

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



**KARNATAKA ELECTRICITY
REGULATORY COMMISSION**

ಸಂಖ್ಯೆ : 16ಸಿ-1, ಮಿಲ್ಲರ್ ಟ್ಯಾಂಕ್ ಬೆಡ್ ಏರಿಯ
ವಸಂತನಗರ, ಬೆಂಗಳೂರು-560 052

No. 16 C-1, Miller Tank Bed Area
Vasanthanagara, Bengaluru-560 052.

B/08/21/1195

Date: 15th December, 2021

The Managing Director,
AEQUS SEZ Pvt, Limited,
No.437/A, Hattargi Village,
Hukkeri Taluk,
Belagavi-591243

Sir,

**Sub: Preliminary observation on AEQUS's application for approval of APR for
FY21 and ARR for FY23 to FY25.**

Ref: Your letter No. ASEZ/2021-22/076, Dated: 30-11-2021

Please refer to the letter cited above, wherein, AEQUS has submitted the application for the approval of the Annual Performance Review (APR) for FY21 and ARR for the control period FY23 to FY25. I am directed to inform AEQUS that after scrutiny of the application, the Commission has made certain preliminary observations and the same are enclosed to this letter.

AEQUS is requested furnish clarifications/additional information/compliance to these observations within ten days from the date of this letter to enable the Commission to take further necessary action in the matter.

Yours faithfully


Secretary

for Karnataka Electricity Regulatory Commission

AEQUS SEZ

Preliminary Observations on the Applications filed by the AEQUS for approval of APR for FY21 and ARR for FY23-FY25 & Retail Supply Tariff for FY23 under MYT Framework

1. APR for FY21:

a. Reduction in Sales during FY21:

1. The Commission, in its Tariff Order dated 04.11.2020 had approved sales of 27.904 MU for FY21 as proposed by the AEQUS SEZ. The actual sales as per current filing is 21.415 MU, indicating a decrease in sales of 6.489 MU with respect to the approved sales. AEQUS has stated that their campus is catering to Aerospace sector which was severely affected by COVID pandemic and as a result there was a reduction in contract demand by 4.24kVA and reduction in sales by 6.49MU. It is stated that the aerospace industry would take 3 to 4 years to recover from the impact of COVID.

The AEQUS has attributed the reduction in sale in FY21 to COVID19, which is noted by the Commission.

2. The Preliminary observations of the Commission on sales estimates are as follows:

i) FY21 sales:

- a. The Commission notes that at page -7 of the filing, 2-consumers are indicated under 'construction activity' consuming 0.37 MU for FY22 upto September, whereas at Table -1, the number of installations is indicated as zero for FY21 under 'Construction'. This shall be reconciled. Further, for FY21 the sales under 'construction activity' are zero. AEQUS SEZ shall clarify as to whether in FY21 no construction activity was going on.

c. In the annexure, data is furnished for consumers at Sl. No. 21, 14,18,17,15,11,7,12,10,13,8,19 and 16 only. AEQUS shall furnish the details obtained from other consumers regarding the sales estimates for the control period.

4. Wheeling Charges and Cross Subsidy Surcharge:

AEQUS SEZ has requested the Commission to follow the previous year methodology, as there are no OA consumers. The Commission notes that AEQUS SEZ has segregated its cost between distribution business and retail supply business. **As such AEQUS SEZ may consider working out the wheeling charges, CSS and Additional surcharge considering its own costs and furnish the same to the Commission.**

5. RPO Compliance

AEQUS shall furnish RPO compliance for FY21.
