

**Bihar Electricity Regulatory Commission  
Patna**

**Case No. FPPCA 05/2011**

**In the matter of**

**Fuel and Power Purchase Cost Adjustment (FPPCA) charges for the  
month of July, 2011 (01.07.2011 to 31.07.2011)**

**AND**

**In the matter of**

**Bihar State Electricity Board ..... Applicant**

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

Dated: 26/09/2011

**ORDER**

1. The Bihar State Electricity Board [hereinafter referred to as 'BSEB' or 'Board'] has filed application vide letter no. Com/Misc/114/2011-1225 dated 10.08.2011 for approval of levy of Fuel and Power Purchase Cost Adjustment (FPPCA) charges to the consumers for the period from 01.07.2011 to 31.07.2011 i.e for the month of July, 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 @ 82paise/kWh to its consumers except exempted categories to recover a total cost of Rs. 58.247 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. 1225 dated 10.08.2011 source-wise scheduled power purchase (MU) and the total cost incurred during the period 01.07.2011 to 31.07.2011 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)	301.40	138.87	460.76
2	Kahalgaon Stage-I (T)	172.87	78.19	452.30
3	Kahalgaon Stage-II (T)	46.08	18.03	391.38
4	Talchar (T)	119.32	35.15	294.63
5	Chukka (HE)	86.69	13.78	159.00
6	Tala (PTC)	183.76	33.81	184.00
7	NHPC (Rangeet)	14.95	2.12	141.61
8	NHPC (Tista)	75.40	9.58	127.06
9	BHPC	5.20	1.29	249.04
10	Kanti BUNL	36.93	13.48	365.00
11	RE Purchase (a) Co-generation (b) Solar (c) Others	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
12	RLDC charges	–	16.07	
13	Total	<b>1042.59</b>	<b>360.39</b>	<b>345.667</b>

- (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)	Total coal cost Rs.	Avg. rate of coal Rs./MT	Oil cons. (KL)	Total cost of oil (Rs.)	Avg. rate of oil Rs./KL
5.55	0.555	4.995	5286	20844918	3943.42	377	17111976	45389.85

- (c) Energy sold to exempted categories i.e. KJ (Rural), KJ (Urban), IAS-I has been assessed as 33.459 MU for the month of July, 2011 as detailed below in the Table.

**Table**

Category	No. of consumer	Connected load	Norms	Energy (in MU)
KJ (R)	612075	NA	18U/month	11.01735
KJ (U)	10900	NA	30U/month	0.327
IAS I	57778	235146	1485U/kW/yr	22.1154
Total				33.4598

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
<b>13</b>	<b>Total</b>	<b>11290</b>	<b>292.117</b>	<b>3298</b>

- (c) On the basis of the data furnished by the Board vide letter No. 1225 dated 10.08.2011 for the period 01.07.2011 to 31.07.2011 the average power purchase cost works out as detailed below for the purpose of calculating FPPCA charges.

**Average Power Purchase Cost per unit during July, 2011**

S.N	Source	Energy purchase (MU)	Total cost (Rs. crore)	Average cost Paise / kWh
1	Farakka (T)	301.40	138.87	460.76
2	Kahalgaon (T) – I	172.87	78.19	452.30
3	Kahalgaon (T) – II	46.08	18.03	391.38
4	Talchar (T)	119.32	35.15	294.63
5	Chukka (HE)	86.69	13.78	159.00
6	Tala (HE)	183.76	33.81	184.00
7	Rangeet (HE)	14.95	2.12	141.61
8	Teesta HE)	75.40	9.58	127.06
9	BSHPC	5.20	1.29	249.04
10	KBUNL	36.93	13.48	365.00
11	RE Purchase			
	(i) Co-generation	Nil	Nil	Nil
	(ii) Solar	Nil	Nil	Nil
	(iii) Others	Nil	Nil	Nil
12	Transmission & RLDC charges		16.07	
<b>13</b>	<b>Total</b>	<b>1042.60</b>	<b>360.37</b>	<b>345.645</b>

- (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 is 5286 MT and that of oil is 377 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 July 2011:

<b>Gross Gen. (MU)</b>	<b>Aux. Cons. (MU)</b>	<b>Net Gen.</b>	<b>Coal cons. (MT)</b>	<b>Oil cons. (KL)</b>	<b>Avg rate of Coal Rs./MT</b>	<b>Avg rate of oil Rs./KL</b>
5.55	0.555	4.995	5286	55.50	3943	45390

- (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 33.45983 MU which is in accordance with the norms and so the Commission has taken this consumption towards exempted category while working out the FPPCA charges.
- (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. 56.73 crores on account of changes in power purchase and fuel cost during the period 01.07.2011 to 31.07.2011 with reference to the approved cost. Accordingly, as detailed in annexed calculation sheet, the Commission consider to allow BSEB to recover FPPCA charge provisionally @79paise per unit on the energy consumption of July 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. Panjiar)**  
Chairman