

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. Preman Dinaraj, Chairman
Adv. A.J Wilson, Member (Law)

OP 56/2021

In matter of: Petition on 'Proposals to adjust the differential cost in variable charges during the period April 2021 to June 2021 against the approved level on Generation and Power Purchase due to variation in cost of fuel.

Petitioner Kerala State Electricity Board Ltd

OP No. 10/2022

In matter of: Petition on 'Proposals to recover the additional liability incurred during the period July 2021 to September 2021 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 : 15.02.2022 (through video conference)

Common Order dated 14.07.2022

OP 56/2021

1. KSEB Ltd, on 24.09.2021 filed a petition before the Commission for recovery of fuel surcharge for the period from April 2021 to June 2021, with prayers as follows:

- (a) *The Differential cost in variable charges amounting to Rs 8.96 Cr, resulting from the variation in variable charges of power purchase from approved sources for the period from April to June 2021 as per regulation 86 of KSERC Tariff Regulations 2018 as detailed in **Annexure IV** to this petition may kindly be approved.*
- (b) *This approved cost may kindly be allowed to be adjusted against the pending fuel surcharge for recovery/approval pertaining to the period from July 2019 to March 2021 and allow KSEB Ltd to recover the remaining amount from consumers including bulk consumers and other licensees as fuel surcharge, as per the Regulation 86 of KSERC Tariff Regulations 2018.*

2. The Commission admitted the petition as OP No. 56/2021. The summary of the petition filed by KSEB Ltd is given below.

(1) A comparison of the actual variable as against the same approved vide Order dated 08.07.2019 in OA No. 15/2018 during the first quarter is given below.

Table-1
Variable cost- approved and actual during the 1st quarter of the FY 2021-22

SI No	Source	Approved	Actual (Rs/ kWh)		
		(Rs/ kWh)	Apr-21	May-21	Jun-21
Central Generating Stations					
1	NTPC-RSTPS Stage I & II	2.600	2.474	2.576	2.568
2	NTPC-RSTPS Stage III	2.540	2.426	2.542	2.535
3	Talcher	1.800	1.912	1.800	1.902
4	Simhadri TPS Stage II	3.010	2.930	2.855	2.818
5	N LC-Stage-1	2.750	2.640	2.637	2.637
6	NLC-Stage-I	2.740	2.640	2.637	2.637
7	NLC I Expansion	2.540	2.428	2.408	2.408
8	NLC II Expansion	2.540	2.537	2.538	2.538
9	Vallur STPS	3.260	3.277	3.013	3.007
10	NTPL	3.340	3.013	3.028	3.081
11	NTPCKudgi	4.060	3.602	0.000	2.981
Independent Power Producers					
12	RTPS	2.389	2.942	3.101	3.027
13	Mejia	2.557	2.779	2.811	2.841
14	Maithon 1	2.480	2.197	2.409	2.382
15	Maithon II	2.480	2.197	2.409	2.382
16	Jindal Power Ltd-Bid I	1.337	1.320	1.320	1.320
17	Jhabua Power Ltd-Bid I	1.984	1.970	1.970	1.910
18	Jindal Power Ltd-Bid II	1.214	1.320	1.320	1.320
19	Jhabua Power Ltd-Bid II	1.765	1.890	1.890	1.910
20	JITPL	1.051	1.150	1.150	1.150
21	BALCO	1.242	1.170	1.170	1.170

(2) The summary of additional liability claimed by KSEB Ltd due to change in variable cost over approved level during the first quarter of the FY 2021-22 is given below.

Table-2
Additional liability claimed by the KSEBL due to the change in variable cost over approved level during the first quarter of the FY2021-22

Source	Energy procurement			Add liability		Claim of KSEB LTD in this petition
	Approved quantity	Actual	Admissible as per regulation	Actual	Admissible as per regulation	
	(MU)	(MU)	(MU)	(Rs. Cr)	(Rs. Cr)	
CGS	2401.91	1799.13	1760.37	-5.95	-5.85	-5.85
IPPs	2318.35	1991.98	1970.52	2.97	2.89	-3.11
Total	4720.26	3791.11	3730.89	-2.98	-2.95	-8.96

- (3) KSEB Ltd submitted that, as per the earlier orders on fuel surcharge approved by the Commission for the first quarter of the FY 2020-21 dated 14.02.2020 and for the second quarter of the FY 2020-21 dated 27.04.2020, KSEB Ltd had limited the payment towards the three unapproved DBFOO contracts under bid-2, namely Jhabua Power Limited (100 MW), Jindal Power Limited (150 MW) and Jindal India Thermal Power Ltd (100MW) with a total capacity of 350MW, for which approval of the PSA is not granted by the Commission for want of approvals from Central Government and State Governments, at the rate of BALCO at Kerala periphery. Accordingly, KSEB Ltd withheld Rs 18.46 crore during the first quarter by limiting the payment at BALCO rate at Kerala periphery. KSEB Ltd also submitted that, they are not claiming the additional liability of these stations amounts to Rs 6.01 crore during the first quarter of FY 2021-22.
- (4) There is variation in energy availability from various approved generating stations, due to the following.
- (i) Changes in annual maintenance schedule.
 - (ii) Unscheduled outages in generating stations as well as transmission lines.
 - (iii) Variation in normative auxiliary consumption and plant load factor for various CGS in the Tariff Regulations, 2019-24 issued by CERC in March 2019.
- (5) There is variation in the per unit variable cost, over the approved level on account of variation in normative SHR and auxiliary consumption (consequent to the notification of CERC Tariff Regulation for control period 2019-24), variation in the price of primary fuel as well as secondary fuel, variation in calorific value and cost of transportation of fuel.
- (6) KSEB Ltd has submitted that there is a net savings amounting to Rs 5.85Cr during first quarter of FY2021-22 while purchasing from CGS and savings of Rs 3.11 Cr on purchasing from various IPPs. Hence the net savings in purchase of energy from CGS and IPPs during the first quarter is ₹8.96 Crores.
- (7) KSEB Ltd further submitted that the actual demand during the first quarter from April 2021 to June 2021 was 6372.6 MU as against 7232 MU approved by the Commission, i.e., the actual demand was less by 859.4 MU than the approval.
- The actual hydro generation was 2097 MU as against 1707 MU as approved by the Commission, ie the actual generation was exceeded by 390 MU over the approved level.
 - The actual power purchase from CGS was 2418 MU as against 3004 MU which is approved by the Commission, ie the actual purchase from CGS was less by 586 MU when compared to the approved level.

- The actual Power Purchase from IPPs through Long Term Contract was less by 326.37 MU over the approval.
- KSEB Ltd purchased 193 MU through short term contracts during the said period and sold 361 MU to other States.

OP No. 10/2022

3. KSEB Ltd, on 18.01.2022 filed a petition for recovery of fuel surcharge for the period from July 2021 to September 2021, with prayers as follows:

- Additional financial liability incurred by KSEB LTD, amounting to Rs.5.50 Cr, resulting from the variation in variable charges of power purchase from approved sources for the period from July to September 2021 as per Regulation 86 of KSERC Tariff Regulations 2018 as detailed in Annexure IV & V 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 86 of KSERC Tariff regulations 2018, @ 1 paise per unit from 1st February 2022 onwards.*

The Commission admitted the petition as OP No. 10/2022

4. Summary of the petition filed by KSEB Ltd is given below.

- (1) A comparison of the actual variable cost claimed by KSEB Ltd against the same approved vide Order dated 08.07.2019 in OA No. 15/2018 during the second quarter is given below.

Table-3
Variable cost – Approved and actuals for the 2nd quarter of the FY 2021-22

Sl No	Source	Approved	Actual (Rs/ kWh)		
		(Rs/ kWh)	July-21	Aug-21	Sept-21
Central Generating Stations					
1	NTPC-RSTPS Stage I & II	2.600	2.665	2.560	2.668
2	NTPC-RSTPS Stage III	2.540	2.613	2.515	2.633
3	Talcher	1.800	1.874	1.777	1.739
4	Simhadri TPS Stage II	3.010	2.796	2.805	2.990
5	NLC-Stage-1	2.750	2.646	2.653	2.655
6	NLC-Stage-II	2.740	2.646	2.653	2.655
7	NLC I Expansion	2.540	2.402	2.409	2.409
8	NLC II Expansion	2.540	2.576	2.548	2.548
9	Vallur STPS	3.260	3.167	2.922	3.131
10	NTPL	3.340	3.063	3.033	2.844
11	NTPC Kudgi	4.060	3.187	3.532	3.515
Independent Power Producers					
12	RTPS	2.388	3.072	3.129	3.067
13	Mejia	2.558	2.890	2.912	2.958
14	Maithon I	2.483	2.462	2.688	2.766

15	Maithon II	2.483	2.462	2.688	2.766
16	Jindal Power Ltd-Bid I	1.340	1.320	1.330	1.330
17	Jhabua Power Ltd-Bid I	1.980	1.920	1.990	1.990
18	Jindal Power Ltd-Bid II	1.214	1.320	1.320	1.320
19	Jhabua Power Ltd-Bid II	1.765	1.920	1.990	1.990
20	JITPL	1.051	1.150	1.170	1.170
21	BALCO	1.240	1.170	1.170	1.160

- (2) The summary of additional liability claimed by KSEB Ltd due to change in variable cost over approved level during the second quarter of the FY 2021-22 is given below.

Table-4

Additional liability claimed by the KSEBL due to the change in variable cost over approved level during the 2nd quarter of FY 2021-22

Additional liability for the Second quarter 2021-22						
Source	Energy procurement			Add liability		Claim of KSEB LTD in this petition
	Approved quantity	Actual	Admissible as per regulation	Actual	Admissible as per regulation	
	(MU)	(MU)	(MU)	(Rs. Cr)	(Rs. Cr)	
CGS	2202.98	1687.02	1602.73	-10.04	-9.83	-9.83
IPPs	2278.27	1983.00	1932.04	24.72	23.08	15.33
Total	4481.25	3670.03	3534.77	14.68	13.24	5.50

- (3) KSEB Ltd submitted that, as per the earlier orders on fuel surcharge approved by the Commission for the first quarter of the FY 2020-21 dated 14.02.2020 and for the second quarter of the FY 2020-21 dated 27.04.2020, KSEB Ltd had limited the payment towards the three unapproved DBFOO contracts under bid-2, namely Jhabua Power Limited (100 MW), Jindal Power Limited (150 MW) and Jindal India Thermal Power Ltd (100MW) with a total capacity of 350MW, for which approval of the PSA is not granted by the Commission for want of approvals from Central Government and State Governments, at the rate of BALCO at Kerala periphery. Accordingly, KSEB Ltd forfeited Rs 24.27 crore during the second quarter by limiting the payment at BALCO rate at Kerala periphery. KSEB Ltd also submitted that, they are not claiming the additional liability amounts to Rs 7.75 crore during the second quarter of FY 2021-22.
- (4) KSEB Ltd submitted that, the variation in energy availability from actual of the various approved generating stations are due to the following.
- Changes in annual maintenance schedule.
 - Unscheduled outages in generating stations as well as transmission lines.
 - Variation in normative auxiliary consumption and plant load factor for various CGS in the Tariff Regulations, 2019-24 issued by in March 2019.

- (5) The market monitoring committee of KSEB Ltd, monitoring the power market on daily basis. Scheduling of CGS and IPP's being strictly monitored on a day-to-day basis by this committee to ensure that the generators are not diverting power to other utilities by backing off supply to KSEB Ltd. This committee also ensuring that the generators are abiding by the provisions of the PSA/PPA.
 - (6) Invoices for the power supplied are processed based on the REA statements published by SRPC. Final REA statements for April and May 2021 and the provisional one for June 2021 are relied upon. 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.
 - (7) There is variation in the per unit variable cost, over the approved level on account of variation in normative SHR and auxiliary consumption (consequent to the notification of CERC Tariff Regulation for control period 2019-24), variation in the price of primary fuel as well as secondary fuel, variation in calorific value and cost of transportation of fuel.
 - (8) KSEB LTD has submitted that there is a net savings amounting to Rs 9.83Cr during second quarter of FY2021-22 while purchasing from CGS and a net liability of Rs 15.33 Cr on purchasing from various IPPs
 - (9) KSEB Ltd submitted the petition as per Regulation 86 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 (hereinafter referred to as Tariff Regulations, 2018. KSEB Ltd also submitted the invoices and other details along with the petition
5. Public hearing on both the petitions are conducted through video conferencing on 15.02.2022. The list of participants is given as Annexure 1. The summary of the deliberations during the hearing is given below:
- (1) Sri. Sasankan Nair, Chief Engineer (Commercial & Tariff) and Smt. Seema P Nair, Assistant Executive Engineer, presented the subject petition on behalf of the petitioner KSEB Ltd. Summary of the issues raised by KSEB Ltd is given below.
 - (i) The petitions OP No. 56/2021 and 10/20212 are filed in accordance with Regulation 86 of the Tariff Regulations and also as per the order of the Commission dated 08.07.2019 in OP No. 15/2018.
 - (ii) KSEB Ltd submitted that, the variation in rates is mainly due to the following:

- Energy charge variation mainly due the price notification issued by the Coal India Limited and Singareni Collieries Limited.
 - Transportation charges of coal.
 - Variation in calorific value.
 - Dependence on import coal due to shortage of domestic coal.
 - Changes in annual maintenance schedule.
 - Unscheduled outages in generating stations as well as transmission lines.
 - Variation in Station Heat rate, normative auxiliary consumption and plant load factor for various CGS in the Tariff Regulations, 2019-24 issued by CERC in March 2019.
- (iii) KSEB Ltd further clarified that, the power allocation from CGS 1765 MW and the annual generation approved is 11706.77 MU, where the power contracted through IPPs was 1100 MW and the quantum approved is 8995 MU. KSEB Ltd further clarified that, the actual schedule of power is being done based on the merit order of variable cost, since the fixed cost has to be paid irrespective of scheduling or not.
- (iv) The Commission directed KSEB Ltd to clarify whether there is any instance of surrendering of power from CGS instead of IPPs. KSEB Ltd shall ensure to get the full schedule of the allocation from the cheaper CGS.
- (v) KSEB Ltd further submitted that, in compliance of the earlier orders of the Commission, KSEB Ltd had not claimed fuel surcharge for the three unapproved DBFOO sources for the first and second quarter of the FY 2021-22. It is clarified that since August 2020, the payment to the three unapproved DBFOO contracts was effected by limiting the tariff to that of BALCO (L1 in Bid-2) at KSEB Ltd periphery.
- (2) Sri Dijo Kappen, representing domestic consumers pointed out that, any liability arising due to laxity from the side of KSEB Ltd while entering into power purchase contracts shall not be passed on to the consumers. Sri Kappen, expressed serious concern on the high employee cost of the KSEB Ltd. The last pay revision implemented by KSEB Ltd in the year 2020-21 is without the approval of the State Government and the Commission.

The Commission clarified that as per the direction of the Hon'ble APTEL, the Commission have to consider the pay revision agreements entered into between KSEB Ltd and registered trade unions.

- (3) Sri. Saji Mathew, MRF Ltd, Sri. A.R. Satheesh and Sri Sarath representing the HT&EHT Electricity Consumers Association made a detailed presentation on the subject petitions before the Commission. They have presented a sample calculation indicating increase in savings from power purchase. They expressed reservations on scheduling power based on variable cost of power stations rather than the total purchase cost under Merit Order Dispatch. The association opined that the merit order scheduling of power should be based on total cost per unit of energy, instead of the present method of energy charge alone.

The Association pointed out that the variable cost of some CGS stations like Kudgi and Vallur were noticeably high compared to other CGS stations. KSEB Ltd could save substantial savings by optimizing the power purchase.

The HT& EHT Association also pointed out that, surrender from CGS were comparatively higher in most of the months other than April. It was clarified that even though schedule was submitted by KSEB Ltd, the overall allocation is done by SRLDC based on well-defined criteria, hence there were certain limitations for KSEB Ltd in intervening.

Analysis and Decision

6. 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 2021-22 (April 2021 to June 2021) and second quarter of the FY 2021-22 (July 2021- September 2021), the objections made by the stakeholders, additional submissions made by KSEB Ltd, 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.
7. 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.

The Section 62(4) of the Electricity Act-2003 is extracted below for ready reference.

“(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.”

8. 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."

9. The Regulation-86 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 (herein after referred as Tariff Regulations, 2018), deals with the 'Fuel Surcharge Formula' and related aspects, which is extracted below for ready reference.

"86. Fuel surcharge formula – (1) The tariff or part of any 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 in terms of the formula specified under Annexure X, by way of recovery from or refund to the consumer, so as to enable the distribution business/licensee to pass through to the consumer additional expenditure or savings due to:

(i) the difference between the actual cost of fuel and the cost of fuel approved in 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 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 a quarterly basis at the rate and the period of adjustment, as approved by the Commission based on the petition submitted by the distribution business/licensee specifically for this purpose.

(4) (a) The amount of fuel surcharge to be adjusted shall be determined by the Commission in accordance with the formula specified in Annexure X.

(b) 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.

(c) The difference between the actual cost of power purchase and the approved cost of power purchase on account of 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 thirty days after the close of each quarter, submit to the Commission a petition with all relevant details required for the approval of the amount of fuel surcharge to be adjusted from the consumers and the rate and period of such adjustment:

Provided that 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 maybe.

(8) The adjustment on account of fuel surcharge as approved by the Commission shall be affected 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 consumers in the State except the domestic consumers with connected load of and below 500 W and having monthly consumption of and below 20 units.

(10) The Commission may decide appropriate rate and period of adjustment of the amount of fuel surcharge, considering the impact on the tariff of consumers.

(11) (a) The distribution business/licensee shall submit to the Commission, 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.

(b) The distribution business/licensee shall submit to the Commission, 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.

(c) The month-wise details as specified in clauses (a) and (b) above, shall be submitted in the Form-I as specified in Annexure-X to these Regulations, on a quarterly basis.

(12) (a) Distribution licensees who purchase electricity from KSEB Limited in bulk for retail sale, 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 retail sale of energy to facilitate the estimation of fuel surcharge.

(b) KSEB Limited shall consolidate the details of such retail sales and indicate with calculations, the provisional amount and rate of fuel surcharge to be adjusted along with the details in Annexure X.

(13) The distribution licensees who purchase electricity in bulk from KSEB Limited shall promptly adjust with KSEB Limited on a monthly basis, the amount of fuel surcharge adjusted from their consumers.

(14) The Commission may seek additional information or any documents, if any, required from the distribution business/licensee and the distribution business/licensee shall submit the details within the time limit stipulated by the Commission.

10. The fuel surcharge formula specified under Annexure X to the Tariff Regulations, 2018 is extracted below.

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***

E = Energy billed for retail sale to the consumers other than the domestic consumers with connected load of and below 500 W and consumption of and below 20 kWh, in the relevant quarter, based on the approved level of transmission and distribution loss

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

$$= \sum_1^n Qg \times (R1 - R2)$$

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

$$= \sum_1^n Qp \times (P1 - P2)$$

(Fg and Fp shall be calculated for each station month-wise and added up)

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

Qg = Quantity of fuel used for generation of electricity in own stations

= (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

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

R1 = Actual price of fuel in rupees per metric ton

R2 = Approved price of fuel in rupees per metric ton

P1 = Actual price of purchased energy in rupees per kWh

P2 = Approved price of purchased energy in rupees per kWh

11. The Commission vide the paragraph 7.13 of the Order dated 08.07.2019 in OA No.15/2018 has directed KSEB Ltd to strictly comply with the Regulation 86 of the Tariff Regulations, 2018 in filing the petition on fuel surcharge.

12. The Commission vide Order dated 08.07.2019 in OA No. 15/2018 in the matter of approval of the 'ARR, ERC and Tariff for the MYT period 2018-19 to 2021-22' 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.

Further, the Commission vide letter dated 06.08.2019 has communicated to KSEB Ltd the month wise details of the energy schedule approved from each of the CGS and long-term contracts during the MYT period from 2018-19 to 2021-22.

The provisions for recovery of fuel surcharge in the Tariff Regulations 2018, is to recover the additional liability incurred by the licensee on the purchase of power or to pass on the savings 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.-

Fuel surcharge for approved contracts as per the MYT order dated 08.07.2019

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13. 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 08.07.2019 in OA No. 15/2018 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-21	289.76	267.32	267.32	267.32	1.8	1.912	2.99	2.99
May-21	299.42	248.99	248.99	248.99	1.8	1.8	0	0.00
Jun-21	289.76	249.44	249.44	249.44	1.8	1.902	2.54	2.54
Total	878.94	765.74	765.74	765.75	1.80	1.87	5.54	5.54

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-21	164.66	146.33	146.33	146.33	2.6	2.474	-1.84	-1.84
May-21	153.95	93.59	93.59	93.59	2.6	2.576	-0.22	-0.22
Jun-21	125.46	101.69	101.69	101.69	2.6	2.568	-0.33	-0.33
Total	444.07	341.61	341.61	341.61	2.6	2.53	-2.39	-2.39

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-21	41.39	41.03	41.03	41.03	2.54	2.426	-0.47	-0.47
May-21	42.77	31.28	31.28	31.28	2.54	2.542	0.01	0.01
Jun-21	41.39	32.65	32.65	32.65	2.54	2.535	-0.02	-0.02
Total	125.55	104.95	104.95	104.96	2.54	2.494	-0.48	-0.48

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-21	27.22	37.31	27.22	27.22	2.75	2.64	-0.41	-0.30
May-21	35.86	24.83	24.83	24.83	2.75	2.637	-0.28	-0.28
Jun-21	27.22	20.16	20.16	20.16	2.75	2.637	-0.23	-0.23
Total	90.30	82.30	72.21	72.21	2.75	2.64	-0.92	-0.81

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-21	50.72	41.49	41.49	41.49	2.74	2.64	-0.41	-0.41
May-21	52.41	26.53	26.53	26.53	2.74	2.64	-0.27	-0.27
Jun-21	38.04	33.10	33.10	33.10	2.74	2.64	-0.34	-0.34
Total	141.17	101.12	101.12	101.12	2.74	2.64	-1.03	-1.03

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-21	38.35	23.25	23.25	23.25	2.54	2.43	-0.26	-0.26
May-21	39.63	34.18	34.18	34.18	2.54	2.41	-0.45	-0.45
Jun-21	38.35	28.60	28.60	28.60	2.54	2.41	-0.38	-0.38
Total	116.33	86.03	86.03	86.03	2.54	2.41	-1.09	-1.09

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-21	24.77	37.26	24.77	24.77	2.54	2.54	-0.01	-0.01
May-21	25.60	26.74	25.60	25.60	2.54	2.54	-0.01	-0.01
Jun-21	24.77	30.73	24.77	24.77	2.54	2.54	-0.01	0.00
Total	75.14	94.74	75.14	75.14	2.54	2.54	-0.02	-0.02

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-21	51.46	28.97	28.97	28.97	3.01	2.93	-0.23	-0.23
May-21	53.18	12.15	12.15	12.15	3.01	2.855	-0.19	-0.19
Jun-21	28.28	8.97	8.97	8.97	3.01	2.818	-0.17	-0.17
Total	132.92	50.09	50.09	50.09	3.01	2.892	-0.59	-0.59

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-21	20.58	29.65	20.58	20.58	3.26	3.28	0.05	0.03
May-21	31.90	8.93	8.93	8.93	3.26	3.01	-0.22	-0.22
Jun-21	30.87	14.29	14.29	14.29	3.26	3.01	-0.36	-0.36
Total	83.35	52.88	43.80	43.80	3.26	3.16	-0.53	-0.55

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-21	44.80	41.40	41.40	41.40	3.34	3.01	-1.35	-1.35
May-21	46.30	20.50	20.50	20.50	3.34	3.03	-0.64	-0.64
Jun-21	22.11	17.72	17.72	17.72	3.34	3.08	-0.46	-0.46
Total	113.21	79.62	79.62	79.62	3.34	3.03	-2.45	-2.45

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-21	66.24	37.78	37.78	37.78	4.06	3.60	-1.73	-1.73
May-21	68.45	0.00	0.00	0.00	4.06	0.00	0.00	0.00
Jun-21	66.24	2.28	2.28	2.28	4.06	2.98	-0.25	-0.25
Total	200.93	40.06	40.06	40.06	4.06	3.57	-1.98	-1.98

Table-19
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-21	99.31	97.22	97.22	97.22	2.48	2.20	-2.75	-2.75
May-21	102.62	91.31	91.31	91.31	2.48	2.41	-0.65	-0.65
Jun-21	99.31	88.86	88.86	88.86	2.48	2.38	-0.87	-0.87
Total	301.24	277.39	277.39	277.39	2.48	2.33	-4.27	-4.27

Table-20
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-21	99.31	97.21	97.21	97.21	2.48	2.20	-2.75	-2.75
May-21	102.62	91.30	91.30	91.30	2.48	2.41	-0.65	-0.65
Jun-21	99.31	88.86	88.86	88.86	2.48	2.38	-0.87	-0.87
Total	301.24	277.37	277.37	277.37	2.48	2.33	-4.27	-4.27

Table-21
DVC Meija

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-21	63.44	58.46	58.46	58.46	2.5546	2.779	1.30	1.31
May-21	65.56	52.97	52.97	52.97	2.5546	2.811	1.35	1.36
Jun-21	63.44	51.29	51.29	51.29	2.5546	2.841	1.46	1.47
Total	192.44	162.7	162.72	162.72	2.5546	2.809	4.10	4.14

Table-22
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-21	31.30	22.48	22.48	22.48	2.39	2.94	1.24	1.24
May-21	32.35	15.52	15.52	15.52	2.39	3.10	1.10	1.11
Jun-21	31.30	19.70	19.70	19.70	2.39	3.03	1.26	1.26
Total	94.95	57.70	57.70	57.70	2.39	3.01	3.60	3.61

Table-23
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-21	123.12	135.37	123.12	123.12	1.34	1.32	-0.23	-0.21
May-21	127.22	89.24	89.24	89.24	1.34	1.32	-0.15	-0.15
Jun-21	123.12	106.58	106.58	106.58	1.34	1.32	-0.18	-0.18
Total	373.46	331.19	318.93	318.94	1.34	1.32	-0.56	-0.54

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-21	61.56	61.57	61.56	61.56	1.242	1.17	-0.44	-0.44
May-21	63.61	46.83	46.83	46.83	1.242	1.17	-0.34	-0.34
Jun-21	61.56	52.81	52.81	52.81	1.242	1.17	-0.38	-0.38
Total	186.73	161.21	161.19	161.20	1.242	1.17	-1.16	-1.16

OP No. 10/2022, Fuel Surcharge for the second quarter (July-2021 to September 2021) of the FY 2021-22

14. The month wise details of the quantum of power purchase and variable cost from the approved sources as per the ARR&ERC and the Tariff Order dated 08.07.2019 in OA No. 15/2018 and the actuals are detailed in the subsequent paragraphs.

Table-27
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-21	224.57	199.28	199.28	199.28	1.8	1.874	1.47	1.47
Aug-21	299.42	197.2	197.2	197.20	1.8	1.777	-0.45	-0.45
Sep-21	217.32	243.79	217.32	217.32	1.8	1.739	-1.49	-1.33
Total	741.31	640.27	613.80	613.80	1.80	1.79	-0.47	-0.30

Table-28
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-21	153.95	87.29	87.29	87.29	2.60	2.67	0.57	0.57
Aug-21	129.64	124.15	124.15	124.15	2.60	2.56	-0.35	-0.50
Sep-21	164.66	130.08	130.08	130.08	2.60	2.67	0.88	0.88
Total	448.25	341.53	341.53	341.52	2.60	2.63	1.10	0.96

Table-29
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-21	0	29	0.00	0.00	2.54	2.613	0.21	0.00
Aug-21	42.77	38.66	38.66	38.66	2.54	2.515	-0.10	-0.10
Sep-21	41.39	38.5	38.50	38.50	2.54	2.633	0.36	0.36
Total	84.16	106.16	77.16	77.16	2.54	2.585	0.47	0.26

Table-30
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-21	35.86	16.84	16.84	16.84	2.75	2.65	-0.18	-0.18
Aug-21	35.86	17.49	17.49	17.49	2.75	2.65	-0.17	-0.17
Sep-21	34.70	20.02	20.02	20.02	2.75	2.66	-0.19	-0.19
Total	106.42	54.34	54.34	54.35	2.75	2.65	-0.53	-0.53

Table-31
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-21	52.41	27.67	27.67	27.67	2.74	2.65	-0.26	-0.26
Aug-21	39.31	47.27	39.31	39.31	2.74	2.65	-0.41	-0.34
Sep-21	50.72	46.72	46.72	46.72	2.74	2.66	-0.40	-0.40
Total	142.44	121.66	113.70	113.70	2.74	2.65	-1.07	-1.00

Table-32
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-21	20.5	16.53	16.53	16.53	2.54	2.402	-0.23	-0.23
Aug-21	39.63	30.35	30.35	30.35	2.54	2.409	-0.40	-0.40
Sep-21	38.35	30.65	30.65	30.65	2.54	2.409	-0.40	-0.40
Total	98.48	77.52	77.52	77.53	2.54	2.408	-1.03	-1.03

Table-33
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-21	25.60	16.20	16.20	16.20	2.54	2.58	0.06	0.06
Aug-21	15.71	11.27	11.27	11.27	2.54	2.55	0.01	0.01
Sep-21	15.20	19.43	15.20	15.20	2.54	2.55	0.02	0.01
Total	56.51	46.90	42.66	42.67	2.54	2.56	0.08	0.08

Table-34
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-21	53.18	29.64	29.64	29.64	3.01	2.80	-0.63	-0.63
Aug-21	29.22	45.84	29.22	29.22	3.01	2.81	-0.94	-0.60
Sep-21	51.46	42.29	42.29	42.29	3.01	2.99	-0.08	-0.08
Total	133.86	117.77	101.15	101.15	3.01	2.87	-1.66	-1.32

Table-35
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-21	31.90	14.87	14.87	14.87	3.26	3.17	-0.14	-0.14
Aug-21	31.90	14.09	14.09	14.09	3.26	2.92	-0.48	-0.48
Sep-21	21.07	18.58	18.58	18.58	3.26	3.13	-0.24	-0.24
Total	84.87	47.53	47.53	47.54	3.26	3.08	-0.85	-0.85

Table-36
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-21	46.30	21.04	21.04	21.04	3.34	3.06	-0.58	-0.58
Aug-21	46.30	30.52	30.52	30.52	3.34	3.03	-0.94	-0.94
Sep-21	44.80	17.10	17.10	17.10	3.34	2.84	-0.85	-0.85
Total	137.40	68.66	68.66	68.66	3.34	3.00	-2.37	-2.37

Table-37
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-21	57.04	7.36	7.36	7.36	4.06	3.187	-0.64	-0.64
Aug-21	57.04	25.02	25.02	25.02	4.06	3.532	-1.32	-1.32
Sep-21	55.20	32.30	32.30	32.30	4.06	3.515	-1.76	-1.76
Total	169.28	64.68	64.68	64.68	4.06	3.484	-3.72	-3.72

Table-38
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-21	102.62	93.06	93.06	93.06	2.48	2.462	-0.17	-0.17
Aug-21	102.62	98.09	98.09	98.09	2.48	2.688	2.04	2.04
Sep-21	99.31	96.08	96.08	96.08	2.48	2.766	2.75	2.75
Total	304.55	287.23	287.23	287.23	2.48	2.641	4.62	4.62

Table-39
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-21	102.62	93.06	93.06	93.06	2.48	2.462	-0.17	-0.17
Aug-21	102.62	98.09	98.09	98.09	2.48	2.688	2.04	2.04
Sep-21	99.31	96.08	96.08	96.08	2.48	2.766	2.75	2.75
Total	304.55	287.2	287.23	287.23	2.48	2.641	4.62	4.62

Table-40
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-21	65.56	53.20	53.20	53.20	2.56	2.89	1.77	1.77
Aug-21	0.00	44.25	0.00	0.00	2.56	2.91	1.57	0.00
Sep-21	63.44	44.53	44.53	44.53	2.56	2.96	1.79	1.79
Total	129.00	141.98	97.74	97.73	2.56	2.92	5.13	3.56

Table-41
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-21	32.35	18.13	18.13	18.13	2.39	3.07	1.24	1.24
Aug-21	32.35	20.78	32.35	20.78	2.39	3.13	7.26	1.54
Sep-21	31.30	19.66	19.66	19.66	2.39	3.07	1.33	1.33
Total	96.00	58.70	70.14	58.57	2.39	3.11	9.83	4.11

Table-42
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-21	63.61	52.74	52.74	52.74	1.242	1.17	-0.38	-0.38
Aug-21	63.61	48.13	48.13	48.13	1.242	1.17	-0.35	-0.35
Sep-21	61.56	7.95	7.95	7.95	1.242	1.16	-0.07	-0.07
Total	188.78	108.82	108.82	108.82	1.242	1.169	-0.79	-0.79

Fuel surcharge for provisionally approved DBFOO contracts

15. The Commission has noted that, in the present petition for fuel surcharge, KSEB Ltd has claimed fuel surcharge for the provisionally approved DBFOO contract, i.e., for the purchase of 115MW power M/s Jhabua Power Ltd- L2 of Bid-1 contract.
16. The Commission's observations and findings on this claim of KSEB Ltd is given below.
- (i) KSEB Ltd in its letter 15.11.2016 had requested the Commission to take appropriate decision relating to the purchase of 115 MW of power from the L2 bidder of Bid 1, i.e., M/s Jhabua Power Ltd. The Commission in the Order dated 22-12-2016, had provisionally approved the purchase of 115 MW of power from Jhabua Power Ltd, L2 bidder of Bid 1, in view of the facts, circumstances and urgency explained by KSEB Ltd and in view of the decision of Government of Kerala in GO (Rt) No.238/2016/PD dated 31.11.2016. Relevant portion of the Order is given below:
"In view of the facts, circumstances and urgency explained by KSEB Ltd and in view of the decision of Government of Kerala in GO (Rt) No.238/2016/PD dated 31.11.2016, the Commission hereby approves provisionally the purchase of 115 MW of power by KSEB Ltd from M/s Jhabua Power Ltd at the rate of Rs.4.15 /kWh as per the power purchase agreement dated 31.12.2014, subject to the clearance from Government of India and subject to the final decision of the Hon'ble High Court in Writ Petition No. WP (C) 33100/2014."
- (ii) As mentioned above, the Commission had only given a conditional provisional approval for purchase of power from M/s Jhabua Power Ltd, subject to the approval of the Central Government on this matter. In the meantime, in response to the request of Government of Kerala, the Ministry of Power, vide its letter dated 18.11.2016 clarified that,

“the deviations as pointed out by the KSERC would have been got vetted and approved by the before the issuance of RFQ, RFP and PSA and not at this stage. As per the Guidelines deviations on the provisions of the bidding documents are approved if necessary and not the actions taken by the utility as per practice or precedent.”

- (iii) Further, the Central Government vide the letter dated 11th December 2019, reiterated the same position and clarified as follows.

“The views of Ministry of Power as communicated earlier vide letter dated 18.11.2016 are reiterated. The deviations as pointed out by KSERC would have been got vetted and approved by the Central Government before issuance of RFQ, RFP and PSA and not at this stage. Government of Kerala/ KSEB Ltd may take actions as appropriate in consultation with KSERC.”

- (iv) The Commission also noted that while the Central Government had refused to approve the unauthorized deviations by KSEB Ltd in the tender process, the State Government has neither approved the deviations pointed out by KSERC nor accorded final approval to the purchase of the unapproved DBFOO contracts. Further, the approval for any deviations from the standard bidding documents could be issued only by the Ministry of Power, Government of India. However, as stated above, the Ministry of Power already refused the request of the State Government twice to approve post facto the deviations made by KSEB Ltd.

- (v) In view of the fact that the Central Government has affirmatively communicated that, it shall not grant approval for the deviations made by KSEB Ltd in accepting the L2 bid of Bid-1 at a rate higher than the L1 rate of this bid, the Commission is of the firm view that the tender finalisation procedure adopted by KSEB Ltd and its further actions of entering into a PSA did not comply with the requirements of Section 63 of the Electricity Act, 2003, which is reproduced below

“63. Determination of tariff by bidding process, - Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government’.

Under such circumstances, the Commission cannot admit the fuel surcharge for the purchase of power based on the provisionally approved PSA from the L2 bidder of Bid-1 M/s Jhabua Power Ltd (115 MW).

Fuel surcharge for unapproved DBFOO contracts

17. The Commission has also examined in detail the power purchase submitted by KSEB Ltd from the following three unapproved DBFOO contracts of Bid-2 for the MYT period from 2018-19 to 2021-22.
- (i) 150MW from Jindal Power Limited
 - (ii) 100MW from Jindal India Thermal Limited
 - (iii) 100 MW from Jhabua Power Limited.

18. KSEB Ltd submitted that, it had not claimed fuel surcharge for unapproved DBFOO contracts during first and second quarter of the FY 2021-22, in view of the Order of the Commission dated 14.02.2020 in OA No. 29/2019 in the matter of fuel surcharge for the period from April-2019 to June 2019. The relevant portion of the order is extracted below.

“25. KSEB Ltd has claimed fuel surcharge for the following DBFOO contracts of Bid-2 invited by KSEB Ltd, for which the Commission neither granted approval of the PPA nor adopted the tariff as per Section 63 of the Electricity Act, 2003.

(i) 100 MW power from M/s Jindal India Thermal Power Ltd, New Delhi.

(ii) 100 MW from M/s Jhabua Power Limited.

(iv) 150 MW from M/s Jindal Power Limited.

The Commission, vide the letter dated 22.12.2017 allowed KSEB Ltd to schedule the above contracted power, in view of the order of the State Government GO (Ms) No. 22/2017/PD dated 21.10.2017,. The Commission had in the said letter clearly mentioned that, the approval of the power purchase mentioned above including the rate of the DBFOO contracts shall be given, only after getting approvals from Government of India for the deviations from the standard bidding documents issued by Ministry of Power, Government of India and after getting the approval of the Government of Kerala on the entire power purchase under DBFOO.

While approving the ARR, ERC and Tariff for the MYT period 2018-19 to 2021-22, the Commission stated as follows.

“Hence the Commission has considered scheduling power from the three projects of Bid-2, ie., 100 MW of power from M/s Jindal India Thermal Power Ltd, New Delhi, 100 MW of power from M/s Jhabua Power Limited and 150 MW of power M/s Jindal Power Limited for the limited purpose of estimating the ARR&ERC for the control period. Since the required approvals from Gol and State Government is still awaited, the Commission is constrained to use the rate equivalent to the cost of power from Balco, which is the L1 of Bid 2. The Commission emphasises that this consideration is only for the purposes of estimating the cost of power provisionally in the ARR and shall not be construed as an approval of the power purchase, rate or of the PPA itself as per Section 63 of the Act which can be considered only after the fulfilment of conditions specified by the Commission in its order dated 31-8-2016”.

The Commission noticed from the invoices and other documents submitted by KSEB Ltd that, the actual tariff paid by KSEB Ltd for procuring power from these three sources were much higher and amounted to Rs.22.38 crore more when compared to the L1 rate of Rs.4.15 per unit paid to BALCO which is the L1 of Bid-2. As mentioned above, the Commission vide its order dated 22.12.2017 had allowed KSEB Ltd, to schedule the contracted power from these three generators subject to conditions and while approving the ARR & ERC and tariff for the MYT period 2018-19 to 2021-22, the Commission had considered the rate equivalent to the cost of power from BALCO for estimating the cost of power provisionally from these three generators. The Commission reiterate that, during the truing up of accounts for the respective financial years, such excess amount incurred for procuring power from these three generators shall not be considered, unless KSEB Ltd gets the approval of power purchase from Government of India for the deviations from the guidelines and on getting the approval of the Government of Kerala on the entire power purchase under DBFOO.”

19. Similar Order was issued in OA 02/2020 vide Order dated 27.04.2020 in the matter of fuel surcharge the period July 2019 to September 2019 of KSEB Ltd.
20. In response to the above orders, KSEB Ltd filed a review petitions No RP 02/2020 and RP 04/2020. The Commission after due process including conduct of public hearing through video conference on 15.07.2020 had dismissed the review petition and ordered vide Common Order dated 14.08.2020 as follows.

“

24. Commission, after detailed examination of the Review Petitions RP No.02/2020 and RP No.04/2020 as per the provisions of the Electricity Act, 2003 and Regulations in force as detailed in the preceding paragraphs, here by orders the following.

(1) The first prayer of the petition RP No. 02/2020 ‘to review the order dated 14.02.2020 in Petition OA No. 29/2019 and allow passing on the additional fuel cost incurred against PSAs with Jindal India Thermal Power Ltd, Jindal Power Ltd and Jhabua Power Ltd under Bid 2 of DBFOO’ is hereby rejected.

(2) The first prayer of the petition RP No. 04/2020 ‘to review the order dated 27.04.2020 in Petition OA No. 02/2020 and allow passing on the additional fuel cost incurred against PSAs with Jindal India Thermal Power Ltd, Jindal Power Ltd and Jhabua Power Ltd under Bid 2 of DBFOO’ is hereby rejected.

(3) Second prayer of both the Review Petitions RP No. 02/2020 and RP No. 04/2020 is ‘to “(2) To issue appropriate directions on the drawal of power contracted against these PSAs if Hon’ble Commission is not inclined to pass on the liabilities of 350MW PSAs executed on DBFOO basis under Bid 2.” This is a new issue raised by KSEB Ltd, which was neither included nor deliberated in the original petitions OA 29/209 and OA No. 02/2020. Hence this prayer cannot be decided through Review Petitions filed by KSEB Ltd and the prayer is rejected.’

21. The above orders make it very clear that the Commission has strictly prohibited KSEB Ltd from paying any unit energy charge to the unapproved DBFOO contracts at a rate higher than that paid to BALCO i.e., the L1 of Bid-2 at Kerala periphery.
22. The Commission reiterate that, while truing up of accounts of the year 2021-22, the excess amount, if any, incurred for the purchase of power from the above provisionally approved/unapproved DBFOO contracts shall not be considered.
23. Based on the above, the summary of the fuel surcharge claimed by KSEB Ltd for the first quarter of the FY 2021-22 and the same admissible as per the Tariff Regulations, 2018 is given below.

Table-26
Summary of the fuel surcharge claimed by KSEB LTD for the first quarter of the FY 2021-22

Sources	Quantum (MU)				Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Claimed by KSEB Ltd	Approved for recovery as 'FS'
Talcher-II	878.94	765.74	765.74	765.75	5.54	5.54
Ramagundam I&II	444.07	341.61	341.61	341.61	-2.39	-2.39
Ramagundam-III	125.55	104.95	104.95	104.96	-0.48	-0.48
NLC TPS-II Stage-1	90.30	82.30	72.21	72.21	-0.92	-0.81
NLC TPS-II Stage-2	141.17	101.12	101.12	101.12	-1.03	-1.03
NLC-1 Expansion	116.33	86.03	86.03	86.03	-1.09	-1.09
NLC-II Expansion	75.14	94.74	75.14	75.14	-0.02	-0.02
Simhadri	132.92	50.09	50.09	50.09	-0.59	-0.59
Vallur STPS	83.35	52.88	43.80	43.80	-0.53	-0.55
NTPL	113.21	79.62	79.62	79.62	-2.45	-2.45
NTPC Kudugi	200.93	40.06	40.06	40.06	-1.98	-1.98
Maithon-1	301.24	277.39	277.39	277.39	-4.27	-4.27
Maithon-2	301.24	277.37	277.37	277.37	-4.27	-4.27
DVC-Mejia	192.44	162.72	162.72	162.72	4.10	4.10
DVC-Regunathpur	94.95	57.70	57.70	57.70	3.60	3.61
JPL- 200 MW - Bid1	373.46	331.19	318.93	318.94	-0.56	-0.54
BALCO - Bid2	186.73	161.21	161.19	161.20	-1.16	-1.16
Jhabua - 115 MW- Bid1	214.73	175.94	175.94	175.94	-0.57	0.00
Total	4066.70	3242.66	3191.61	3191.65	-9.07	-8.38

As detailed above, as per the provisions of the Tariff Regulations, 2018, there is a savings in power purchase of Rs 8.38 Cr due to changes in variable cost over the approval.

24. The summary of the fuel surcharge claimed by KSEB Ltd for the second quarter of the FY 2021-22 and the same admissible as per the Tariff Regulations, 2018 is given below.

Table-43
Summary of the fuel surcharge claimed by KSEB Ltd for the second quarter of the FY 2021-22

Sources	Quantum (MU)				Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Claimed by KSEB Ltd	Approved for recovery as 'FS'
Talcher-II	741.31	640.27	613.80	613.80	-0.47	-0.30
Ramagundam I&II	448.25	341.53	341.53	341.52	1.10	0.96
Ramagundam-III	84.16	106.16	77.16	77.16	0.47	0.26

Sources	Quantum (MU)				Addl liability as FS (Rs.Cr)	
	Approved	Actual	Claimed by KSEB L for 'FS'	Eligible for 'FS' as per Regulation	Claimed by KSEB Ltd	Approved for recovery as 'FS'
NLC TPS-II Stage-1	106.42	54.34	54.34	54.35	-0.53	-0.53
NLC TPS-II Stage-2	142.44	121.66	113.70	113.70	-1.07	-1.00
NLC-1 Expansion	98.48	77.52	77.52	77.53	-1.03	-1.03
NLC-II Expansion	56.51	46.90	42.66	42.67	0.08	0.08
Simhadri	133.86	117.77	101.15	101.15	-1.66	-1.32
Vallur STPS	84.87	47.53	47.53	47.54	-0.85	-0.85
NTPL	137.40	68.66	68.66	68.66	-2.37	-2.37
NTPC Kudugi	169.28	64.68	64.68	64.68	-3.72	-3.72
Maithon-1	304.55	287.23	287.23	287.23	4.62	4.62
Maithon-2	304.55	287.23	287.23	287.23	4.62	4.62
DVC-Mejia	129.00	141.98	97.74	97.73	5.13	3.56
DVC-Regunathpur	96.00	58.70	70.14	58.57	9.83	4.11
JPL- 200 MW - Bid1	377.56	339.33	339.33	339.33	-0.46	-0.46
BALCO - Bid2	188.78	108.82	108.82	108.82	-0.79	-0.79
Jhabua - 115 MW- Bid1	217.09	175.89	175.89	175.89	-0.26	0.00
Total	3820.51	3086.20	2969.11	2957.56	12.64	5.82

As detailed above, as per the provisions of the Tariff Regulations, 2018, KSEB Ltd is eligible to recover Rs 5.82 crore as fuel surcharge during the second quarter of 2021-22.

25. As detailed in the preceding paragraphs, the total fuel surcharge eligible to pass on to the consumers in the first and second quarter of the FY 2021-22 is detailed below.

Table-44

Summary of the fuel surcharges= eligible to pass on to the consumers in the first and second quarter of the year 2021022

Sl No	Particulars	Amount (Rs. Cr)
1	Savings in fuel cost approved for the first quarter of the FY 2021-22 (OP No. 56/2021)	-8.38
2	Fuel surcharge approved for the second quarter of the FY 2021-22 (OP No. 10/2022)	5.82
	Total	-2.56

As detailed above, there is a net savings of Rs 2.56 crore as fuel surcharge in power purchase cost due to changes in variable cost over the approval. Since the overall savings in cost of power purchase as approved as above is negligibly small, the Commission may take appropriate decision on passing the

savings to the consumers along with the orders on approval of fuel surcharge for the third and fourth quarters of the FY 2021-22.

Orders of the Commission

26. Based on the petitions filed by KSEB Ltd for the approval of the fuel surcharge for the first and second quarter of the FY 2021-22, the objections raised by the stake holders, the additional details submitted by the petitioner, and after having duly considering the provisions of the Electricity Act, 2003 and the Tariff Regulations 2018, the Commission hereby orders the following.
- (1) The net savings in fuel cost, to be passed on to the consumers for the first quarter of the FY 2021-22 is Rs 8.38 crore.
 - (2) The amount admissible for recovery as fuel surcharge for the second quarter of the FY 2021-22 is Rs 5.82 crore.
 - (3) The net savings approved, and to be passed on to the consumers as on 30.09.2021 is Rs 2.56 crore.
 - (4) Since the overall savings in cost of power purchase as approved as above is negligibly small, the Commission may take appropriate decision on passing the savings to the consumers along with the orders on approval of fuel surcharge for the third and fourth quarters of the FY 2021-22.
 - (5) The Commission hereby orders that, while truing up of accounts of the year 2021-22, the excess amount over and above the L1 rate at Kerala periphery paid in the provisionally approved/ unapproved PSAs, if any, for the purchase of power from the above provisionally approved/ unapproved DBFOO contracts shall not be considered in the process of Truing up of accounts of KSEB Ltd for the FY 2021-22.

The petition OP Nos 56/2021 and OP No. 10/2022 stands disposed of.
Ordered accordingly.

Sd/-
Adv A J Wilson
Member (Law)

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary

List of stakeholders participated in the public hearing held on 15.02.2022

1. Sri. Sasankan Nair, Chief Engineer (Commercial & Tariff), KSEB Ltd
2. Smt. Seema P Nair, AEE, TRAC, KSEB Ltd
3. Sri. Arun, PTC
4. Sri. Prabhakaran K.V, HT & EHT Association
5. Sri. Rajesh J Kuruvilla, Carborandum
6. Sri. Viswanathan K, HT & EHT Association
7. Sri. A.R Satheesh, President, HT & EHT Association
8. Sri. Shaji Sebastian, Electrical Consultant
9. Smt. Neenu Skaria, Electrical Consultant
10. Sri. Renjith Jacob, Appolo Tyres, Perumbavoor
11. Sri. Saju Thomas, Cochin Refinery
12. Sri. Saji Mathew, MRF Ltd
13. Sri. Dejo Kappan, Pala
14. Sri. Aneesh R, Appolo Tyres, Kalamassery
15. Sri Sarath, FACT