



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

IN CASE NO:

FPPCA – 60 / 12 – 13

**IN RE APPLICATION OF DPSC LIMITED FOR
FUEL & POWER PURCHASE COST ADJUSTMENT
(FPPCA) FOR THE FINANCIAL YEAR 2010 – 2011.**

DATE: 17.12.2012



CHAPTER – 1 INTRODUCTION

- 1.1 DPSC Limited (in short “DPSC Limited”) submitted its Fuel and Power Purchase Cost Adjustment (in short “FPPCA”) application on 19.10.2012 for ascertaining the fuel and power purchase costs admissible to DPSC Limited for the financial year 2010-11.
- 1.2 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 (hereinafter referred to as the “Tariff Regulations, 2011”) in supersession of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007, as amended (in short “Tariff Regulations, 2007”) with effect from 29th April, 2011. The said 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. The regulation 2.1.15 of the Tariff Regulations, 2011 has, however, provided for dealing with aforesaid application of DPSC Limited 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 2010 – 2011 and also on the basis of regulation 4.8.1 of the Tariff Regulations, 2007.
- 1.3 The applicable formula for the determination of FPPCA is as under:

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

Where –

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

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

FC = FC_{Adm_d} + FC_{Adm_C}



Order on FPPCA of DPSC Limited for the year 2010-11

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 = 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 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



Order on FPPCA of DPSC Limited for the year 2010-11

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.”

1.4 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

1.5 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 needs to view the actual performances of DPSC in comparison to the operational and fuel efficiency norms set by the Commission in the Tariff Order for the concerned year. Such comparisons are made 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	51.299	19.08	210.240	100.93	261.539	120.01
2	Auxiliary Consumption	MU	5.592	3.07	18.919	9.48	24.511	12.55
3	Rate of Auxiliary Consumption	%	10.90	16.09	9.00	9.39	-	-



Order on FPPCA of DPSC Limited for the year 2010-11

4	Sent out Energy	MU	45.707	16.01	191.321	91.45	237.028	107.46
5	Station Heat Rate	Kcal/kWh	5391.00	5668.66*	3760.00	4139.64*	-	-
*Derived on the basis of given quanta of coal consumption and actual weighted average Heat Value of Coal as per calculation below:								
SHR (Dishergarh)		=	$\frac{5379.78 \times 20.104552}{19.08}$					= 5668.66 Kcal / kWh
SHR (Chinakuri)		=	$\frac{4797.74 \times 87.085515}{100.93}$					= 4139.64 Kcal / kWh

1.6 As may be seen from the above statement, DPSC did not succeed in making improvements in the station heat rate and in auxiliary consumption both in Dishergarh and Chinakuri Power Stations with respect to the norms considered in the tariff order for the year 2010 – 2011 and therefore not entitled to any gain sharing.

1.7 The norm for distribution loss of DPSC for the year 2010–2011 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	107.46
(b)	Energy Purchased during the year	900.57
(c)	Delivered to the system [(c)=(a)+(b)]	1008.03
(d)	Sales to Consumers & Licensee	971.26
(e)	Own consumption	3.29
(f)	Distribution loss [(f) = (c) - {(d) + (e)}]	33.48
(g)	Percentage of Distribution Loss [(g) = {(f)/(c) x 100}]	3.32%

1.8 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 54.00 MU $[(974.55 / (1 - 0.0525)) \times 0.0525]$ as against actual of 33.48 MU. The



Order on FPPCA of DPSC Limited for the year 2010-11

savings in this regard comes to 20.52 MU. As provided in paragraph D of Schedule – 9B to the Tariff Regulations, 2011 DPSC is entitled to retain the gains accruing to it in this regard.

- 1.9 In terms of regulation 2.8.7.2 of the Tariff Regulations, the FPPCA application for any year is required to be submitted within 45 days of the completion of the accounts for that year duly audited. DPSC submitted their FPPCA application for 2010 – 2011 on 19.10.2012 i.e., beyond 45 days of completion of their audited accounts for the year 2010 – 2011. DPSC has prayed to condone the delay in submission of their FPPCA application which is admitted by the Commission.
- 1.10 The re-determination of the amount of fuel and power purchase cost that can be allowed to DPSC, 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 DPSC 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 allowed to DPSC for the year 2010 – 2011 for its power stations were based on the following fuel consumption norms:

Particulars	Unit	Norms	
		Dishergarh	Chinakuri
Station Heat rate	K.Cal/kWh	5391.00	3760.00
Transit loss of coal	%	0.30%	0.30%

2.2.2 The weighted average calorific value of coal is, however, variable factors depending on the actual grade mix of their use in the power stations and as may be allowed under regulation 4.8.1 of the Tariff Regulations, 2007 commensurate with actual level of energy sale.

2.2.3 Based on the actual grade mix of coal used and in terms of referred regulation 4.8.1, the heat value of coal is allowed as under:

		Heat Value of Coal (K.Cal/Kg)
i)	Dishergarh	5658.19
ii)	Chinakuri	5602.53



Order on FPPCA of DPSC Limited for the year 2010-11

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

2.2.4 The weighted average prices of coal as computed from the particulars furnished by DPSC, vide its submission at Annexure 1.4 to the application are as under:

SI No	Particulars	Weighted Average Price (In Rs./MT)	
		Dishergarh	Chinakuri
1	Basic Price	2961.43	2998.38
2	Transportation cost	601.58	650.62
3	Total	3563.01	3649.00

2.2.5 As observed from above, DPSC has claimed transportation cost of Rs 601.58/MT and Rs 650.62/MT in respect of Dishergarh and Chinakuri generating station respectively during the year 2010-11, which amounts to more than 200% for Dishergarh generating station and more than 125% for Chinakuri generating station than the rate of Transportation cost during 2009-10 as claimed by DPSC for those generating stations. However, the claim is more or less four times higher than the rate of transportation cost as admitted by the Commission for 2009 – 2010 for each of those stations. There is neither any clarification nor any reasonableness of such exorbitant claims lodged by DPSC in comparison to those in the previous years except that a copy of the Coal Transportation Agreement has been annexed in Appendix-A of their application. On going through the copy of the Agreement between DPSC and M/s Vizag Industrial Minerals Pvt. Ltd (in short 'VIMPL') executed on 24.02.2011 for transportation of coal by road from the allotted collieries of ECL to the plant premises of the Company located at Dishergarh and Chinakuri for the period from 1st April 2010 till 31st March, 2011, the Commission observes as under.

2.2.5.1 There is no indication in the application of DPSC as to whether any exercise through tender process was adhered to prior to awarding the transport contract. No price analysis in this regard is found. Instead, the price and other relevant terms and conditions of the contract appear to have been negotiated and / or



Order on FPPCA of DPSC Limited for the year 2010-11

mutually agreed to by the two parties. The basis on which such higher transportation cost compared to the previous year has been agreed to is not available in the application of DPSC. Moreover, the agreement for transportation of coal for the period of one year starting from 1st April, 2010 was executed on 24.02.2011, i.e., almost at the end of the contract period. The Commission is not in a position to accept this arrangement as this will lead to increase in the cost of generation leaving ample scope towards deprivation of consumers i.e. the end users.

- 2.2.5.2 That the terms and conditions of the contract include services not relevant with the actual transport of coal viz. the contractor shall have to pursue with ECL to minimize the percentage of foreign materials in coal allotted by ECL and keep proper checks for any pilferage, loss, damage and grade slippage as well as ensuring proper moisture content in the coal supplied by ECL and assisting the Company in reconciliation of coal accounts. Nevertheless, the above kind services of the contract may otherwise be termed as quality/quantity assurance service which is a kind of specialized job on the part of the transporter attracting higher cost. That DPSC ought to take up with ECL, the supplier of coal in case of any grade slippage etc. and claim compensation from ECL in this regard, instead of engaging the transporter for assuring quality/quantity services which are not relevant with his job.
- 2.2.5.3 Moreover, in terms of regulation 4.8.1 of the Tariff Regulation 2007, the minimum allowable weighted heat value of coal as per grade mix of actual coal consumption furnished in Annexure 1.5 of the application comes at 5658.19 K.Cal/Kg. and 5602.53 K.Cal/Kg for Dishergarh and Chinakuri generating stations respectively whereas the actual weighted average heat value as mentioned by DPSC in Annexure 1.3 of their application was 5379.78 K.Cal/Kg and 4797.74 K.Cal/Kg for Dishergarh and Chinakuri generating stations



Order on FPPCA of DPSC Limited for the year 2010-11

respectively. Thus, there was no improvement in heat value. In particular, at Chinakuri, the actual weighted average heat value of coal received by DPSC fell much short of the minimum allowable heat value under regulation 4.8.1 of the Tariff Regulation, 2007 in spite of allowing higher transportation cost with quality/quantity assurance service by the transporter.

2.2.5.4 Since the transportation cost claimed by DPSC during 2010-11 includes cost of quality/quantity assurance service, a kind of specialized job highlighted in Paragraph 2.2.5.2, the Commission is of the opinion that any sort of action which leads to deprivation and additional burden on the consumer is not acceptable to the Commission. The Commission now takes up the allowable transportation cost determined in a reasonable manner as per the following paragraphs.

2.2.6.1 For the purpose of determining the escalated /revised price for 2010-11, the transportation cost allowed by the Commission during 2009-10 in its order dated 04.06.2012 in the Case No. FPPCA-44/10-11 is considered as the base. Now, in terms of service tax rules for Goods and Transportation Agency (GTA) services in relation to transportation of Goods vide notification no.26/2012-ST dated 20.06.2012 of Central Board of Excise & Customs, Department of Revenue, Ministry of Finance, Govt. of India, exemption in excess of 25% on the value of service is provided for GTA Services. In other words, an abatement of 75% would be available on the cost of Transportation of Goods. Since the major variable cost in transportation cost for GTA services is the cost of fuel, such cost is considered as 75% i.e., the available abatement in transportation cost.

2.2.6.2 The Commission now determines the escalated price of Transportation Cost during 2010-11 for the cost of fuel with respect to the Wholesale Price Index (WPI) circulated by the Ministry of Commerce & Industries, Govt. of India. The Commission also determines the escalated price of the cost of service provided



Order on FPPCA of DPSC Limited for the year 2010-11

for the quantum of 25% of the Transportation Cost as above by considering an increase of 10% over the amount allowed for the year 2009-10.

Commodity	= High Speed Diesel Oil
WPI April 2010 (W_{10})	= 145.60
WPI March 2011 (W_{11})	= 153.60
Transportation Cost	= T
Enhanced cost of fuel	= $T \times 0.75 \times \frac{W_{11}}{W_{10}}$
Enhanced cost of service	= $T \times 0.25 \times 1.10$

Sl. No.	Particulars	Rs./MT	
		Dishergarh	Chinakuri
1	Transportation cost admitted during 2009-10	147.04	170.28
2	Enhanced cost of fuel in transportation cost during 2010-11	116.34	134.72
3	Enhanced cost of service in transportation cost during 2010-11	40.44	46.83
4	Total transportation cost during 2010-11(2+3)	156.78	181.55

2.2.6.3 The average price of coal are therefore admitted as under:

Sl. No.	Particulars	Weighted Average Price of Coal (Rs/MT)	
		Dishergarh	Chinakuri
1	Basic Price	2961.43	2998.38
2	Transportation Cost	156.78	181.55
3	Total	3118.21	3179.93



Order on FPPCA of DPSC Limited for the year 2010-11

2.2.6.4 The fuel cost of DPSC, considering the actual level of sent out generation and based on the above stated parameters, works out to Rs. 2686.61 lakh. Detailed computations in this regard are shown at Annexure – 2B.

2.2.7 DPSC is, however, to take note of the provision contained in regulation 4.8.1 of the Tariff Regulations, 2007 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. DPSC has got the system of regular sampling and testing of consignments of coal receipts. But the matter of grade slippage, i.e., not getting supply of coal at average declared heat value of the grade should have been taken up with the ECL by DPSC and compensation claimed.

2.3 PPC: POWER PURCHASE COST:

2.3.1 The actual quanta of power purchased by DPSC during 2010 – 2011 from different sources and total cost incurred thereon came to 900.57 MU and Rs. 29531.71 lakh respectively with the following breakup:

Sources	Quantum MU	Cost incurred (Rs in lakh)	Average rate (paise/kwh)
Damodar Valley Corporation	703.12	20886.52	297.05
WBSEDCL	196.36	8590.65	437.49
WBGEDCL	1.09	54.54	500.37
Total	900.57	29531.71	327.92

2.4 ALLOWABLE FUEL AND POWER PURCHASE COST:

2.4.1 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 1.3, works out to Rs. 32271.98 lakh. The detailed computations are shown in Annexure – 2C.



Order on FPPCA of DPSC Limited for the year 2010-11

2.5 C_D : COST DISALLOWABLE:

2.5.1 Factor C_D, as referred to in the FPPCA formula mentioned in paragraph 1.3 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 DPSC, 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 1.5)	MU	107.46
4	E	Excess / (Savings) in the quanta of auxiliary energy consumption (vide note below)	MU	1.386
5	E _P	Total energy purchased for distribution and supply to licensees (vide para 2.3.1)	MU	900.57
6	E _O	Energy for own consumption as allowed in the tariff order for 2010-11	MU	3.00
7	E _{SC}	Quanta of energy sold to consumers (vide Annexure – 2C)	MU	768.21
8	E _{SL}	Quanta of energy sold to licensee (vide Annexure – 2C)	MU	203.05
9	E _{Adm}	Admissible quantum of purchase of energy (vide note below)	MU	919.397

Note (1):

Sl. No.	Particulars	Unit	Dishergarh	Chinakuri	Total
1	Actual generation	MU	19.08	100.93	120.01
2	Rate of normative Auxiliary Consumption	%	10.90	9.00	
3	Normative Auxiliary Consumption	MU	2.08	9.084	11.164
4	Actual Auxiliary Consumption (As per quantitative reconciliation of energy certified by Auditors)	MU	3.07	9.48	12.55
5	Excess auxiliary consumption / (Savings in auxiliary consumption) over normative auxiliary	MU	0.99	0.396	1.386



Note (2):

Admissible quantum of purchase:

$$\frac{E_{SC} + E_O}{(1 - d \times 0.01)} + \frac{E_{SL}}{(1 - T \times 0.01)} - E - E_g$$
$$\frac{768.21 + 3.000 \text{ MU}}{0.9475} + \frac{203.05 \text{ MU}}{0.9475} - 1.386 \text{ MU} - 107.46 \text{ MU}$$
$$(813.942 \text{ MU} + 214.301 \text{ MU} - 1.386 \text{ MU} - 107.46 \text{ MU})$$
$$= 919.397 \text{ MU}$$

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

2.6.1 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. DPSC has claimed Rs. 179.22 lakh as prior period adjustment on account of revised fuel cost due to payment of performance incentive to ECL and additional coal transport cost for the year 2009 – 2010. Neither any provision is found in the annual accounts of 2010 – 2011 nor any supporting documents viz. copy of the bills and FSA or MOU with ECL are enclosed against their claim. In annexure 4.1 of their application DPSC has shown that total despatch of coal during the year 2009 – 2010 was 179854.58 MT against the annual contracted quantum of 160740.00 MT and DPSC had to pay incentive to ECL. But, the requirement of coal as admitted by the Commission in the FPPCA order dated 04.06.2012 in case no. FPPCA-44/10-11 for 2009 – 2010 is 147091.261 MT which is even less than the annual contracted quantum of coal. In view of all above, the Commission considers not to allow any amount on account of prior period adjustment. The Factor A for such adjustment is, therefore, taken as zero.



Order on FPPCA of DPSC Limited for the year 2010-11

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

2.7.1 Based on the analyses done in the foregoing paragraphs, the amount of allowable fuel and power purchase cost for DPSC Limited for the year 2010 – 2011 works out as under:

Rs in lakh

SI No	Particulars/Factors	Rs. in Lakh
1	FC: Allowable Fuel cost (Annexure – 2C)	2740.27
2	PPC: Power purchase cost (Paragraph 2.3.1)	29531.71
3	C _D : Cost disallowable	0.00
4	±A :Adjustment relating to earlier period	0.00
5	FC+(PPC-C_D) ± A	32271.98

**ANNEXURE - 2A**

COMPUTATION OF UHV OF COAL BASED ON ACTUAL GRADE MIX OF USE								
NAME OF GENERATING STATION	GRADE OF COAL	% OF USE	DECLARED MINIMUM UHV (K.CAL/KG)	DIFFERENCE OF MAXIMUM & MINIMUM UHV (K.CAL/KG)	MULTIPLICATION FACTOR	VALUE TO BE ADDED TO MINIMUM (5x6)	DECLARED AVERAGE UHV (K.CAL/KG)	PRODUCT (K.CAL/KG) (3X8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
DISHERGARH	B	94.96	5601.00	600.00	0.15	90.00	5691.00	540417.36
	C	5.04	4941.00	660.00	0.15	99.00	5040.00	25401.60
	TOTAL	100.00						565818.96
	Minimum Allowable							5658.19
	Actual							5379.78
	Allowed							5658.19
CHINAKURI	B	86.41	5601.00	600.00	0.15	90.00	5691.00	491759.31
	C	13.59	4941.00	660.00	0.15	99.00	5040.00	68493.60
	TOTAL	100.00						560252.91
	Minimum Allowable							5602.53
	Actual							4797.74
	Allowed							5602.53



ANNEXURE – 2B STATEMENT SHOWING ADMISSIBLE FUEL COST

SI No	Particulars	Unit	Generating Stations		Overall
			Dishergarh	Chinakuri	
1	Sent out Generation	MU	16.01	91.45	107.46
2	Rate of Auxiliary Consumption (normative)	%	10.90	9.00	-
3	Auxiliary consumption (normative)	MU	1.959	9.045	11.004
4	Gross Generation for allowing fuel (1+3)	MU	17.969	100.495	118.464
5	Station Heat Rate (Normative)	Kcal/kWh	5391.00	3760.00	-
6	Total Heat Required (4x5)	M.Kcal	96870.879	377861.20	474732.079
7	Heat value of coal (Allowable)	K.cal/Kg	5658.19	5602.53	-
8	Coal consumption (6/7) x1000	MT	17120.471	67444.744	84565.215
9	Coal requirement with permissible transit loss (0.30%)	MT	17171.987	67647.687	84819.674
10	Average price of coal (Actual)	Rs/MT	3118.21	3179.93	-
11	Cost of coal (9x10)/100000	Rs lakh	535.46	2151.15	2686.61
12	Average cost of generation (11/4)x10	Paise/kWh	297.99	214.06	226.79



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	203.05
5	E _{SC}	Energy sale to consumer	MU	768.21
6	Fuel Cost	Fuel cost for generation on normative parameters (Refer Annexure – 2B)	Rs. in Lakh	2686.61
7	FC _{IUC}	Per unit Fuel Cost at distribution input (Rs. 2686.61 lakh / 1008.03 MU)x10	Paise/kWh	26.65
8	FC _{Adm_d}	Admissible Fuel Cost for sale to licensees [(203.05 MU/0.9475)X26.65 Paise]/10	Rs. in Lakh	571.11
9	FC _{Adm_C}	Admissible Fuel Cost for sale to consumer and for own consumption [{"(768.21 MU+3.000 MU)/ 0.9475}x 26.65 Paise]/10	Rs. in Lakh	2169.16
10	FC	Allowable fuel cost (Rs. 571.11 Lakh + 2169.16 Lakh)	Rs. in Lakh	2740.27
11	PPC	Power Purchase Cost	Rs. in Lakh	29531.71
12	FC + PPC	Admissible Fuel and Power Purchase Cost	Rs. in Lakh	32271.98

The allowable fuel cost of Rs. 2740.27 lakh has now been allocated to Dishergarh and Chinakuri power stations as follows:

$$\text{For Dishergarh Power Station} = \text{Rs.} \left[\frac{2740.27}{2686.61} \times 535.46 \right] \text{ lakh} = \text{Rs. 546.15 lakh}$$

$$\text{For Chinakuri Power Station} = \text{Rs.} \left[\frac{2740.27}{2686.61} \times 2151.15 \right] \text{ lakh} = \text{Rs. 2194.12 lakh}$$



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. 32271.98 lakh, as shown in paragraph 2.7 in the previous chapter, is inclusive of the amounts of gains derived by DPSC on account of its better performances on different parameters of operational and fuel consumption norms. 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 1.8, DPSC is allowed to retain the gains accrued to it due to savings in the rate of distribution loss. Such savings in quantum came to 20.52 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)	107.46	2686.61
Purchase	900.57	29531.71
Total	1008.03	32218.32
Average rate per unit		319.62 paise / kWh
Savings in cost of 20.52 MU		655.85

3.2.2 Out of amount of Rs. 655.85 lakh, computed above, a total amount of Rs. 53.66 lakh (Rs.2740.27 lakh – Rs. 2686.61 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 WBSEDCL and consumers. The balance amount of Rs. 602.19 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. 2740.27 lakh.

Station-wise break-up of the allowable fuel cost is given below:

Sl. No.	Particulars	Amount (Rs. in Lakh)		
		Dishergarh	Chinakuri	Overall
1	Fuel Cost on normative basis (Annexure 2C)	546.15	2194.12	2740.27

- 4.2 Actual amount of power purchase cost incurred by DPSC for purchasing 900.57 MU from Damodar Valley Corporation, WBSEDCL, etc. as enumerated in paragraph 2.3.1 is Rs. 29531.71 lakh.
- 4.3 An additional amount of Rs. 602.19 lakh is found admissible to DPSC 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 DPSC for the year 2010 – 2011 are as under:

	Rs. in Lakh
Fuel Cost allowed (Net of gain share attributable to Consumers and WBSEDCL)	2740.27
Power Purchase Cost	29531.71
Additional amount on account of saving in rate of Distribution loss	602.19
Re-determined Fuel and Power Purchase Cost	32874.17

- 4.5 The Commission decides, in terms of regulation 2.8.7.1 of the Tariff Regulations, 2011 to consider this amount of Rs 32874.17 lakh towards fuel and power



Order on FPPCA of DPSC Limited for the year 2010-11

purchase cost for adjustment along with the adjustment to come from the Annual Performance Review (in short "APR") for the year 2010-11 and to give effect of that while ascertaining the amount of revenue recoverable through tariff during the year 2012-13 or any subsequent year. .

4.6 DPSC is to take note of this order.

Sd/-
(SUJIT DASGUPTA)
MEMBER

Sd/-
(PRASAD RANJAN RAY)
CHAIRPERSON

DATED: 17.12.2012