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BIHAR ELECTRICITY REGULATORY COMMISSION, PATNA

NOTIFICATION

The 31st August, 2012

No. BEREC/Suo-Motu Proceeding No.29/2012-03-875—In exercise of the powers conferred under section 181 read with sections 45(2), 61 and 62(4) of the Electricity Act, 2003 (36 of 2003) and Regulation 30 of BEREC (Terms and Conditions for determination of Tariff) Regulations, 2007 and all powers enabling it in that behalf, the Bihar Electricity Regulatory Commission hereby amends the following regulations for specifying the terms and conditions for determination of Fuel and Power Purchase Cost Adjustment (FPPCA), namely:-

1. Short title, extent and commencement.—(i) These regulations may be called the **Bihar Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) (First Amendment) Regulations, 2012.**

- (ii) These Regulations extend to the whole of the State of Bihar.
- (iii) These Regulations shall come into force w.e.f the date of its publication in the gazette of Bihar.

2. Definitions and Interpretations.—In these Regulations, unless the context otherwise requires:

- (a) “Act” means the Electricity Act, 2003.
- (b) “Commission” means the Bihar Electricity Regulatory Commission.
- (c) “FPPCA” means Fuel and Power Purchase Cost Adjustment.
- (d) “Licensees” mean licensees under the Act.
- (e) “Regulations” mean the Bihar Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2007.

- (f) “Schedule” refers to the schedule appended to these Regulations.
 (g) “Secretary” means Secretary of the Bihar Electricity Regulatory Commission.
 (h) “State Govt.” means the Government of Bihar.

3. Amendments.—(i) The regulation 21(1) will be substituted as below :-

“No tariff or any part thereof shall ordinarily be amended more frequently than once in any financial year, except in respect of any charges expressly permitted under the terms of the Fuel and Power Purchase Cost Adjustment formula as specified *in the Schedule appended to these Regulations*”.

- (ii) The following shall be added at the end of regulation 83 (a) “*The formula for adjustment on account of Fuel and Power Purchase Cost is specified in the Schedule appended to these Regulations.*”

**By the order of the commission,
 Sd./Illegible,
 Secretary.**

Schedule

FUEL AND POWER PURCHASE COST ADJUSTMENT (FPPCA) FORMULA

The amount of Fuel and Power Purchase Cost Adjustment (FPPCA) charges shall be computed as under:-

$$\text{FPPCA (Paise / kWh)} = \frac{\text{Qc(Rc}_2\text{-Rc}_1\text{)+Qo(Ro}_2\text{-Ro}_1\text{)+Qpp(Rpp}_2\text{-Rpp}_1\text{)+Vz+A}}{(\text{Qpg}_1 + \text{Qpp}_1\text{+Qpp}_2) \times \frac{(1-L)}{100}} \times 100$$

Where,

- Qc = Quantity of coal consumed during the adjustment period in Metric Tons (MT)
 = (SHR x QPg) (1+TSL)x1000 / GCV, or actual whichever is less
 Rc₁ = Weighted average base rate of coal supplied ex-power station coal yard as approved by the Commission for the adjustment period in Rs. / MT
 Rc₂ = Weighted average actual rate of the coal supplied ex-power station coal yard for the adjustment period in Rs. / MT
 Qo = Actual Quantity of oil (in KL) consumed during the adjustment period or normative oil consumption as per Tariff order whichever is less.
 Ro₁ = Weighted average base rate of oil ex-power station (Rs./KL) approved by the Commission for the adjustment period.

- Ro_2 = Weighted average actual rate of oil ex-power station supplied (Rs. / KL) during the adjustment period.
- Q_{pp} = Total power purchased from different sources (kWh) = $Q_{pp2} + Q_{pp3}$
- Q_{pp1} = $Q_{pp3} \left(1 - \frac{TL}{100} \right)$ in kWh
- TL = Transmission loss (CTU) (in percentage terms).
- Q_{pp2} = Power purchase from sources with delivery point within the state transmission or distribution system (in kWh)
- Q_{pp3} = Power purchase from sources on which CTU transmission loss is applicable (in kWh)
- R_{pp1} = Average rate of power purchase as approved by the Commission (Rs. / kWh)
- R_{pp2} = Average rate of power purchased during the adjustment period (Rs. / kWh)
- Q_{pg} = Own power generation (kWh)
- Q_{pg1} = Own power generation (kWh) at generator terminal – approved auxiliary consumption
- L = Percentage T&D loss as approved by the Commission or actual, whichever is lower.
- SHR = Station Heat Rate as approved by the Commission (Kcal / kWh)
- TSL = Percentage Transit and Stacking Loss as approved by the Commission.
- GCV = Weighted average gross calorific value of coal as fired basis during the adjustment period (Kcal / Kg).
- VZ = Amount of variable charges on account of change of cost of unknown factors like water charges, taxes or any other unpredictable and unknown factors not envisaged at the time of tariff fixation subject to prior approval of the Commission (Rs.)
- A = Adjustment, if any, to be made in the current period to account for any excess / shortfall in recovery of fuel or power purchase cost in the past adjustment period, subject to the approval of the Commission (Rs.)

If there are more than one power stations owned by the Licensee Q_c , R_{c1} , R_{c2} , Q_o , Ro_1 , Ro_2 , Q_{pg} and Q_{pg1} will be computed separately for each power station and sum of the increase/decrease of cost of all power stations shall be taken into consideration.

Terms and conditions for application of the FPPCA formula

- 1) The basic nature of FPPCA is 'adjustment' i.e. passing on the increase or decrease, as the case may be.
- 2) The operational parameters / norms fixed by the Commission in the Tariff Regulations / Tariff Order shall be the basis of calculating FPPCA charges.
- 3) The FPPCA will be recovered in every month in the form of an incremental energy charge (Rs/kwh) in proportion to the energy consumption and shall not exceed 10% of the approved avg. cost of supply in the Tariff order and balance amount, if any, in the FPPCA over and above ceiling shall be carried forward to be billed in subsequent month.
- 4) Incremental cost of power purchase due to deviation in respect of generation mix or power purchase at higher rate shall be allowed only if it is justified to the satisfaction of the Commission.
- 5) Any cost increase by the Licensee by way of penalty, interest due to delayed payments, etc. and due to operational inefficiencies shall not be allowed.
- 6) FPPCA charges shall be levied on all categories of consumers.
- 7) Distribution Licensee shall file detailed computation of actual fuel cost in Rs./kWh for each month for each of power stations of the state generators as well as cost of power purchase (Fixed and Variable) from each source/station and a separate set of calculations with reference to permitted level of parameters.
- 8) The data in support of the FPPCA claims shall be duly authenticated by an officer of the licensee, not below the rank of Chief Engineer on an affidavit supported with the certified copy of energy bills of power purchase, transmission and RLDC charges, coal and its transportation cost, oil purchase bill and the quantity of coal and oil consumed during the month.
- 9) Levy of FPPCA charge will be allowed only when it is ten (10) paise or more per unit.
- 10) The incremental cost per kWh due to this FPPCA arrived for a month shall be recovered in the energy bill of the month subsequent to the order of the commission approving FPPCA with full details of rate and unit(s) on which FPPCA charges have been billed. The BSEB shall provide along with the proposal of FPPCA of a month, a compliance report of the previous order of the commission in respect of FPPCA.

By the order of the commission,
Sd./Illegible,
Secretary.

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