talcher Stage-II	751.37	809.48	1.870	2.327	37.00	34.33
Simhadri TPS	151.24	96.57	2.920	4.693	17.12	17.12
NLC Stage-I	106.45	49.95	2.700	2.760	0.29	0.29
NLC Stage-II	152.03	126.85	2.700	2.759	0.75	0.75
NLC 1 Expansion	116.99	83.25	2.460	2.444	-0.14	-0.13
NLC II Expansion	128.93	74.81	2.600	2.614	0.11	0.11
NNTP	57.01	61.50	2.240	2.220	-0.12	-0.11
Vallur STPS	88.40	55.60	3.190	4.148	5.33	5.33
NTPL	127.62	85.43	3.070	4.337	10.82	10.82
Kudgi	196.78	106.58	3.560	6.246	28.63	28.63
Sub Total CGS	2411.86	1825.01	2.545	3.276	159.16	156.50
Private IPPs outside the State						
DVC RTPS	87.73	56.18	3.140	4.273	6.36	6.36
DVC Mejia	177.83	126.14	2.930	4.426	18.88	18.88
Maithon Power	260.87	281.52	2.540	2.707	4.70	4.35
Maithon Power	260.87	281.34	2.540	2.707	4.69	4.34
Jindal Power	377.57	362.08	1.330	1.301	-1.06	-1.06
BALCO	188.78	0.00	1.180	0.000	0.00	0.00
Sub Total IPPS	1353.64	1107.26	2.103	2.522	33.56	32.87
Total	3765.50	2932.27	2.386	2.991	192.72	189.38

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

- (1) The variation in energy availability over approval from various approved generating stations are due to the following reasons.
- (i) Changes in annual maintenance schedule,
 - (ii) Coal Shortages,
 - (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 is 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, blending ratio of imported coal with domestic coal, transportation cost etc.

- (4) 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 imported coal as well.

Coal from Eastern Coal Fields (ECL) and SCCL 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.

- (5) The reason for wide variations in energy charges for the second quarter is due to the change in blending ratio of domestic coal with imported coal due to coal shortage.
- (6) KSEBL further submitted that, there is a net liability amounting to Rs 156.50 crore during second quarter of FY 2022-23 while purchasing power from CGS and a net additional liability of Rs.32.87 Cr on purchasing from various IPPs. Thus the total additional liability claimed for the second quarter from July 2022 to September 2022 is Rs 189.38Cr.
- (7) KSEB Ltd proposes to recover the additional liability of Rs 189.38 crore @30 paise per unit from the consumers.

OP No 16/2023

6. KSEB Ltd, on 15.02.2023 filed a petition for recovery of fuel surcharge for the period October 2022 to December 2022, with the prayer as follows;

- (1) *Additional financial liability incurred by KSEBL, amounting to Rs.95.03 Cr, resulting from the variation in variable charges of power purchase from approved sources for the period from October 2022 to December 2022 as per Regulation 87 of KSERC Tariff Regulations 2021 as detailed in Annexure III & IV of this petition may kindly be approved.*
- (2) *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 87 of KSERC Tariff regulations 2021, @ 14 paise per unit from 1st March 2023 onwards.*

7. 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 along with the proposed rate and period of such adjustment*”.

- (2) 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. In the said order, for the purpose of estimating the cost of power purchase for each year of the MYT period, the Commission has adopted the average variable cost of first six months of the year 2021-22 as the base and allowed 2% escalation for arriving the variable cost of the subsequent years.

However, the actual variable cost was different from the same adopted for estimating the cost of power purchase in the Order on ARR for the MYT period from 2022-23 to 2026-27, due to the reasons explained in the subsequent paragraphs.

- (5) 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 third quarter of 2022-23 is given below.

Table-4
Comparison of the variable cost approved and actuals for the 3rd quarter of the FY 2022-23

SI No	Source	Approved	Actual (Rs/ kWh)		
		(Rs/ kWh)	Oct-22	Nov-22	Dec-22
Central Generating Stations					
1	NTPC-RSTPS Stage I & II	2.78	4.823	3.834	3.355
2	NTPC-RSTPS Stage III	2.61	4.656	3.751	3.304
3	Talcher	1.87	1.973	1.546	1.616
4	Simhadri TPS Stage II	2.92	4.643	3.802	3.893
5	NLC-Stage-1	2.74	2.793	2.717	2.717
6	NLC-Stage-II	2.74	2.793	2.717	2.717
7	NLC I Expansion	2.46	2.451	2.446	2.446
8	NLC II Expansion	2.6	2.643	2.633	2.632
9	Vallur STPS	3.19	4.390	3.113	3.043
10	NTPL	3.07	4.427	4.808	4.160
11	NTPC Kudgi	3.56	5.937	5.137	4.973
12	NNTPP	2.24	2.196	2.222	2.222
Independent Power Producers					
13	RTPS	3.14	4.104	3.664	3.546
14	Mejia	2.93	3.193	2.908	3.056
15	Maithon I	2.54	2.621	2.603	2.555
16	Maithon II	2.54	2.621	2.603	2.555
17	Jindal Power Ltd-Bid I	1.33	1.330	1.330	1.350
18	BALCO	1.18	1.160	0.000	1.170

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

Table-5
Summary of the additional liability claimed as fuel surcharge for the 3rd quarter of the FY 2022-23

Source	Energy procurement			Per unit cost		Add liability claimed by KSEBL	
	Approved quantity	Actual	Admissible as per regulation	Approved	Actual (avg for the quarter)	Actual	Claimed by KSEBL as per Regulation
	(MU)	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
CGS	2411.86	1958.81	1929.10	2.55	2.93	89.32	87.83
IPPs	1353.64	1243.71	1162.29	2.10	2.23	7.52	7.21
Total	3765.50	3202.51	3091.39	2.39	2.66	96.84	95.03

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

Table-6
Summary of the source wise details of additional liability claimed by KSEBL for the 3rd quarter of the FY 2022-23

Source	Approved energy requirement	Actual Energy procurement	Per unit cost		Additional liability claimed by KSEBL	
			Approved	Actual	Actual	Claimed
	(MU)	(MU)	(Rs/kWh)	(Rs/kWh)	(Rs. Cr)	(Rs. Cr)
CGS						
RSTPS I & II	427.69	338.43	2.780	4.010	41.65	41.65
RSTPS III	107.36	100.80	2.610	3.780	11.76	11.27
Talcher Stage-II	751.37	728.71	1.870	1.720	-10.71	-10.79
Simhadri TPS Stage II	151.24	141.33	2.920	4.050	16.01	15.55
NLC Stage-I	106.45	61.83	2.740	2.740	-0.04	-0.04
NLC Stage-II	152.03	81.68	2.740	2.750	0.08	0.08
NLC 1 Expansion	116.99	114.02	2.460	2.450	-0.14	-0.14
NLC II Expansion	128.93	58.49	2.600	2.640	0.22	0.22
Vallur STPS	88.40	86.10	3.190	3.440	2.12	2.16
NTPL	127.62	106.73	3.070	4.400	14.15	13.64
Kudgi	196.78	93.53	3.560	5.100	14.36	14.36
NNTP	57.01	47.15	2.240	2.210	-0.14	-0.13
Sub Total CGS	2411.86	1958.81			89.32	87.83
Private IPPs outside the State						
DVC RTPS	87.73	42.82	3.140	3.770	2.70	2.70
DVC Mejia	177.83	169.27	2.930	3.030	1.67	1.61
Maithon Power Ltd-I,	260.87	291.86	2.540	2.590	1.50	1.38
Maithon Power Ltd-II,	260.87	292.01	2.540	2.590	1.50	1.38
Jindal Power Ltd-Bid I	377.57	375.56	1.330	1.340	0.26	0.25
BALCO	188.78	72.19	1.180	1.170	-0.11	-0.11
Sub Total IPPS	1353.64	1243.71			7.52	7.21
Total	3765.50	3202.51			96.84	95.03

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

- (1) There is variation in energy availability from various approved sources of generation and power purchase 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 is mainly 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 by the Coal India Ltd and its subsidiaries. The fuel cost also depends on grade of coal, 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 imported coal as well.

Coal from Eastern Coal Fields (ECL) and SCCL is expensive as compared to coal from Mahanadi coal fields (MCL) under Coal India Ltd due to the variations in grade of coal, moisture content etc. 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 includes the coal price and the transportation cost of coal.

- (v) The reason for wide variations in energy charges for the 'third 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.”

However, subsequently, as per the various directions of MoP and CERC Order dated 26.07.2022, allowed blending upto 20% from alternate sources of fuel supply including imported coal for the period till 31.10.2022.

- (vi) KSEBL further submitted that, there is a net liability amounting to Rs 87.83 Cr during third quarter of FY 2022-23 while purchasing power from CGS. The net additional liability incurred for purchase of power from IPPs is Rs 7.21 crore. Thus the total additional liability incurred during the second quarter is Rs 95.03Cr.
- (vii) KSEB Ltd proposes to recover the additional liability @14 paise per unit from 1st March onwards

Public hearing

11. Public hearing on both the petitions are conducted on 12.04.2023 through video conference. The list of participants is given as Annexure-1. The summary of the deliberations during the hearing is given below:

- (1) Sri. Jayaraj, Chief Engineer (Commercial & Tariff), Shri. M.P. Rajan, DY CE, Shri. Suresh, Executive Engineer, 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.15/2023 & OP No.16/2023 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 in the matter of approval of ARR, ERC and Tariff for the MYT period from 2022-23 to 2026-27.
 - (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 Energy Charge Rate as per CERC Tariff Regulations is based on the following;
- Gross Station heat Rate in kCal/ kWh(Normative),
 - Normative auxiliary consumption in percentage,
 - Secondary Fuel Consumption in ml per kWh(Normative),
 - Weighted average gross calorific value of coal as received in kCal per kg,
 - Calorific value of secondary fuel, in kCal per ml,
 - Weighted average landed fuel cost of primary fuel in Rs per kg,
 - Weighted average landed fuel cost of Secondary Fuel in Rs/ml,
- (iv) The actual variable cost of power purchase 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, GoI, in its letter dated 18.05.2022 instructed CERC to allow blending up to 30% with the domestic coal. The CERC vide Order dated 26.07.2022 allowed blending up to 20% for period up to 31.10.2022. Accordingly, with the blending of domestic coal with the imported coal, the variable cost of the coal based stations has increased substantially.
- (vi) 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.
- (vii) 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 Second quarter of the year 2022-23 was ₹156.50 Crores from CGS and ₹32.87 Crores from IPPs.
- The total additional liability due to variation in fuel cost during the third quarter of the year 2022-23 was ₹87.83 Crores from CGS and ₹7.21 Crores from IPPs.
- (viii) KSEB Ltd proposed to recover the fuel surcharge claimed @Rs 0.30/unit for the second quarter and @Rs 0.14 paise per unit for the third quarter.

- (2) Shri. Rajesh, Former AGM, NTPC(Rtd) submitted that, the power purchased from Kudgi station is at ₹6.25/unit, which is comparatively high. The cost of generation from RSTPS I&II, RSTPS III are also high. KSEB Ltd may be directed to avoid scheduling power from these stations when power is available from other sources at lower rates.
- (3) Shri. Mohammed Rafik, RR electricals, submitted that KSEB Ltd should have to find any other alternate means for levying the fuel surcharge, instead of passing it on to the consumers through tariff.
- (4) Shri. Sami.K.Master, Gandhi Darshan District Co-Ordinator submitted that the fuel surcharge claimed by the KSEB Ltd is on the higher side and it will cause serious hardship to the consumers in the State when it is passed on to the tariff. Hence KSEB Ltd may be directed to desist from imposing fuel surcharge.
- (5) Shri.Prasanna Kumar, General Convener, Kerala State Electricity Consumers Association, submitted that the fuel surcharge claimed by KSEB Ltd is on the higher side and it will cause serious peril to the consumers in the State when it is passed on to the tariff.
- (6) Shri. Prabhakaran.K.V, Office Manager of the HT & EHT association submitted that the Commission is approving the fuel surcharge claimed by KSEB Ltd for the respective quarters based on the petition filed by KSEB Ltd. But the details of the fuel surcharge collected by KSEB Ltd is not available for the information of the consumers and other stakeholders. Hence, the Commission may direct KSEB Ltd to publish the details of the fuel surcharge collected from the consumers in the website of KSEB Ltd.
- (7) Shri Saji Mathew, MRF Tyers Ltd, submitted that the impact due to the power surrendered from the generating stations having low electricity tariff and power purchased from the stations having high tariff shall not be passed on to the consumers.

He further submitted that KSEB Ltd has been making profit by selling power outside the State by surrendering power from CGS and IPPs. The fuel surcharge for the surrendered power cannot be endorsed.

- (8) Shri. Divakaran.C, electricity consumer, submitted that the presentation submitted by the KSEB Ltd may be shared with all participants to make the hearing more productive. KSEB Ltd shall has to take effective steps to mitigate the fuel surcharge increase.
- (9) Shri. Nair Nandakumar presented the comments on behalf of the HT & EHT Consumers Association. The summary of the presentation of the Association is given below;
 - (i) There was considerable delay in filing the Fuel Surcharge petitions by KSEB Ltd. In case of delayed filing, the Commission

shall not allow to recover the fuel surcharge as specified in Andhra Pradesh and Bihar SERC regulations.

The Commission vide the Order dated 25.01.2023 in OP 76/2022 directed KSEBL to submit details of Fuel Surcharge collected in each month to the Commission within 10 days from the end of the month concerned. The association requested before the Commission that this data may be shared to public also by publishing in the website of the Commission.

- (ii) Association further submitted that, the increase in cost of power from Kudgi Power Station was increased by 70%. The Commission may verify the reason for such an excessive increase. The average cost of power from Kudgi Station was Rs 6.28/kWh in July-2022, Rs 6.09/kWh in August 2022 and Rs 6.36/unit in September 2022. Such exorbitant cost should not be passed on to the consumers at any cost.
- (iii) KSEB Ltd has not submitted the details of the power sale during the third quarter. According to the Association, 11004.09 LU was sold to the outside the State during the second quarter.
- (iv) BALCO was not supplied single unit of power to KSEBLtd during the second quarter and also in the month of November 2022. The supply during the months of October 2022 and December 2022 was about 60% of the agreed quantity as per the PPA. This is violation of the PPA conditions.

M/s BALCO needs to pay all damages for failing to supply of power as per the PPA signed between KSEBL and BALCO. KSEB Ltd has not submitted the details of the compensation received from BALCO.

KSEBL has not submitted the details of the power shortage from BALCO. The details of the timely claim for compensation may be sought from KSEB Ltd.

- (v) The Association further submitted that the Merit order dispatch refers to the practice of scheduling generation on the basis of ranking of all generators based on ascending order of variable costs or the short-run marginal costs of production. The Commission may kindly verify whether KSEB Ltd has violated the merit order dispatch principle while scheduling power.
- (vi) Power sales done by KSEBL during the year 2022-23 needs to be verified. While the extra cost incurred in the power purchase are pass through as fuel surcharge, the gain from power sale during the same period is not shared with consumers, resulting the consumer bearing the brunt of fuel surcharge.

- (10) Smt Neenu Skaria submitted that the fuel surcharge claimed by the KSEB Ltd is on the higher side and it shall not be pass on to the consumers.
- (11) Shri. Renjit Jacob, Apollo Tyers submitted that, the Commission should direct KSEB Ltd to publish the details regarding the fuel surcharge collected from the consumers. The normalization of surplus/deficit of fuel surcharge after the recovery in second quarter of 2022-23 from the consumers, must be separately highlighted in the next fuel surcharge petition or the subsequent truing up petition.

BALCO needs to pay all the damages for failing to supply power as per the PPA signed between KSEBL and BALCO. The fuel surcharge should be reworked after debiting the damages to be recovered from BALCO.

- (12) Shri. Ealoor Gopinath, District General Secretary, RACO-Residents Association Council Ernakulam vide e-mail dated 12.04.2023 submitted that the domestic consumers only helped KSEBL to get the profit of about Rs 900.00 crore to KSEB Ltd. He further requested before the Commission to not to impose fuel surcharge to the consumers.
- (13) Shri. Solin Alex vide e-mail dated 11.04.2023 submitted before the Commission not to impose Fuel Surcharge to the consumers.
- (14) Shri K. Dinesh, General Secretary, Kasaragod Merchants Association requested before the Commission not to impose Fuel surcharge for the trading establishments.
- (15) Based on the deliberations during the hearing, the Commission has directed KSEB Ltd to clarify the following;

- (i) The variable cost of BALCO station is the lowest compared to other approved sources. However, the generator has declared zero availability for the entire second quarter and this forced KSEB Ltd to purchase high cost power from other sources. The Commission has directed KSEB Ltd clarify the legal action taken against BALCO for declaring the zero availability.

KSEB Ltd during the hearing submitted that, as per the provisions of the PSA, penalties are imposed on the generators. KSEB Ltd has received Rs 37.00 crore as compensation during the period.

- (ii) The Commission has directed KSEB Ltd to clarify the reason for the consistent decrease in availability of the NLC stations in the second and third quarter of the year 2022-23.

SLDC Kerala on behalf of KSEB Ltd submitted that, due to the forced outages the availability from NLC stations are much less. The Commission directed KSEB Ltd to take up the issue of decrease in availability of NLC stations at appropriate forums.

- (iii) The Commission further directed KSEB Ltd to submit the details of the variable cost of CGS using imported coal for blending as per the directions of the Government of India, Ministry of Power.

12. In compliance of the directions of the Commission, KSEB Ltd vide the email dated 16.05.2023, has submitted the details of the blending of imported coal with domestic coal and the increase in variable cost on account of blending. The details are given below.

Table-7
Coal blending details of NTPC - Ramagundam STPS

Particulars	Jul-22			Aug-22			Sep-22		
	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average
Blending ratio	82%	18%		86%	14%		83%	17%	
Coal price									
Landed cost of coal (Rs/MT)	4143	18329	6809	4807	17605	6572	4451	17620	6688
domestic coal		342%	64%		266%	37%		296%	50%
GCV of coal (kCal/Kg)	3306	5018	3543	3310	4847	3549	3238	4759	3411
(%) of increase of GCV over GCV of domestic coal		52%	7%		46%	7%		47%	5%
Variable cost									
kWh)	3.36	9.62	4.99	3.88	9.57	4.97	3.68	9.76	5.1
domestic coal		186%	49%		147%	28%		165%	39%

Table-8
Coal blending details of NTPC- Talcher-II STPS

Particulars	Jul-22			Aug-22			Sep-22		
	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average
Blending ratio	89%	11%		91%	9%		94%	6%	
Coal price									
Landed cost of coal (Rs/MT)	1624.72	17825	3328	1744.47	17654	3117	1945.97	16698	2897
(%) of increase over domestic coal		997%	105%		912%	79%		758%	49%
GCV of coal (kCal/Kg)	3368	5005	3456	3313	4990	3375	3311	4953	3333
(%) of increase of GCV over GCV of domestic coal		49%	3%		51%	2%		50%	1%
Variable cost									
Variable cost claimed (Rs/kWh)	1.286	9.244	2.477	1.407	9.188	2.382	1.567	8.758	2.243
(%) of increase over domestic coal		619%	93%		553%	69%		459%	43%

Table-9
Coal blending details of NTPC- Simhadri STPS

Particulars	Jul-22			Aug-22			Sep-22		
	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average
Blending ratio	79%	21%		83%	17%		80%	20%	
Coal price									
Landed cost of coal (Rs/MT)	3335.98	16504	6115	3397.98	16723	5674	3428.69	16987	6160
(%) of increase over domestic coal		395%	83%		392%	67%		395%	80%
GCV of coal (kCal/Kg)	2911	5065	3282	2816	5043	3113	2790	4982	3147
(%) of increase of GCV over GCV of domestic coal		74%	13%		79%	11%		79%	13%
Variable cost									
Variable cost claimed (Rs/kWh)	2.994	8.325	4.70	3.15	8.47	4.6	3.212	8.712	4.936
(%) of increase over domestic coal		178%	57%		169%	46%		171%	54%

Table-10
Coal blending details of NTPC- KUDGI Power Station

Particulars	Jul-22			Aug-22			Sep-22		
	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average	Domestic coal	Imported coal	Weighted average
Blending ratio	72%	28%		82%	18%		82%	18%	
Coal price									
Landed cost of coal (Rs/MT)	5615.23	18424	9249	5561.74	18413	7875	6126.98	18103	8307
(%) of increase over domestic coal		228%	65%		231%	42%		195%	36%
GCV of coal (kCal/Kg)	3074.46	4895	3511	2711	4862	3084	2795.01	4847	3120
(%) of increase of GCV over GCV of domestic coal		59%	14%		79%	14%		73%	12%
Variable cost									
Variable cost claimed (Rs/kWh)	4.49	9.11	6.28	5.06	9.17	6.089	5.4	9.04	6.346
(%) of increase over domestic coal		103%	40%		81%	20%		67%	18%

Analysis and Decision

13. The Commission has examined in detail the petitions filed by KSEB Ltd for the approval of the fuel surcharge for the second quarter and third quarter of the FY 2022-23 (July 2022 to September 2022 and October 2022 to December 2022), the comments and objections raised by the stakeholders, provisions of the Electricity Act, 2003, KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, Judgment of the Hon'ble Appellate Tribunal for Electricity (APTEL), and other relevant documents and records, hereby decide as follows.
14. 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.”

15. 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.”

16. 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.

17. 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 **F_g**, **F_p** and **A**, (**F_g** and **F_p** 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;

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

$$F_g = \sum^n Q_g \times (R1 - R2);$$

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.

17. The Commission vide Order dated 25.06.2022 in petition OP No. 11/2022 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. Vide the paragraph 8.8 of the said Order, the Commission had directed KSEB Ltd to strictly comply with the Regulation 87 of the Tariff Regulations, 2021 in filing the petition on fuel surcharge.
18. 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. Further, as per the Regulations, while calculating the fuel surcharge, the variations in cost of power purchase due to fuel cost from the approved sources in ARR are only be allowed to consider. Based on the above, the fuel surcharge admissible for the second and third quarter are determined for each approved sources of power purchase including CGS and IPPs. The details are given below.

OP No.15/2023. Fuel Surcharge admissible for the second quarter of the FY 2022-23

19. 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-11
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))
Jul-22	253.18	278.87	253.18	253.18	1.87	2.353	13.47	12.23
Aug-22	253.18	268.59	253.18	253.18	1.87	2.382	13.75	12.96
Sep-22	245.01	262.03	245.01	245.01	1.87	2.243	9.77	9.14
Total	751.37	809.48	751.37	751.37	1.87	2.327	36.99	34.33

Table-12
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))
Jul-22	144.11	82.75	82.75	82.75	2.78	4.744	16.26	16.25
Aug-22	144.11	71.37	71.37	71.37	2.78	4.812	14.50	14.50
Sep-22	139.46	81.75	81.75	81.75	2.78	5.100	18.97	18.97
Total	427.69	235.87	235.87	235.87	2.78	4.888	49.73	49.72

Table-13
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))
Jul-22	36.18	0	0.00	0.00	2.61	0	0.00	0.00
Aug-22	36.18	14.59	14.59	14.59	2.61	4.853	3.27	3.27
Sep-22	35.01	24.52	24.52	24.52	2.61	5.214	6.38	6.38
Total	107.37	39.11	39.11	39.11	2.61	5.079	9.65	9.65

Table-14
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))
Jul-22	35.87	20.06	20.06	20.06	2.70	2.748	0.10	0.10
Aug-22	35.87	14.96	14.96	14.96	2.70	2.759	0.09	0.09
Sep-22	34.71	14.93	14.93	14.93	2.70	2.769	0.10	0.10
Total	106.45	49.95	49.95	49.95	2.70	2.758	0.29	0.29

Table-15
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))
Jul-22	51.23	41.25	41.25	41.25	2.700	2.748	0.20	0.20
Aug-22	51.23	40.22	40.22	40.22	2.700	2.759	0.24	0.24
Sep-22	49.58	45.38	45.38	45.38	2.700	2.769	0.31	0.31
Total	152.04	126.85	126.85	126.85	2.700	2.759	0.75	0.75

Table-16
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))
Jul-22	39.42	40.61	39.42	39.42	2.46	2.444	-0.06	-0.06
Aug-22	39.42	20.94	20.94	20.94	2.46	2.441	-0.04	-0.04
Sep-22	38.15	21.71	21.71	21.71	2.46	2.446	-0.03	-0.03
Total	116.99	83.26	82.06	82.07	2.46	2.409	-0.14	-0.13

Table-17
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))
Jul-22	43.44	19.94	19.94	19.94	2.60	2.590	-0.02	-0.02
Aug-22	43.44	27.77	27.77	27.77	2.60	2.629	0.08	0.08
Sep-22	42.04	27.10	27.10	27.10	2.60	2.617	0.05	0.05
Total	128.92	74.81	74.81	74.81	2.60	2.614	0.11	0.11

Table-18
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))
Jul-22	50.96	26.60	26.60	26.60	2.920	4.465	4.11	4.11
Aug-22	50.96	32.69	32.69	32.69	2.920	4.600	5.49	5.49
Sep-22	49.32	37.28	37.28	37.28	2.920	4.936	7.52	7.52
Total	151.24	96.57	96.57	96.57	2.920	4.693	17.12	17.12

Table-19
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))
Jul-22	29.79	14.03	14.03	14.03	3.190	4.014	1.16	1.16
Aug-22	29.79	16.70	16.70	16.70	3.190	4.257	1.78	1.78
Sep-22	28.83	24.87	24.87	24.87	3.190	4.151	2.39	2.39
Total	88.41	55.60	55.60	55.60	3.190	4.148	5.33	5.33

Table-20
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))
Jul-22	43.00	27.70	27.70	27.70	3.07	4.140	2.97	2.96
Aug-22	43.00	31.00	31.00	31.00	3.07	4.470	4.33	4.34
Sep-22	41.62	26.74	26.74	26.74	3.07	4.390	3.52	3.52
Total	127.62	85.44	85.44	85.44	3.07	4.338	10.82	10.82

Table-21
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))
Jul-22	66.31	37.09	37.09	37.09	3.560	6.282	10.10	10.10
Aug-22	66.31	34.40	34.40	34.40	3.560	6.093	8.71	8.71
Sep-22	64.17	35.09	35.09	35.09	3.560	6.357	9.82	9.81
Total	196.79	106.58	106.58	106.58	3.560	6.246	28.63	28.62

Table-22
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))
Jul-22	19.21	22.14	19.21	19.21	2.240	2.221	-0.04	-0.04
Aug-22	19.21	20.51	19.21	19.21	2.240	2.225	-0.03	-0.03
Sep-22	18.59	18.85	18.59	18.59	2.240	2.214	-0.05	-0.05
Total	57.01	61.50	57.01	57.01	2.240	2.220	-0.12	-0.11

Table-23
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))
Jul-22	87.90	96.59	87.90	87.90	2.54	2.771	2.24	2.03
Aug-22	87.90	93.57	87.90	87.90	2.54	2.867	3.06	2.87
Sep-22	85.07	91.36	85.07	85.07	2.54	2.474	-0.60	-0.56
Total	260.87	281.52	260.87	260.87	2.54	2.707	4.70	4.34

Table-24
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))
Jul-22	87.90	96.58	87.90	87.90	2.54	2.771	2.23	2.03
Aug-22	87.90	93.54	87.90	87.90	2.54	2.867	3.06	2.87
Sep-22	85.06	91.23	85.06	85.06	2.54	2.474	-0.60	-0.56
Total	260.86	281.35	260.86	260.86	2.54	2.707	4.69	4.34

Table-25
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))
Jul-22	59.92	51.47	51.47	51.47	2.93	4.148	6.27	6.27
Aug-22	59.92	41.05	41.05	41.05	2.93	4.907	8.12	8.12
Sep-22	57.99	33.62	33.62	33.62	2.93	4.266	4.49	4.49
Total	177.83	126.1	126.14	126.14	2.93	4.426	18.88	18.88

Table-26
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))
Jul-22	29.56	22.23	22.23	22.23	3.14	4.052	2.03	2.03
Aug-22	29.56	19.20	19.20	19.20	3.14	4.408	2.43	2.43
Sep-22	28.61	14.74	14.74	14.74	3.14	4.430	1.90	1.90
Total	87.73	56.17	56.17	56.17	3.14	4.273	6.36	6.36

Table-27
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))
Jul-22	127.22	103.87	103.87	103.87	1.33	1.24	-0.93	-0.93
Aug-22	127.22	124.76	124.76	124.76	1.33	1.32	-0.12	-0.12
Sep-22	123.12	133.45	123.12	123.12	1.33	1.33	0.00	0.00
Total	377.56	362.08	351.75	351.75	1.33	1.301	-1.06	-1.06

Table-28
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))
Jul-22	63.61	0	0	0.00	1.18	0	0.00	0.00
Aug-22	63.61	0	0	0.00	1.18	0	0.00	0.00
Sep-22	61.56	0	0	0.00	1.18	0	0.00	0.00
Total	188.78	0.00	0.00	0.00	1.18	0	0.00	0.00

20. The summary of the fuel surcharge claimed by KSEB Ltd and the same admissible as per the Tariff Regulations 2021 for the second quarter of the FY 2022-23 is given below.

Table-29
Additional liability claimed by KSEB Ltd and admissible as per Tariff Regulation's 2021 for second quarter (July-2022 to September 2022)

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	751.37	809.48	751.37	751.37	36.99	34.33
Ramagundam I&II	427.69	235.87	235.87	235.87	49.73	49.72
Ramagundam-III	107.37	39.11	39.11	39.11	9.65	9.65
NLC TPS-II Stage-1	106.45	49.95	49.95	49.95	0.29	0.29
NLC TPS-II Stage-2	152.04	126.85	126.85	126.85	0.75	0.75
NLC-1 Expansion	116.99	83.26	82.06	82.07	-0.14	-0.13
NLC-II Expansion	128.92	74.81	74.81	74.81	0.11	0.11
Simhadri	151.24	96.57	96.57	96.57	17.12	17.12
Vallur STPS	88.41	55.60	55.60	55.60	5.33	5.33
NTPL	127.62	85.44	85.44	85.44	10.82	10.82
NTPC Kudugji	196.79	106.58	106.58	106.58	28.63	28.62
NNTPP	57.01	61.50	57.01	57.01	-0.12	-0.11
Maithon-1	260.87	281.52	260.87	260.87	4.70	4.34
Maithon-2	260.86	281.35	260.86	260.86	4.69	4.34
DVC-Mejia	177.83	126.14	126.14	126.14	18.88	18.88
DVC-Regunathpur	87.73	56.17	56.17	56.17	6.36	6.36
JPL- 200 MW - Bid1	377.56	362.08	351.75	351.75	-1.06	-1.06
BALCO - Bid2	188.78	0.00	0.00	0.00	0.00	0.00
Total	3765.53	2932.28	2817.01	2817.02	192.73	189.36

As detailed above, as per the provisions of the Tariff Regulations 2021 KSEB Ltd is eligible to recover Rs 189.36 crore as fuel surcharge during the second quarter of the FY 2022-23 i.e., from July 2022 to September 2022, due to variation in fuel cost for purchase of power from the approved sources.

OP No.16/2023. Fuel Surcharge admissible for the third quarter of the FY 2022-23 (October 2022 to December 2022)

21. 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-30
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))
Oct-22	253.18	260.82	253.18	253.18	1.87	1.973	2.69	2.61
Nov-22	245.01	216.60	216.60	216.60	1.87	1.546	-7.02	-7.02
Dec-22	253.18	251.29	251.29	251.29	1.87	1.616	-6.38	-6.38
Total	751.37	728.71	721.06	721.07	1.87	1.723	-10.71	-10.79

Table-31
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))
Oct-22	144.11	109.82	109.82	109.82	2.78	4.823	22.44	22.44
Nov-22	139.46	126.72	126.72	126.72	2.78	3.834	13.36	13.36
Dec-22	144.11	101.89	101.89	101.89	2.78	3.355	5.86	5.86
Total	427.68	338.43	338.43	338.43	2.78	4.011	41.65	41.65

Table-32
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))
Oct-22	36.18	23.30	23.30	23.30	2.61	4.656	4.77	4.77
Nov-22	35.01	36.04	35.01	35.01	2.61	3.751	4.11	3.99
Dec-22	36.18	41.46	36.18	36.18	2.61	3.304	2.88	2.51
Total	107.37	100.80	94.48	94.49	2.61	3.776	11.76	11.27

Table-33
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))
Oct-22	35.87	16.60	16.60	16.60	2.700	2.793	0.080	0.15
Nov-22	34.71	21.83	21.83	21.83	2.700	2.717	-0.060	0.04
Dec-22	35.87	23.41	23.41	23.41	2.700	2.717	-0.060	0.04
Total	106.45	61.84	61.83	61.84	2.700	2.737	-0.040	0.23

Table-34
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))
Oct-22	51.23	39.78	39.78	39.78	2.700	2.793	0.20	0.37
Nov-22	49.58	23.40	23.40	23.40	2.700	2.717	-0.06	0.04
Dec-22	51.23	18.50	18.50	18.50	2.700	2.717	-0.05	0.03
Total	152.04	81.68	81.68	81.68	2.700	2.754	0.08	0.44

Table-35
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))
Oct-22	39.42	37.29	37.29	37.29	2.46	2.451	-0.03	-0.03
Nov-22	38.15	38.59	38.15	38.15	2.46	2.446	-0.05	-0.05
Dec-22	39.42	38.13	38.13	38.13	2.46	2.446	-0.05	-0.05
Total	116.99	114.01	113.58	113.57	2.46	2.448	-0.13	-0.13

Table-36
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))
Oct-22	43.44	26.80	26.80	26.80	2.60	2.643	0.12	0.12
Nov-22	42.04	11.86	11.86	11.86	2.60	2.633	0.04	0.04
Dec-22	43.44	19.83	19.83	19.83	2.60	2.632	0.06	0.06
Total	128.92	58.49	58.49	58.49	2.60	2.637	0.22	0.22

Table-37
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))
Oct-22	50.96	36.24	36.24	36.24	2.92	4.643	6.24	6.24
Nov-22	49.32	50.60	49.32	49.32	2.92	3.802	4.46	4.35
Dec-22	50.96	54.49	50.96	50.96	2.92	3.893	5.30	4.96
Total	151.24	96.57	96.57	96.57	2.920	4.693	16.01	15.55

Table-38
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))
Oct-22	29.79	23.47	23.47	23.47	3.19	4.390	2.82	2.82
Nov-22	28.83	32.67	28.83	28.83	3.19	3.113	-0.25	-0.22
Dec-22	29.79	29.96	29.79	29.79	3.19	3.043	-0.44	-0.44
Total	88.41	86.10	82.08	82.09	3.19	3.437	2.12	2.16

Table-39
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))
Oct-22	43.00	34.29	34.29	34.29	3.07	4.427	4.65	4.65
Nov-22	41.62	24.72	24.72	24.72	3.07	4.808	4.30	4.30
Dec-22	43.00	47.73	43.00	43.00	3.07	4.160	5.20	4.69
Total	127.62	106.74	102.01	102.01	3.07	4.396	14.15	13.64

Table-40
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))
Oct-22	66.31	4.63	4.63	4.63	3.56	5.937	1.10	1.10
Nov-22	64.17	42.52	42.52	42.52	3.56	5.137	6.71	6.71
Dec-22	66.31	46.39	46.39	46.39	3.56	4.973	6.55	6.55
Total	196.79	93.54	93.53	93.54	3.56	5.095	14.36	14.36

Table-41
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))
Oct-22	19.21	20.96	19.21	19.21	2.24	2.196	-0.09	-0.08
Nov-22	18.59	18.36	18.36	18.36	2.24	2.222	-0.03	-0.03
Dec-22	19.21	7.82	7.82	7.82	2.24	2.222	-0.01	-0.01
Total	57.01	47.14	45.39	45.39	2.24	2.210	-0.14	-0.13

Table-42
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))
Oct-22	87.90	87.55	87.55	87.55	2.54	2.621	0.71	0.71
Nov-22	85.07	100.55	85.06	85.07	2.54	2.603	0.63	0.54
Dec-22	87.90	103.75	87.90	87.90	2.54	2.555	0.16	0.13
Total	260.87	291.85	260.52	260.52	2.54	2.591	1.50	1.38

Table-43
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))
Oct-22	87.90	87.68	87.68	87.68	2.54	2.621	0.71	0.71
Nov-22	85.07	100.58	85.07	85.07	2.54	2.603	0.63	0.54
Dec-22	87.90	103.75	87.90	87.90	2.54	2.555	0.16	0.13
Total	260.87	292.01	260.64	260.65	2.54	2.591	1.50	1.38

Table-44
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))
Oct-22	59.92	37.22	37.22	37.22	2.93	3.193	0.98	0.98
Nov-22	57.99	65.59	57.99	57.99	2.93	2.908	-0.14	-0.13
Dec-22	59.92	66.46	59.92	59.92	2.93	3.056	0.84	0.75
Total	177.83	169.27	155.13	155.13	2.93	3.029	1.67	1.61

Table-45
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))
Oct-22	29.56	13.95	13.95	13.95	3.14	4.104	1.35	1.35
Nov-22	28.61	15.34	15.34	15.34	3.14	3.664	0.80	0.80
Dec-22	29.56	13.52	13.52	13.52	3.14	3.546	0.55	0.55
Total	87.73	42.81	42.81	42.81	3.14	3.770	2.70	2.70

Table-46
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))
Oct-22	127.22	120.65	120.65	120.65	1.33	1.33	0.00	0.00
Nov-22	123.12	126.67	123.12	123.12	1.33	1.33	0.00	0.00
Dec-22	127.22	128.25	127.22	127.22	1.33	1.35	0.26	0.25
Total	377.56	375.57	370.99	370.99	1.33	1.337	0.26	0.25

Table-47
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))
Oct-22	63.61	35.07	35.07	35.07	1.18	1.16	-0.07	-0.07
Nov-22	61.56	0	0	0.00	1.18	0	0.00	0.00
Dec-22	63.61	37.12	37.12	37.12	1.18	1.17	-0.04	-0.04
Total	188.78	72.19	72.19	72.19	1.18	1.165	-0.11	-0.11

22. The summary of the fuel surcharge claimed by KSEB Ltd and the same admissible as per the Tariff Regulations 2021 for the third quarter of the FY 2022-23 is given below.

Table-48

Additional liability claimed by KSEB Ltd and admissible as per Tariff Regulation's 2021 for third quarter (October 2022 to December 2022)

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	751.37	728.71	721.06	721.07	-10.71	-10.79
Ramagundam I&II	427.68	338.43	338.43	338.43	41.65	41.65
Ramagundam-III	107.37	100.80	94.48	94.49	11.76	11.27
NLC TPS-II Stage-1	106.45	61.84	61.83	61.84	-0.04	0.23
NLC TPS-II Stage-2	152.04	81.68	81.68	81.68	0.08	0.44
NLC-1 Expansion	116.99	114.01	113.58	113.57	-0.13	-0.13
NLC-II Expansion	128.92	58.49	58.49	58.49	0.22	0.22
Simhadri	151.24	141.33	136.52	136.52	16.01	15.55
Vallur STPS	88.41	86.10	82.08	82.09	2.12	2.16
NTPL	127.62	106.74	102.01	102.01	14.15	13.64
NTPC Kudugi	196.79	93.54	93.53	93.54	14.36	14.36
NNTPP	57.01	47.14	45.39	45.39	-0.14	-0.13
Maithon-1	260.87	291.85	260.52	260.52	1.50	1.38
Maithon-2	260.87	292.01	260.64	260.65	1.50	1.38
DVC-Mejia	177.83	169.27	155.13	155.13	1.67	1.61
DVC-Regunathpur	87.73	42.81	42.81	42.81	2.70	2.70
JPL- 200 MW - Bid1	377.56	375.57	370.99	370.99	0.26	0.25
BALCO - Bid2	188.78	72.19	72.19	72.19	-0.11	-0.11
Total	3765.53	3202.51	3091.36	3091.41	96.85	95.68

As above, as per the provisions of the Tariff Regulations 2021 KSEB Ltd is eligible to recover Rs 95.68 crore as fuel surcharge during the third quarter of the FY 2022-23 i.e., from October 2022 to December 2022, due to variation in fuel cost for purchase of power from the approved sources.

23. As detailed in the preceding paragraphs, the total amount of fuel surcharge admissible for the second and third quarter of the financial year 2022-23 is given below.

Table-49

Summary of the fuel surcharge admissible for 2nd and 3rd quarter of FY 2022-23

SI No	Particulars	Amount (Rs.Cr)
1	Fuel surcharge admissible for second quarter	189.36
2	Fuel surcharge admissible for third quarter	95.68
	Total	285.04

24. The Commission further noted that, the Commission had approved to schedule 188.78 MU at the variable cost of Rs 1.18/unit from BALCO during the 2nd quarter of the year 2022-23. However, the generator had not scheduled a single unit of power during the second quarter.

Similarly, for the 3rd quarter of the year 2022-23, the Commission had approved to schedule 188.78MU at the variable cost of Rs 1.8/unit, but the actual schedule by the generator was only 72.19 MU i.e., 38.24% of the schedule during the third quarter. The Commission has raised serious reservation on the zero availability during second quarter and under scheduling of power in 3rd quarter by the BALCO and directed KSEB Ltd to clarify the legal course of action taken against the generator for their under reference.

KSEB Ltd during the hearing submitted that, the licensee had received Rs 37.00 crore as compensation from the generator for the under performance. In order to reduce the fuel surcharge burden on the consumers, the Commission has decided to account the compensation received against the fuel surcharge admissible for the 2nd and 3rd quarter of the FY 2022-23. Accordingly, the net amount admissible for pass on the consumers as fuel surcharge is given in the Table below.

Table-50
Net amount admissible as fuel surcharge for the third and fourth quarter

Sl No	Particulars	Amount (Rs.Cr)
1	Fuel surcharge admissible for second quarter	189.36
2	Fuel surcharge admissible for third quarter	95.68
3	Compensation received from BALCO during the year 2022-23	37.00
4	Net amount allowed to pass on to the consumers as fuel surcharge = (1)+(2)-(3)	248.04

25. The Commission vide the Order dated 25.01.2023 in petition OP No. 76/2022 had ordered to recover Rs 87.07 crore as fuel surcharge @9 paise per unit from 01.02.2023 to 31.05.2023. As proposed by KSEB Ltd, if the approved fuel surcharge amounts Rs 248.04 crore allowed to recover from the consumers over a period of six months from 01.06.2023 to 30.11.2023, the rate of fuel surcharge recovery would be Rs 0.21/unit. The details are given below

- (1) The energy sale anticipated for the period from 1st June 2023 to 30th November 2023 as per the ARR Order dated 25.06.2022 is given below.

Table-51
Energy sale anticipated for the period from June 2023 to October 2023

Month	Approved Energy Consumption (MU)	T&D Loss approved	Energy Sale Approved(MU)
Jun-23	2352.97	10.82%	2098.38
Jul-23	2172.42	10.82%	1937.36
Aug-23	2138.27	10.82%	1906.91
Sep-23	2214.73	10.82%	1975.10
Oct-23	2260.15	10.82%	2015.60
Nov-23	2245.79	10.82%	2002.80
Total	11138.54		11936.15

- (2) The rate of fuel surcharge recovery based on the anticipated energy sale for the months June 2023 to November 2023 is given below.

Table-52
Rate of fuel surcharge recovery

Energy sale estimated for the period from 1st June 2023 to 30th November 2023	(MU)	11936.15
Fuel surcharge approved	(Rs.Cr)	248.04
Rate of fuel surcharge for recovering the approved surcharge from 1st June 2023 to 30th November 2023	(Rs/unit)	0.21
(Rounded off to 21 paise/kWh)		

26. However, if KSEB Ltd is allowed to recover the fuel surcharge at the rate as above, it would results in huge burden to the consumers of the State due to the following.
- (i) The Commission vide the Gazette Notification dated 30.11.2023, has notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2023. As per the said Regulations, KSEB Ltd is permitted for the automatic recovery of fuel surcharge on monthly basis from 1st June 2023 onwards for recovering the additional liability of fuel surcharge incurred from April-2023, with a ceiling at Rs 0.10/unit.
 - (ii) The Commission vide the Order dated 25.01.2023 in petition OP No. 76/2022 had ordered to recover Rs 87.07 crore as fuel surcharge @9 paise per unit from 01.02.2023 to 31.05.2023. A part of the surcharge recovery may be continued for the bi-monthly billed consumers till July 2023.
27. Considering these aspects in detail, the Commission decided to limit the fuel surcharge recovery of the second and third quarter of the year 2022-23 @ 9 paise per unit till it is fully recovered.
28. However, KSEB Ltd, at its liberty , is permitted to approach the Commission in the month of October 2023, through a petition, with details of the fuel surcharge collected from June 2023 to September 2023 as per this Order as well as the fuel surcharge collected by the licensee through automatic recovery mechanism as per the KSERC (Terms and Conditions of Tariff) (1st Amendment) Regulations, 2023. The Commission may take an appropriate decision on enhancing the fuel surcharge recovery after stake holder consultation and public hearings.

The fuel surcharge as approved in paragraph 27 above 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

29. 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 net amount admissible for recovery as fuel surcharge as per the Tariff Regulations, 2021 for the second and third quarter of financial year 2022-23 (July 2022 to December 2023) is approved at Rs 248.04 crore.
- (2) The approved fuel surcharge is allowed to be recovered from the consumers at the rate of Rs 0.09 per unit, till it is fully recovered or till the rate modified by the Commission based on a petition filed by KSEB Ltd as per the directions in paragraph 28 of this Order, which ever 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 and all other licensees shall indicate the rate of fuel surcharge and the amount of surcharge in the bills issued to consumers separately.
- (6) KSEB Ltd and other licensees shall account the fuel surcharge collected from each category of consumers separately.
- (7) 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.
- (8) Month wise consolidated statement of the Fuel surcharge collected from each tariff category shall be submitted to the Commission within 1 week (latest by 7th of the subsequent month) and a copy of the same shall be uploaded on the home page of the website of KSEB for information of the Stake holders.

The petition (OP No: 15/23,16/23 & IA No:01/23) 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 Satheesh Chandran
Secretary

List of stakeholders participated in the public hearing held on 12.04.2023

1. Sri. Jayaraj, Chief Engineer (Commercial & Tariff)
2. Shri. Rajan.M.P, DY CE, TRAC,KSEB Ltd
3. Smt. Seema P Nair, AEE, TRAC, KSEB Ltd
4. Shri. Viju Rajan John, Chief Engineer, (Transmission- System Operation)
5. Smt. Kavitha. C.K, Deputy Chief Engineer (Grid)
6. Shri. Saji.M J- Executive Engineer(Market Operation), SLDC
7. Smt. Getrude.K.G, AEE, (Market Operation), SLDC
8. Shri. Rajesh, Former AGM, NTPC(Rtd)
9. Shri. Mohammed Rafik, RR electricals
10. Shri. Sami.K.Master, Gandhi Darshan District Co-Ordinator
11. Shri. Prasannakumar, Consumers association
12. Sri. Prabhakaran K.V, HT & EHT Association
13. Sri. Nair Nandhakumar, President, HT & EHT Association
14. Sri. Saji Mathew, MRF Ltd
15. Shri. Divakaran.C, Consumer
16. Sri. Rajesh J Kuruvilla, Carborandum
17. Smt Neenu Skaria
18. Shri. Renjit Jacob, Appolo Tyres
19. Shri. Prakash Chelat, Air Veteran
20. Smt. Prini Peter, Carborandum Universal Ltd
21. Shri. Pradeep.M. Hindalco