

**Bihar Electricity Regulatory Commission  
Patna**

**Case No. FPPCA 02/10**

**In the matter of**

**Fuel and Power Purchase Cost Adjustment (FPPCA) charges for the  
period from April 2009 to September, 2009**

**AND**

**In the matter of**

**Bihar State Electricity Board ..... Applicant  
Bailey Road, Patna.**

**Present : B.K. Halder, Chairman  
S.K. Jayaswal, Member**

Dated 19<sup>th</sup> May, 2010

**ORDER**

1. The Bihar State Electricity Board [hereinafter referred to as 'BSEB' or 'Board'] has filed application vide letter No. Com/Misc/SC/1166/09-95 dated 08.02.2010 for levy of Fuel and Power Purchase Cost Adjustment (FPPCA) charge to the consumers for the period from April, 2009 to September, 2009 in terms of FPPCA formula stipulated in the Tariff Order dated 26.08.2008 for the FY 2008-09 of the Commission [hereinafter referred to as 'Tariff Order FY 2008-09']. BSEB has sought approval for levy of FPPCA at the rate of 126 paise/kWh to its consumers except exempted category.
2. The Board in its filing submits that due to import of coal by NTPC at Farakka, Kahalgaon and Talchar Thermal Power Stations, the power purchase cost has increased and therefore the proposal for FPPCA charges has been submitted. NTPC has claimed the fuel price adjustment charge directly from the beneficiaries in terms of clause 22(iii) and 18(2) of the CERC (Terms and Conditions for Determination of Tariff) Regulation, 2004-09 applicable for the period 2004-09 & 2009-2014.
3. The Board also submits that its own generation at Barauni TPS during April, 2009 to September, 2009 has not been considered as the operating parameters have not yet been approved by the Commission as yet.
4. The Board in its petition dated 08.02.2010 has made the following submissions:

(a) Source-wise power purchase and the total cost incurred during the period April 2009 to September, 2009 are as detailed in Table below.

**Table**

Sl.No.	Source	Power Purchase MU	Purchase Cost Rs. Crore	Average Rate (4÷3) Rs./kWh
1	2	3	4	5
1	Farakka (T)	1152.384	320.738	
2	Kahalgaon Stage-I (T)	673.203	169.85	
3	Talchar (T)	1212.76	228.903	
4	Chukka (HE)	365.598	58.123	
5	NHPC (Rangeet)	67.652	11.654	
6	NHPC (Tista)	387.206	66.15	
7	Tala (PTC)	642.218	118.166	
8	Kahalgaon Stage-II (T)	168.925	42.534	
9	BHPC	10.447	2.089	
10	Kanti BUNL	206.1790	74.5570	
11	NS Sugar Mills	NIL	NIL	
12	Bharat Sugar Mills	NIL	NIL	
13	Nepal	24.023	9.98	
14	UI	155.323	68.784	
15	PGCIL Tr. & RLDC charges	-	10.646	
16	Total	5065.918	1182.174	2.33

(b) During April, 2009 to September, 2009, ex-bus generation at BSEB's own power station i.e. Barauni TPS was 83.94 MU and fuel cost Rs. 20.26 crores.

(c) Energy sold to exempted categories i.e. KJ (Rural), KJ (Urban), IAS-I, IAS-II, SS-I, DS-I, NEA and UI has been assessed as 1167.02 MU during April, 2009 to September, 2009.

(d) Energy purchase has been reduced by 3.7% due to transmission loss in CTU system.

5. As per the formula for Fuel and Power Purchase Cost Adjustment (FPPCA) specified at page 113 & 114 of the Tariff Order FY 2008-09, 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 formula, FPPCA is to be reviewed by

the Board at an interval of six months and allowed only when it is five paise and more per unit and the Agriculture and BPL consumers have been exempted from levy of FPPCA.

6. Having considered the facts and materials submitted by Board in its various 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) Power has been sold and purchased both under Unscheduled Interchange (UI) from Central Sector Generating Stations during the period under review. The Commission has considered the net energy transactions i.e. purchase minus sale under UI 59.564MU and the net UI cost of Rs. 36.718 crores on this account in the power purchase cost.
  - c) The Commission in its tariff order has considered ex-bus generation and so the Commission has considered the ex-bus power purchase.
  - d) In Tariff Order 2008-09 (para 4.6.1), the fuel cost for Barauni TPS has been approved at Rs. 62.35 crores (Coal - Rs. 54.72 crores & Oil – Rs. 7.63 crores) for FY 2008-09. During the period under review, BSEB has incurred an expenditure of Rs. 11.78 crores on cost of coal and Rs. 8.46 crores on cost of oil as against approved cost of Rs. 27.36 crores and Rs. 3.815 crores respectively taken prorata for six months. Considering above, fuel adjustment cost of Barauni TPS as per FPPCA formulae specified in Tariff Order 2008-09 works out to (–) Rs. 3.76 crores for the period under review.
  - e) As per terms of the FPPCA formula specified in the Tariff Order 2008-09, BPL and Agriculture consumers are exempted from levy of FPPCA charge. But the Board in its petition has assessed the energy sales to the exempted category of consumers at 1167.02 MU for the period from April, 2009 to September, 2009 by assuming consumption norm of 30 units/month/connection for Kutir Jyoti/BPL both Rural and Urban consumers against the approved norm of 18

units/month/connection for KJ (Rural) in Tariff Order 2008-09 and for various categories of consumers including NEA and UI. But the Commission considers to exempt BPL (Rural) and Urban and Pvt. Agricultural consumers as specified in the formula of Tariff Order 26.08.2008. Accordingly the energy consumption by the exempted category of consumes during period under review works out to 203.654 MU as given below :

Category	No. of consumers	Connected load (kW)	Consumption norms specified in the tariff order dt. 26.08.08	Consumption for six months Oct. '08 to Mar. '09 M.U.
Kutir Jyoti (Rural)	318000	19080	18U/month/con	34.344
Kutir Joyti (Urban)	4500	450	30U/month/con	0.81
Pvt. Agriculture	50000	168500	2000U/kW/year	168.51
Total				203.654

7. In consideration of the facts brought out in the preceding paras, the fuel and power purchase adjustment cost works out to Rs. 210.80 crores on account of changes in power purchase and fuel cost during the period April, 2009 to September, 2009 with reference to the approved cost. Accordingly, the Commission decides to allow BSEB to recover FPPCA charge provisionally at the rate of 69 paise (sixty nine paise) per unit on the energy consumption during the period April, 2009 to September, 2009 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 2009-10.
8. 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 2008-09.
9. BSEB shall raise FPPCA bill with details to be payable in six monthly installments without any delay payment surcharge under a covering letter and serve to the consumer. The consumer, however, will have the option to pay the FPPCA bill in less than six monthly installments, if so desired.

Sd/-  
**(S.K. Jayaswal)**  
Member

Sd/-  
**(B.K. Halder)**  
Chairman