

**Bihar Electricity Regulatory Commission
Patna**

Case No. FPPCA 03/2011

In the matter of

**Fuel and Power Purchase Cost Adjustment (FPPCA) charges for the
month of June, 2011 (01.06.2011 to 30.06.2011)**

AND

In the matter of

Bihar State Electricity Board Applicant

**Present : U. N. Panjiar – Chairman
 R. N. Sharma – Member
 S. C. Jha – Member**

Dated: 03/09/2011

ORDER

1. The Bihar State Electricity Board [hereinafter referred to as 'BSEB' or 'Board'] has filed application vide letter no. Com/Misc/82/2011-1101 dated 12.07.2011 for approval of levy of Fuel and Power Purchase Cost Adjustment (FPPCA) charges to the consumers for the period from 01.06.2011 to 30.06.2011 i.e for the month of June, 2011 in terms of FPPCA formula stipulated in the Tariff Order dated 01.06.2011 for the FY 2011-12 of the Commission [hereinafter referred to as 'Tariff Order']. BSEB has sought approval for levy of FPPCA @ 124paise/kWh to its consumers except exempted categories to recover a total cost of Rs. 75.679 crores.
2. Board vide its letter no. Com/Misc.-99/2011-1133 dated 21.07.2011 submitted bills of different source of power purchase and detail of fuel (coal + oil) consumption of BTPS for the month of June, 2011.
3. The Board in its filing has stated that due to enhanced cost of power purchase from generating units of NTPC at Farakka, Kahalgaon and

Talchar Power Stations, the proposal for approval to levy FPPCA charges has been submitted :

4. (a) As per submission of the Board in their letter No. 1101 dated 12.07.2011 source-wise scheduled power purchase (MU) and the total cost incurred during the period 01.06.2011 to 30.06.2011 are detailed in Table below.

Table

Sl.No.	Source from which power purchased	Total Power Purchase MU	Total Purchase Cost Rs. Crore	Average Rate (4÷3) Rs./kWh
1	2	3	4	5
1	Farakka (T)	276.097	127.695	4.63
2	Kahalgaon Stage-I (T)	163.356	62.391	3.82
3	Kahalgaon Stage-II (T)	33.536	14.874	4.44
4	Talchar (T)	185.608	74.474	4.01
5	Chukka (HE)	58.463	9.295	1.59
6	Tala (PTC)	102.091	18.785	1.84
7	NHPC (Rangeet)	11.816	1.821	1.54
8	NHPC (Tista)	65.300	8.412	1.29
9	BHPC	0.682	0.169	2.48
10	Kanti BUNL	– (0.157)	– (0.057)	3.63
11	Sugar Mills	Nil	Nil	Nil
12	PGCIL Tr. & RLDC charges		16.186	
13	Total	896.792	334.045	3.72488

- (b) On query by the Commission BSEB submitted additional data/information vide letter Com/Misc./-99/2011-1373 dated 26.08.2011 wherein the Board revised the RLDC charges from Rs. 16.186 crores to Rs. 14.282 crores and also furnished the Net UI purchase i.e. UI (Purchase – Sale) of (0.841–19.027) i.e. (–)18.186MU and (.03–4.804) i.e. Rs.(–) 4.774 crores. In case of Khagalgaon Stage II the amount of Rs. 14.874 crores has been written due to typographical error and it should be Rs. 14.876 crores.
- (c) The Ex-bus generation at BSEB’s own power station i.e. BTPS was 7.62 MU and net generation after deducting normative auxiliary consumption of 0.762 MU has been shown as 6.858 MU

The various parameters as per submission of the Board in respect of BTPS are as below:

Gross Gen. (MU)	Aux. Cons. (MU)	Net Gen. (MU)	Coal cons. (MT)	Avg. rate of coal Rs./MT	Oil cons. (KL)	Avg. rate of oil Rs./KL
7.62	0.762	6.858	9503.215	2962.04	76.2	46517.34

- (d) Energy sold to exempted categories i.e. KJ (Rural), KJ (Urban), IAS-I has been assessed as 31.276 MU for the month of June, 2011.
5. As per the formula for Fuel and Power Purchase Cost Adjustment (FPPCA) specified in the Tariff Order for FY 2011-12, changes in power purchase cost from other sources and fuel cost for its own power station are to be allowed as a pass through. As per the terms and conditions specified in the formula, FPPCA formula is to be applied on monthly basis by BSEB after seeking regulatory approval only when it is five paise and more per unit and the Private Agriculture, Kutir Jyoti and BPL consumers are exempted from levy of FPPCA charges.
6. Having considered the facts and materials submitted by the Board in its filings, the Commission considers the following for estimation of FPPCA charge :
- (a) Power exchange takes place between India and Nepal under bilateral arrangement between the two countries and the tariff rates for such exchange of power is fixed by Indo-Nepal Power Exchange Committee at Govt. of India level. The Commission therefore considers to keep the export / import of power to / from Nepal out of purview of FPPCA.
- (b) The Commission in its tariff order dated 01.06.2011 has approved the power purchase cost from various sources which were taken into consideration for calculation of FPPCA charges as detailed below:

**Power purchase quantity and amount approved by the Commission excluding Nepal in
Tariff Order FY 2011-12**

S.N	Source	Energy purchase (MU)	Average cost Paise / kWh	Total cost (Rs. crore)
1	Farakka (T)	2889	342	988
2	Kahalgaon (T) – I	2155	286	616
3	Kahalgaon (T) – II	696	317	221
4	Talchar (T)	2590	241	624
5	Chukka (HE)	560	159	89
6	Tala (HE)	1020	184	188
7	Rangeet (HE)	145	186	27
8	Teesta HE)	550	171	94
9	BSHPC	41	249	10
10	KBUNL	500	365	183
11	RE Purchase			
	(i) Co-generation	12	412	5
	(ii) Solar	1	1500	1
	(iii) Others	131	390	51
12	Transmission & RLDC charges			201
13	Total	11290	292.117	3298

- (c) On the basis of the data furnished by the Board vide letter No. 1101 dated 12.07.2011 and 1373 dated 26.08.2011 for the period 01.06.2011 to 30.06.2011 the average power purchase cost works out as detailed below for the purpose of calculating FPPCA charges.

Average Power Purchase Cost per unit during June, 2011

Sl.No.	Source from which power purchased	Total Power Purchase MU	Total Purchase Cost Rs. Crore	Average Rate (4÷3) Paise/kWh
1	2	3	4	5
1	Farakka (T)	276.097	127.695	4.63
2	Kahalgaon Stage-I (T)	163.356	62.391	3.82
3	Kahalgaon Stage-II (T)	33.536	14.876	4.44
4	Talchar (T)	185.608	74.474	4.01
5	Chukka (HE)	58.463	9.295	1.59
6	Tala (PTC)	102.091	18.785	1.84
7	NHPC (Rangeet)	11.816	1.821	1.54
8	NHPC (Tista)	65.300	8.412	1.29
9	BHPC	0.682	0.169	2.48
10	Kanti BUNL	– (0.157)	– (0.057)	3.63
11	RE Purchase			
	(i) Co-generation			
	(ii) Solar			
	(iii) Others			
12	Total	896.792	317.861	
13	UI (Purchase–Sale)	(–) 18.186	(–) 4.774	
14	PGCIL Tr. & RLDC charges		14.282	
15	Total (12+13+14)	878.606	327.369	372.600

- (d) The Commission in its tariff order has considered ex-bus generation and power purchase and so the Commission has considered the ex-bus power generation and purchase.
- (e) The consumption of coal claimed by the Board is 9503.215 MT assuming gross calorific value (GCV) of coal as 3233 Kcal/Kg against the approved norms of 4284 Kcal/kg in the Tariff Order but the actual consumption as per consumption report given by the CE Generation, BSEB is 7640 MT during the month June 2011 at a total cost of Rs. 2.236 crores according to which the coal cost comes to Rs. 2962 per MT. The coal consumption has been considered on the normative value of about 1 kg of coal per kWh which comes to 7620 MT.

The Commission has approved the rate of coal as Rs. 2328/MT and that of oil at Rs. 30,000/KL in the tariff order for FY 2011-12.

Considering the norms specified in Tariff Order in respect of consumption of coal, oil and auxiliary consumption etc. the Commission works out the following parameters as detailed below for the purpose of calculation of FPPCA charges in respect of BTPS for the month of June 2011:

Gross Gen. (MU)	Aux. Cons. (MU)	Net Gen.	Coal cons. (MT)	Oil cons. (KL)	Avg rate of Coal Rs./MT	Avg rate of oil Rs./KL
7.62	0.762	6.858	7620	76.20	2962	46517

- (f) As per terms of the FPPCA formula specified in the Tariff Order, Kutir Jyoti, BPL and Private Agriculture consumers are exempted from levy of FPPCA charge. The Board in its petition has assessed the energy sales to the exempted category of consumers at 31.276 MU as stated below.

Category	No. of consumers	Connected load (kW)	Consumption norms specified in the tariff order	Consumption for June 2011
Kutir Jyoti (Rural)	552667	–	18U/month/con	9.948
Kutir Jyoti (Urban)	10900	–	30U/month/con	0.327
Pvt. Agriculture	56099	227487.8	1485U/kW/year	21.00
Total				31.276

- (g) For Private Agriculture consumer (IAS-I) the Board has worked out energy consumption on the basis of the connected load 119205 kW for 46572 nos. of private agriculture consumers in the month of May whereas in the month of June, 2011 the Board has furnished the connected load of 227487.8 kW for 56099 nos. of consumers. This connected load does not appear to be in line with the previous norms taken for the month of May, 2011. So the Commission on the basis of the norms furnished by the Board in its previous filing for the month of May, 2011 for 56099 nos. of consumer the connected load comes to 143590 kW.
- (h) Considering the norms specified in the Tariff Order and the above stated facts the Commission works out the exempted category as detailed below for the purpose of calculating FPPCA charges.

Category	No. of consumers	Connected load (kW)	Consumption norms specified in the tariff order	Consumption for June 2011
Kutir Jyoti (Rural)	552667	–	18U/month/con	9.948
Kutir Joyti (Urban)	10900	–	30U/month/con	0.327
Pvt. Agriculture	56099	143590	1485U/kW/year	17.769
Total				28.044

- (h) T&D loss has been taken as 29% for the month of June 2011 as specified in the Tariff Order.
6. In consideration of the facts brought out in the preceding paras, the fuel and power purchase adjustment cost works out to Rs. 71.31 crores on account of changes in power purchase and fuel cost during the period 01.06.2011 to 30.06.2011 with reference to the approved cost. Accordingly, as detailed in annexed calculation sheet, the Commission consider to allow BSEB to recover FPPCA charge provisionally @118 paise per unit on the energy consumption of June 2011 from its consumers except Kutir Jyoti/BPL (Rural and Urban) and Pvt. Agriculture consumers subject to final adjustment on audit of Annual Accounts of the Board for FY 2011-12.
7. In case of metered consumer, FPPCA shall be levied on actual consumption. But in case of unmetered and fixed rate tariff consumers, the

Board shall charge FPPCA on the minimum monthly guaranteed consumption as specified for the metered consumers of the same category in the Tariff Order for FY 2011-12.

8. BSEB shall raise FPPCA bill with details and serve to the consumers separately along with the next monthly bill indicating the unit, rate and period on which the FPPCA has been raised.

Sd/-
(S.C. Jha)
Member

Sd/-
(R.N. Sharma)
Member

Sd/-
(U.N. Panjjar)
Chairman