



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO:

FPPCA – 64 / 13 – 14

**IN RE APPLICATION OF INDIAN POWER
CORPORATION LIMITED IN THE MATTER OF
FUEL & POWER PURCHASE COST ADJUSTMENT
(FPPCA) OF DPSC LIMITED (DPSCCL)
FOR THE FINANCIAL YEAR 2012 – 2013.**

DATE: 12.09.2016



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CHAPTER – 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”) made the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 in supersession of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007, as amended with effect from 29th April, 2011. The West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the “Tariff Regulations, 2011”) was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012 in the extra ordinary edition of The Kolkata Gazette dated 27th August, 2012 vide notification no. 49/WBERC and West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 in the extra ordinary edition of The Kolkata Gazette dated 30th July, 2013 vide notification no. 54/WBERC.
- 1.2 The Commission determined the Aggregate Revenue Requirement (In short ‘ARR’) as well as tariff of DPSC Limited for the year 2012 – 2013 by an Order dated 14.02.2013, in Case No. TP – 51 / 11 – 12. The fuel and power purchase cost as allowed in the tariff order dated 14.02.2013 is subject to adjustments in accordance with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (hereinafter referred to as the ‘Tariff Regulations, 2011’).
- 1.3 India Power Corporation Limited (in short “IPCL”), a company registered under the Companies Act, 1956 submitted an application for Fuel and Power Purchase Cost Adjustment (in short “FPPCA”) on behalf of DPSC Limited (in short “DPSC”) on 11.09.2013 for ascertaining the fuel and power purchase costs admissible for the financial year 2012-13. The Commission, however, rejected the said application through its order dated 17.07.2014 in case no. WBERC/FPPCA-64/13-14 on the ground that IPCL is not a licensee under West Bengal Electricity Regulatory Commission and is not entitled to make



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any application for determination of Fuel and Power Purchase Cost Adjustment on behalf of the licensee DPSC. The Commission had already decided by an order dated 07.07.2014 that the alleged amalgamation of IPCL with DPSC is void in terms of section 17(3) and section 17(4) of the Electricity Act, 2003.

- 1.4 IPCL filed a writ petition (W.P.22561 (W) of 2014) with Hon'ble High Court at Calcutta challenging the order dated 07.07.2014 of the Commission. The Hon'ble High Court, after hearing both the sides passed an order on 19.09.2014 directing, inter alia, that all applications filed by IPCL be treated as applications filed by DPSC and will be restricted to the assets and liabilities of the DPSC division alone.
- 1.5 West Bengal Electricity Regulatory Commission filed an application (M.A.T.1959 of 2014) with Civil Appellate Jurisdiction of the High Court at Calcutta seeking stay of operation of the order dated 19.09.2014. The ground of the appeal was aimed at the fact that the Hon'ble High Court had passed the impugned order dated 19.09.2014 without quashing the order of the Commission dated 07.07.2014 which was challenged by IPCL in the writ petition (W.P.22561 (W) of 2014). The Commission also highlighted that by virtue of the interim order dated 19.09.2014 the writ petitioner had been granted relief by the Hon'ble Court to raise bills to consumers in the name of IPCL without deciding legality of the order of the Commission dated 07.07.2014.
- 1.6 The application (M.A.T.1959 of 2014) was heard in the Hon'ble Division Bench of Calcutta High Court and an order was passed directing respondents/Writ petitioner to maintain status-quo so far as charges to be collected from consumers as per the rates prevalent prior to the amalgamation. The Court also directed that the respondents/Writ petitioner can move learned single bench for early hearing on other issues.



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- 1.7 The petition was heard in the single bench of Hon'ble Justice I. P. Mukherjee and an order was passed (case No.W.P.22561 (W) of 2014) on 17.08.2015 quashing the order of the Commission dated 07.07.2014 and the impugned letter dated 12th March 2014 read with letter dated 1st April 2014. The Commission filed an appeal petition on 08.10.2015. The petition has been admitted in Hon'ble Division Bench at Calcutta High Court on 14.03.2016 in MAT 1643 of 2015. No stay on the order dated 17.08.2015 of the Hon'ble Justice I. P. Mukherjee has been granted.
- 1.8 The application submitted by IPCL on 11.09.2013 for ascertaining the fuel and power purchase cost of DPSC for the year 2012 – 2013 has been scrutinized with reference to the requirements of the Tariff Regulations, 2011. The application submitted by IPCL (hereinafter referred to as the 'applicant') on 11.09.2013 along with the additional information / data submitted by IPCL subsequently on query raised from the Commission, has been admitted by the Commission as an application for ascertaining the fuel and power purchase cost of DPSC for the year 2012 – 2013 as per provisions of the Tariff Regulations, 2011. The admission of the application shall be subject to any order which may be passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.
- 1.9 The regulation 2.1.15 of the Tariff Regulations, 2011 has provided for dealing with aforesaid application of DPSC applying the formula specified in Schedule – 7A to the Tariff Regulations, 2011 on the basis of normative parameters as were used in the tariff order for 2012 – 2013. The applicable formula for the determination of FPPCA is as under:

$$\text{"FPPC (In Rs.)} = \{FC + (PPC - C_D) + (\pm A)\}$$

Where –

- i) The adjustment period for fuel and power purchase cost will normally be on annual basis, if not otherwise decided by the Commission.



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ii) FPPC: Re-determined Fuel and Power Purchase Cost against application of FPPCA.

iii) FC: Fuel cost of own generation as per normative parameters fixed by the Commission or on actual basis in absence of any norm and UHV range as may be allowed under regulation 5.8 commensurate with actual level of energy sales to own consumers and / or licensee during the adjustment period in accordance with the following methodology.

t = Norms of Transmission and Distribution loss in % considered for sale of power from licensee to licensee

d = Norms of distribution loss in %

E_O = Admitted Energy for own consumption by licensee,

E_{SL} = Energy sale to other licensee in MU

E_{SC} = Energy sale to consumer in MU

Fuel-Cost = Fuel cost at generation bus of own generating stations. Cost determined on the basis of normative parameters of SHR and oil consumption rate against actual level of energy sent out plus normative auxiliary energy consumption.

FC_{IUC} = Per unit of Fuel Cost at distribution input
= Fuel-Cost ÷ Actual overall energy available at input of the distribution system which includes power purchase from different services.

FC_{Adm_d} = Admitted Fuel Cost for sale to licensee

$$= \frac{E_{SL}}{(1 - t \times 0.01)} \times FC_{IUC}$$

FC_{Adm_C} = Admitted Fuel Cost for sale to consumer



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$$= \frac{E_{SC} + E_O}{(1 - d \times 0.01)} \times FC_{IUC}$$

$$FC = FC_{Adm_d} + FC_{Adm_C}$$

- iv) PPC (Rs.): Total cost incurred including the cost for fuel for power purchase from different sources commensurate with actual level of energy sales during the adjustment period.
- v) C_D (Rs.): Cost disallowable by the Commission as per following methods:

- Let d = Norms of distribution loss in %
 t = Norms of Transmission and Distribution loss in % considered for sale of power from licensee to licensee
 E_g = Actual energy sent out in MU from own generating station
 E = Excess amount of auxiliary energy consumption in MU,
 E_P = Total energy purchased in MU
 E_O = Admitted Energy for own consumption by licensee
 E_{SC} = Energy sale to consumer in MU
 E_{SL} = Energy sale to other licensee in MU
 E_{Adm} = Admitted amount of energy entitled for purchase

$$= \frac{E_{SC} + E_O}{(1 - d \times 0.01)} + \frac{E_{SL}}{(1 - t \times 0.01)} - E - E_g$$

$$E_E = \text{Excess energy purchased} = E_P - E_{Adm}$$

$$C_D = E_E \times EP_{Avg}$$

When EP_{Avg} = Average cost of power purchase.

- vi) A: Adjustment, if any, to be made in the current period to account for any claim due to excess / shortfall in recovery of fuel and power



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purchase cost in the past adjustment period based on directions / orders of the Commission. (+A) shall be considered as the amount to be recovered from consumer and purchaser of electricity under the purview of the Commission when the licensee has already incurred such expenses. (-A) shall be considered as the amount to be refunded to the consumer and purchaser of electricity under the purview of the Commission because such amount of less expenses has been incurred by the licensee against any prior period adjustment.

- vii) Such re-determined fuel and power purchase cost (FPPC) of the licensee will be further adjusted for gain sharing as per Schedule – 9B for the parameters related to fuel cost to the extent it has impact in the fuel cost.”

1.10 The schedule – 9B to the Tariff Regulations, 2011 contains provisions for sharing the gains derived by the licensee, if any, on account of its better performances over the operating and fuel consumption norms set by the Commission for the concerned year. The operational parameters which are to be considered for such sharing the gains accrued to the licensees are:

- i) Rate of Auxiliary Consumption
- ii) Gross Station Heat Rate

1.11 Before ascertaining the amount of admissible fuel and power purchase cost as well as the amount of gains to be shared with the consumers and other licensees under the provisions of the Tariff Regulations explained in earlier paragraphs, it is needed to view the actual performances of DPSC Limited in comparison to the operational and fuel efficiency norms set by the Commission in the Tariff Order for the concerned year.

1.12 During 2012-13 DPSC Limited has generated power only from the 12 MW Dishergarh power plant. The power plant was commissioned on 25th September, 2012. Total Gross generation during the year since



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commissioning of the plant is 21.8913 MU and sent out energy is 19.3215 MU. In their submission DPSCCL reiterated that despite their sustained efforts to obtain Coal Linkage with CIL/ECL they failed to mature it. And consequently to keep the plant in operation they had to purchase coal from Traders till November 2013 and through e-auction thereafter.

- 1.13 The Commission further noticed that DPSCCL purchased coal of low grade from traders at a very high price compared to the administered price of coal of CIL during the period. From the given details of Coal price the Commission noted that DPSCCL has purchased coal through traders at an average price of Rs.4411.30 per MT for the coal with average GCV of 3474 Kcal/ kWh. The Commission considers the price of coal notified by CIL for corresponding GCV of coal as per provision of regulation 5.8 of the Tariff Regulations, 2011.
- 1.14 DPSCCL purchased coal directly from ECL through e-auction in two occasions during the year 2012 – 2013. DPSCCL also purchased coal from coal traders in other two occasions where the price was discovered through e-auction of ECL. Before going for procurement of coal through e-auction, DPSCCL sought prior in-principle clearance from the Commission. In their submission for in-principle clearance for procurement of coal through e-auction DPSCCL stated that due to non-allotment of linkage by ECL for purchase of 'F' grade of coal, to maintain generation, they have to purchase coal through traders and e-auction. The boiler design of the 12 MW plant suits lower grades of coal like 'F/G'. Commission while giving clearance through order dated 14th February, 2013 in case No.WBERC/OA-129/11-12 stipulated that the price obtained from e-auction shall be allowed by the Commission to pass through subject to compliance of the regulations 5.8.1 to 5.8.7 of the Tariff Regulations. The Commission considers the price discovered through e-auction as per provision of regulation 5.8 of the Tariff Regulations, 2011.
- 1.15 The applicant in their submission stated that since norms of operating parameters for the year 2012-2013 in respect of new 1X12 MW plant has not



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been decided by the Commission the actual fuel cost incurred may be allowed. The Commission noticed that the applicant could not submit the required data/documents in time as per regulation 2.8.1.4.9 of the tariff Regulations, 2011 to decide the norms of operating parameters. The Commission accordingly decides to allow generating costs on the basis of the operating parameters based on the documents submitted during the second stage investment approval of the plant. The Commission considers Station Heat Rate of 3300 Kcal/ kWh, Auxiliary Consumption rate of 10% and Transit Loss of coal of 0.30% based on the documents submitted.

- 1.16 The applicant submitted month-wise quantity of coal consumed duly certified by the auditor and statement of coal received during the year indicating month, quantity and GCV grade. Based on the quantity and GCV grade of coal received during the whole year, the applicant computed weighted average heat value as 2843.88 K.cal/Kg in pursuance to regulation 5.8.15 of the tariff regulations, 2011. The new 1x12 MW power plant at Dishergarh started commercial operation from 25.09.2012. The Commission, accordingly, calculated weighted average GCV of coal considering quantity of coal received during September 2012 to March 2013. The Commission further noted from the audit certified statement of coal received during 2012 – 2013, submitted by IPCL through their letter dated 04.07.2014, that procurement of coal through traders and e-auction was made for a definite GCV range. But in most of the cases there were grade slippages and in some cases higher GCV was obtained. The Commission determined the weighted average UHV of coal as per regulation 5.8.1 of the Tariff Regulations, considering the minimum GCV of the corresponding GCV band or 'actual GCV', as submitted in the audit certified statement of coal stated above. Where actual GCV is higher than the minimum GCV, the actual GCV is considered. The weighted average UHV of coal so determined is 3938.31 Kcal/Kg. The Commission considers the same for the purpose of fuel cost determination. The computations in this regard are given in Annexure – 2A.



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1.17 Actual achievement of generation, auxiliary consumptions and station heat rate vis-à-vis the same allowed in tariff order are stated hereunder:

Sl No	Particulars	Unit	Dishergarh		Chinakuri		Total	
			As per Tariff Order	As per Actual	As per Tariff Order	As per Actual	As per Tariff Order	As per Actual
1	Gross Generation	MU	60.00	21.8913	70.00	0	130.00	21.8913
2	Auxiliary Consumption	MU	6.00	2.5699	7.00	0	13.00	2.5699
3	Rate of Auxiliary Consumption	%	10.00	11.74	10.00	0	-	-
4	Sent out Energy	MU	54.00	19.3215	63.00	0	54.00	19.3215
5	Station Heat Rate	Kcal/kWh	3300.00	3914.13*	3746.00	0	-	-

*Derived on the basis of given quanta of coal consumption (21756.9 MT) and weighted average UHV of Coal as per calculation below:

$$\text{SHR (Dishergarh)} = \frac{3938.31 \times 21756.9 \times 10^3}{21.8913 \times 10^6} = 3914.13 \text{ Kcal / kWh}$$

1.18 As may be seen from the above statement, DPSC did not succeeded in making improvements in the station heat rate and in auxiliary consumption with respect to the norms considered in the tariff order for the year 2012 – 2013 and therefore is not entitled to any gain sharing for improvement in Station Heat Rate and Auxiliary consumption rate.

1.19 The norm for distribution loss of DPSC for the year 2012–2013 was considered 5.25% in the tariff order. As it comes out from the data as provided by DPSC in the instant application, the actual quanta of distribution loss experienced by it works out as under:

Sl No	Particulars	Figures in Million Units
Inputs to System		
(a)	Net Sent Out Energy	19.32
(b)	Energy Purchased during the year	1032.39
(c)	Delivered to the system [(c)=(a)+(b)]	1051.71



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(d)	Sales to Consumers & Licensee	1016.22
(e)	Own consumption (Actual)	4.21
(f)	Distribution loss [(f) =(c)-{(d) + (e)}]	31.28
(g)	Percentage of Distribution Loss [(g) = {(f)/(c)x100}]	2.97%

- 1.20 The allowable quantum of distribution loss (5.25%) on actual quanta of sales to consumers and WBSEDCL as well as the actual own consumption comes to 56.54 MU $[(1020.43/(1-0.0525) \times 0.0525)]$ as against actual of 31.28 MU. The savings in this regard comes to 25.26 MU (56.54 MU – 31.28 MU). As provided in paragraph C of Schedule – 9B to the Tariff Regulations, 2011 DPSC is entitled to retain the gains accruing to it in this regard.
- 1.21 The re-determination of the amount of fuel and power purchase cost that can be allowed to the applicant, after carrying out the adjustments towards the accrual of benefits of savings in the quanta of distribution loss, is being taken up in the next chapter.



CHAPTER – 2 COMPUTATION OF THE AMOUNT OF FUEL & POWER PURCHASE COST

2.1 The Commission now proceeds to determine the fuel and power purchase costs allowable to the applicant in terms of the formula in this regard as referred to in paragraph 1.3 in the earlier chapter.

2.2 FUEL COST:

2.2.1 Fuel cost of own generation is to be allowed as per normative parameters fixed by the Commission, or on actual basis in absence of any norms. The fuel costs to be allowed to the applicant for the year 2012 – 2013 for its new power station at Dishergarh are based on the following fuel consumption norms as decided in paragraph 1.10 of this order:

Particulars	Unit	Norms
Station Heat rate	K.Cal/kWh	3300.00
Auxiliary Consumption	%	10
Transit loss of coal	%	0.30

2.2.2 The weighted average calorific value of coal is, however, variable on factors depending on the actual grade mix of their use in the power stations and as may be allowed under regulation 5.8.1 of the Tariff Regulations commensurate with actual level of energy sale.

2.2.3 The applicant submitted month-wise quantity of coal consumed duly certified by the auditor and weighted average Heat Value of the consumed coal during the whole year 2012-13. In view of COD of the plant being 25.09.2012, the Commission, however, considers only those quantity of coal received during September 2012 to March 2013 for computation of Coal price and heat value.



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- The Commission, accordingly, admits the heat value of 3938.31 K.cal/Kg as narrated under paragraph 1.15 of this order.
- 2.2.4 As stated in paragraph 1.13 of this order, IPCL has purchased coal from different traders at a very high rate compared to the administered price of CIL. The Commission, however, decides to consider the price of coal purchased from traders at the CIL notified price of different GCV grades of coal submitted by IPCL through an audit certified statement of coal received and GCV analysis. Where 'actual GCV' obtained is higher than 'minimum GCV' of the band at which coal purchase was made, the price of the coal applicable to the band in which 'actual GCV' falls, has been considered. While determining the price, the Commission goes by the Notification No. CIL:S&M:GM(F):Pricing:1965 dated 31.01.2013 of the Coal India Limited with due adjustment of different components of other charges, royalty, cess, duty, tax etc. as prevalent during the period. Price of coal procured through e-auction mechanism of the CIL has been considered at 'actual coal price' excluding transportation charges, submitted by IPCL through their letter dated 24.03.2014. The Commission noted that the 'actual coal price' for e-auction coal as admitted by the Commission is reasonably comparable with the actual basic e-auction price obtained through e-auction mechanism of CIL added with other charges, cess etc. applicable during the period.
- 2.2.5 During the year 2012-13, the applicant purchased coal from traders as well as through e-auction. The applicant submitted a statement of Coal received analysis through their letter dated 24.03.2014 in reply to Commission's letter No.WBERC/FPPCA-64/13-14/1936 dated 13.03.2014. The Commission noted from the coal received analysis submitted by the applicant through their letter dated 24 March 2014 in reference to Commission's letter No.WBERC/FPPCA-64/13-14/1936 dated 13th March 2014 that average Transportation charge for e-auction coal, both on account of Railway freight and local transportation, is Rs.405.00 per MT. The price of coal claimed by IPCL for purchase of coal from



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traders is inclusive of transportation cost. However, the Commission considers the notified price of CIL for the corresponding GCV band of coal for purchase of coal from traders. Thus, the Commission decides to allow the transportation cost at the rate of Rs.405.00 per MT to determine the fuel cost.

2.2.6 The average price of coal is therefore admitted as under:

Sl. No.	Particulars	Weighted Average Price of Coal (Rs/MT)
		Dishergarh
1	Basic Price	2924.54
2	Transportation Cost	405.00
3	Total	3329.54

The computations in this regard are shown in Annexure – 2A.

2.2.7 The fuel cost of the applicant, considering the actual level of sent out generation and based on the above stated parameters, works out to Rs. 600.79 lakh. Detailed computations in this regard are shown at Annexure – 2B.

2.2.8 The applicant has referred the provision contained in regulation 5.8.1 of the Tariff Regulations wherein it has been specified for proving through documents that inspite of its sincere efforts, the generating company / the licensee has not been able to receive coal of higher heat value in the same grade. The Commission noted that the weighted average heat value of the coal received is lower than the weighted average minimum heat value of the notified grade of coal determined in terms of regulation 5.8.1 (i) of the Tariff Regulations. Moreover, the applicant has got the system of regular sampling and testing of consignments of coal received. The Commission noted that the matter of grade slippage, i.e., not getting supply of coal at average declared heat value of the grade has been taken up by the applicant with ECL and lodged claim of differential price with ECL. The applicant should pursue their claim with ECL instead of urging Commission to pass through the enhanced cost to consumers.



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2.2.9 PPC: POWER PURCHASE COST:

Besides own generation, the applicant purchased power from DVC, WBSEDCL and WBGEDCL during the year 2012 – 2013 and the amount of power and total cost incurred thereon came to 1032.39 MU and Rs. 45433.44 lakh respectively.

2.2.10 ALLOWABLE FUEL AND POWER PURCHASE COST:

The allowable amount of fuel and power purchase cost (FC+PPC), computed in terms of the formula enunciated by the Commission as referred to in paragraph 1.9, works out to Rs. 46047.93 lakh. The detailed computations are shown in Annexure – 2C.

2.3 C_D : COST DISALLOWABLE:

2.3.1 Factor C_D, as referred to in the FPPCA formula mentioned in paragraph 1.9 in the earlier chapter, stands for cost as to be found disallowable by the Commission. The referred formula also specified the method of ascertaining the amount of such cost disallowable. In case of the applicant, C_D comes to nil as the quantum of actual purchase remained less than the quantum of allowable purchase. The computations in this regard are shown hereunder:

Sl. No.	Factor Notation	Nomenclature	Unit	Value
1	t	Normative Transmission & Distribution loss considered for sale of power to licensee	%	5.25
2	d	Normative distribution loss for sale to consumers	%	5.25
3	E _g	Actual Energy sent out from own generating station for licensee and consumers (vide paragraph 1.12)	MU	19.32
4	E	Excess / (Savings) in the quanta of auxiliary energy consumption (vide note(1) below)	MU	0.21
5	E _P	Total energy purchased for distribution and supply to licensees (vide para 2.2.9)	MU	1032.39
6	E _O	Energy for own consumption as allowed in the tariff order for 2012-13	MU	3.00
7	E _{SC}	Quanta of energy sold to consumers (vide Annexure – 2C)	MU	794.17
8	E _{SL}	Quanta of energy sold to licensee (vide Annexure – 2C)	MU	222.05
9	E _{Adm}	Admissible quantum of purchase of energy (vide note(2) below)	MU	1056.164



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Note (1):

Sl. No.	Particulars	Unit	Dishergarh
1	Actual generation	MU	21.89
2	Rate of normative Auxiliary Consumption	%	10.00
3	Normative Auxiliary Consumption	MU	2.36
4	Actual Auxiliary Consumption (As per quantitative reconciliation of energy certified by Auditors)	MU	2.57
5	Excess auxiliary consumption / (Savings in auxiliary consumption) over normative auxiliary	MU	0.21

Note (2):

Admissible quantum of purchase:

$$\frac{E_{SC} + E_o}{(1 - d \times 0.01)} + \frac{E_{SL}}{(1 - T \times 0.01)} - E - E_g$$

$$= \frac{794.17 + 3.000 \text{ MU}}{0.9475} + \frac{222.05 \text{ MU}}{0.9475} - 0.21 \text{ MU} - 19.32 \text{ MU}$$

$$= (841.340 \text{ MU} + 234.353 \text{ MU} - 0.21 \text{ MU} - 19.32 \text{ MU})$$

$$= 1056.164 \text{ MU}$$

2.4 (+) A: PRIOR PERIOD'S ADJUSTMENTS:

2.4.1 Factor 'A' in the referred FPPCA formula signifies the adjustment, if any, to be made in the current period to account for any excess / shortfall in the recovery of fuel and power purchase cost for the past period. The applicant has claimed Rs. 644.98 lakh as prior period adjustment on account of differential price of coal from ECL for the period from April 2010 to June 2010 based on the difference between rates settled with ECL in the MOU dated 4th October, 2010 and the rates as per Fuel Supply Agreement. In the audited accounts for the year 2011-12 the



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same amount was reflected as contingent liability. But the applicant recognized the claim of ECL as liability and made provisions in the books during 2012-13 without referring any reasons in the notes to Annual Accounts 2012-2013, for making provision for a claim in the accounts for 2012-13 which was disputed earlier. The applicant in their submission has not given any explanation as to why the price as per MOU has prevailed over the FSA price of coal. The Commission decides to exercise more scrutiny on the arrear claim and directs the applicant to submit relevant copies of FSA, copy of MOU, detail calculation of arrear along with their FPPCA claim for the year 2015-2016. The Commission decides not to admit the claim of prior period adjustments in the FPPCA for the year 2012-2013. The Commission will take decision in this regard on scrutiny of relevant documents and clarifications in the FPPCA order for 2015-16.

2.5 Computations of the aggregate allowable amount of fuel and power purchase cost:

2.5.1 Based on the analyses done in the foregoing paragraphs, the amount of allowable fuel and power purchase cost for the applicant for the year 2012 – 2013 works out as under:

Rs in lakh

SI No	Particulars/Factors	Rs. in Lakh
1	FC: Allowable Fuel cost (Annexure – 2C)	614.49
2	PPC: Power purchase cost (Paragraph 2.3.1)	45433.44
3	C _D : Cost disallowable	0.00
4	±A :Adjustment relating to earlier period	0.00
5	FC+(PPC-C_D) ± A	46047.93



ANNEXURE - 2A

Month	Source	GCV Ranges (Kcal/Kg)	Minimum GCV (Kcal/Kg)	Actual GCV as certified by auditor (Kcal/Kg)	GCV admitted (higher of Minimum GCV and Actual GCV (Kcal/Kg))	Minimum UHV of the band (Kcal/Kg)	Quantity (MT) (Σ CLTWg)	Qty X Min UHV { Σ (UHVgm X CLTWg)}	GCV Grade	CIL notified price / CIL e-auction price (Rs./MT)	Qty X Price (Rs.)
September, 2012	Trader	3300-3500	3300	2717	3300	1300	63.23	82199	G14	846.1	53498.90
	Trader	3300-3500	3300	2994	3300	1300	640.11	832143	G14	846.1	541597.07
	Trader	3300-3500	3300	2666	3300	1300	285.32	370916	G14	846.1	241409.25
	Trader	3400-3600	3400	4677	4677	3360	201.82	678115.2	G9	1371.61	276818.33
	Trader	4300-4500	4400	3708	4400	3360	123.55	415128	G10	1233.87	152444.64
October, 2012	Trader	3300-3500	3300	3030	3300	1300	88	114400	G14	846.1	74456.80
	Trader	4200-4400	4200	3150	4200	2400	54.66	131184	G11	846.1	46247.83
	Trader	3400-3600	3400	3941	3941	2400	793.67	1904808	G12	983.84	780844.29
	Trader	4100-4300	4100	4711	4711	3360	486.39	1634270.4	G9	1371.61	667137.39
	Trader	4300-4500	4400	3555	4400	3360	511.79	1719614.4	G10	1233.87	631482.33
November, 2012	Trader	4100-4300	4100	4711	4711	3360	20.01	67233.6	G9	1371.61	27445.92
	Trader	2400-4000	4000	4466	4446	3360	4037.93	13567444.8	G10	1233.87	4982280.69
December, 2012	Trader	5501-5800	5501	4996	5501	4200	14.85	62370	G6	3808	56548.80
TOTAL TRADERS							7321.33	21579826.4			8532212.23
January, 2013	E-auction	5501-5800	5501	3938	5501	4200	8100.99	34024158	G6	3274	26522641.26
January, 2013	E-auction	5501-5800	5501	5324	5501	4200	8006.01	33625242	G6	3808	30486886.08
March, 2013	E-auction	5501-5800	5501	3808	5501	4200	3732.73	15677466	G6	3233	12067916.09
	E-auction	5501-5800	5501	4328	5501	4200	7879.65	33094530	G6	3156	24868175.40
TOTAL E-AUCTION							27719.38	116421396			93945618.83
GRAND TOTAL							35040.71	138001222.4			102477831.06

Wt Average Minimum UHV as per Regulation 5.8.1

$$X = \{ \Sigma (UHVgm \times CLTWg) / \Sigma CLTWg \} = 3938.31 \text{ Kcal/Kg}$$

Wt. Average price of Coal per MT = (102477831.06 / 35040.71) = Rs. 2924.54

Average Coal Transportation charge per MT = Rs. 405.00

Total price of Coal per MT = Rs. 3329.54



ANNEXURE – 2B STATEMENT SHOWING ADMISSIBLE FUEL COST

Sl. No.	Particular	Unit	2012-13
1	Sent out	MU	19.32
2	Rate of Auxiliary Consumption	%	10.00
3	Auxiliary consumption	MU	2.15
4	generation allowed (4=(1/0.9)	MU	21.47
5	Station Heat rate	Kcal/KWh	3300
6	Total Heat required (6=4 x 5)	M.Kcal	70851.00
7	Heat Value of Oil	Kcal/lit	-
8	Specific Oil Consumption rate	MI/KWh	-
9	Oil Consumed (9=1 x 8)	KL	0.00
10	Heat Generated from oil (7 x 9/1000)	M.Kcal	0.00
11	Heat Generated from Coal (6 - 10)	M.Kcal	70851.00
12	Heat Value of Coal	Kcal/Kg	3938.31
13	Coal required [(11/12)x1000]	MT	17990.20
14	Coal required at 0.30% Transit Loss	MT	18044.34
15	Average Price of Oil	Rs./KL	-
16	Average Price of coal	Rs./MT	3329.54
18	Cost of oil [(9 x 15)/100000]	Rs. In lac	0.00
19	Cost of Coal [(14x16)/100000]	Rs. In lac	600.79
20	Total Cost of Fuel (17 + 18)	Rs. In lac	600.79



ANNEXURE – 2C STATEMENT SHOWING ADMISSIBLE FUEL & POWER PURCHASE COST

SI No.	Factor Notation	Nomenclature	Unit	Value
1	t	Norms of Transmission and Distribution loss considered for sale of power to licensee	%	5.25
2	d	Norms of distribution loss for sale to consumers	%	5.25
3	E _O	Admitted Energy for own consumption	MU	3.00
4	E _{SL}	Energy sale to licensee	MU	222.05
5	E _{SC}	Energy sale to consumer	MU	794.17
6	Fuel Cost	Fuel cost for generation on normative parameters (Refer Annexure – 2B)	Rs. in Lakh	600.79
7	FC _{IUC}	Per unit Fuel Cost at distribution input [(Rs. 600.79 lakh) / (1051.71 MU)] x 10	Paise/kWh	5.7125
8	FC _{Adm_d}	Admissible Fuel Cost for sale to licensees [(222.05 MU) / (0.9475) X 5.7125 Paise] / 10	Rs. in Lakh	133.87
9	FC _{Adm_C}	Admissible Fuel Cost for sale to consumer and for own consumption [{"(794.17 MU+3.000 MU) / (0.9475)} x 5.7125 Paise] / 10	Rs. in Lakh	480.62
10	FC	Allowable fuel cost [(8) + (9)]	Rs. in Lakh	614.49
11	PPC	Power Purchase Cost	Rs. in Lakh	45433.44
12	FC + PPC	Admissible Fuel and Power Purchase Cost [(10) + (11)]	Rs. in Lakh	46047.93



CHAPTER – 3 SHARING OF GAINS WITH THE CONSUMERS AND LICENSEE (WBSEDCL)

3.1 The amount of re-determined fuel and power purchase cost, i.e. Rs. 46047.93 lakh, as shown in paragraph 2.5.1 in the previous chapter, is inclusive of the amounts of gains derived by the applicant on account of its better performances on different operational parameters. The amounts of gains attributable to the consumers and WBSEDCL are being viewed and ascertained hereafter.

3.2 Benefits for savings in Distribution Loss:

3.2.1 As referred in paragraph 1.20, the applicant is allowed to retain the gains accrued to it due to savings in the rate of distribution loss. Such savings in quantum came to 25.26 MU. The value of such savings at the average cost of power at the distribution bus works out as under:

Particulars	Quantum (MU)	Cost (Rs. in Lakh)
Sent out from Generation (Refer Annexure – 2B)	19.320	600.79
Purchase	1032.390	45433.44
Total	1051.71	46034.23
Average rate per unit		437.71 paise / kWh
Savings in cost of 25.26 MU		1105.65

3.2.2 Out of amount of Rs. 1105.65 lakh, computed above, a total amount of Rs. 13.70 lakh (Rs.614.49 lakh – Rs. 600.79 lakh vide annexure – 2C) has already been passed by way of adopting normative rate of distribution loss as denominator in computing admissible fuel cost for sale to Licensee and consumers. The balance amount of Rs. 1091.95 lakh (Rs. 1105.65 lakh – Rs. 13.70 lakh) is now being allowed.



CHAPTER – 4 ORDERS

- 4.1 The analyses in the earlier chapter show that the amount of fuel cost computed on the basis of normative parameters and in terms of the specified FPPCA formula comes to Rs. 614.49 lakh.
- 4.2 Actual amount of power purchase cost incurred by the applicant for purchasing 1056.164 MU from Damodar Valley Corporation, WBSEDCL, etc. as enumerated in paragraph 2.2.9 is Rs. 45433.44
- 4.3 An additional amount of Rs. 1091.95 lakh is found admissible to the applicant on account of savings in the rate of distribution loss as shown in paragraph 3.2.2.
- 4.4 Summing up the findings as stated above, the amount of fuel and power purchase cost allowed to the applicant for the year 2012 – 2013 are as under:

	Rs. in Lakh
Fuel Cost allowed (Net of gain share attributable to Consumers and WBSEDCL)	614.49
Power Purchase Cost	45433.44
Prior period adjustment	0.00
Additional amount on account of saving in rate of Distribution loss	1091.95
Re-determined Fuel and Power Purchase Cost	47139.88

- 4.5 The Commission decides, in terms of regulation 2.8.7.1 of the Tariff Regulations, 2011 to consider this amount of Rs 47139.88 lakh towards fuel and power purchase cost for adjustment along with the adjustment to come from the Annual Performance Review (in short “APR”) for the year 2012-13 or that for any other ensuing year or through a separate order, as may be decided by the Commission.



Order on FPPCA of DPSC Limited for the year 2012-13

- 4.6 This order shall be subject to any order passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.
- 4.7 The applicant is to take note of this order.

**Sd/-
(A. BISWAS)
MEMBER**

**Sd/-
(R. N. SEN)
CHAIRPERSON**

DATED: 12.09.2016