

**Bihar Electricity Regulatory Commission
Patna**

Case No. FPPCA 06/2011

In the matter of

**Fuel and Power Purchase Cost Adjustment (FPPCA) charges for the
month of August, 2011 (01.08.2011 to 31.08.2011)**

AND

In the matter of

Bihar State Electricity Board Applicant

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

Dated: 18.10.2011

ORDER

1. The Bihar State Electricity Board [hereinafter referred to as 'BSEB' or 'Board'] has filed application vide letter no. Com/Misc-129/2011-1452 dated 09.09.2011 for approval of levy of Fuel and Power Purchase Cost Adjustment (FPPCA) charges to the consumers for the period from 01.08.2011 to 31.08.2011 i.e for the month of August, 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 @ 105paise/kWh to its consumers except exempted categories to recover a total cost of Rs. 69.419 crores.
2. 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 :
3. (a) As per submission of the Board in their letter No. 1452 dated 09.09.2011 source-wise scheduled power purchase (MU) and the total cost incurred during the period 01.08.2011 to 31.08.2011 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) Paise/kWh
1	2	3	4	5
1	Farakka (T)	237.780	110.880	466.313
2	Kahalgaon Stage-I (T)	119.211	78.635	659.629
3	Kahalgaon Stage-II (T)	30.940	14.487	468.229
4	Talchar (T)	207.771	63.484	305.548
5	Chukka (HE)	83.925	13.344	158.999
6	Tala (PTC)	182.265	33.536	183.996
7	NHPC (Rangeet)	15.630	2.171	138.900
8	NHPC (Tista)	78.154	9.913	126.839
9	BHPC	6.779	1.688	249.004
10	Kanti BUNL	26.435	9.649	365.009
11	RE Purchase			
	(a) Co-generation	Nil	Nil	Nil
	(b) Solar	Nil	Nil	Nil
	(c) Others	Nil	Nil	Nil
12	Sub Total	988.890	337.787	
13	UI (Purchase – Sale)	(–) 34.072	(–) 8.072	
14	RLDC charges	–	16.551	
15	Total	954.818	346.266	362.651

- (b) The various parameters as per submission of the Board in respect of Barauni Thermal Power Station (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
17.63	1.763	15.867	17287	3317	176.3	45077

- (c) Energy sold to exempted categories i.e. KJ (Rural), KJ (Urban), IAS-I has been assessed as 28.044 MU for the month of August, 2011 as detailed below in the Table.

Table

Category	No. of consumer	Connected load in kW	Norms	Energy (in MU)
KJ (R)	552667	NA	18U/month	9.948006
KJ (U)	10900	NA	30U/month	0.327
IAS I	56099	143590	1485U/kW/yr	17.769
Total				28.04406

4. 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.
5. 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) (i) The Board in its filing had taken the purchase of energy from Kahalgaon Stage-I as 119.211 MU in the calculation of FFPPCA charges but on scrutiny of bill of the NTPC, the unit purchased is 199.211 MU, therefore the Commission considers 199.211 MU of power purchase from Kahalgaon Stage-I for calculation of FFPPCA.

(ii) On the basis of the data furnished by the Board vide letter No. 1452 dated 09.09.2011 for the period 01.08.2011 to 31.08.2011 the Board has sold power under UI at a lower rate @ Rs.2.369 per unit compared to the average power purchase cost of Rs. 3.315 per unit. The Commission does not allow this loss to pass on to the consumers and so the UI rate has been considered equal to the average power purchase cost during the month.

Considering the above facts, the Commission works out the average power purchase cost per unit as detailed below for the purpose of calculating FPPCA charges for the month of August, 2011

Average Power Purchase Cost per unit during August, 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)	237.780	110.880	466.313
2	Kahalgaon Stage-I (T)	199.211	78.635	394.732
3	Kahalgaon Stage-II (T)	30.940	14.487	468.229
4	Talchar (T)	207.771	63.484	305.548
5	Chukka (HE)	83.925	13.344	158.999
6	Tala (PTC)	182.265	33.536	183.996
7	NHPC (Rangeet)	15.630	2.171	138.900
8	NHPC (Tista)	78.154	9.913	126.839
9	BHPC	6.779	1.688	249.004
10	Kanti BUNL	26.435	9.649	365.009
11	RE Purchase			
	(a) Co-generation	Nil	Nil	Nil
	(b) Solar	Nil	Nil	Nil
	(c) Others	Nil	Nil	Nil
12	Sub Total	1068.890	337.787	
13	RLDC charges	-	16.551	
14	Total (12+13)	1068.890	354.338	331.500
15	UI (Purchase – Sale)	(-) 34.072	(-) 11.295	331.500
16	Total (14+15)	1034.818	343.043	331.500

- (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) As submitted by the Board the consumption of coal has been considered 17287 MT and that of oil is 176 KL.

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 submission of the Board in respect of coal, oil and auxiliary consumption etc and the norms specified in the Tariff Order 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 August, 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
17.63	1.763	15.867	17287	176	3317	45077

- (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 28.044 MU which has been considered by the Commission for working out the FPPCA charges in the month of August, 2011.
- (g) T&D loss has been taken as 29% for the month of July 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. 42.726 crores on account of changes in power purchase and fuel cost during the period 01.08.2011 to 31.08.2011 with reference to the approved cost. Accordingly, as detailed in annexed calculation sheet, the Commission consider to allow BSEB to recover FPPCA charge provisionally @60 (Sixty) paise per unit on the energy consumption of August 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 in the next month indicating the total unit, rate and period for which the FPPCA charges has been levied. BSEB shall keep separate accounts of FPPCA charges billed and realized.

Sd/-
(S.C. Jha)
Member

Sd/-
(R.N. Sharma)
Member

Sd/-
(U.N. Panjiar)
Chairman