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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

No. 49/WBERC

Kolkata, the 27th August, 2012.

In exercise of the powers conferred by sub-sections (1) and (2) of section 181 read with section 61, of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in this behalf, the West Bengal Electricity Regulatory Commission hereby makes the following regulations to amend the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the "Principal Regulations").

1. Short title, commencement:
 - (i) These regulations may be called the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012.
 - (ii) They shall come into force on the date of their publication in the Official Gazette.
2. For clause v) of regulation 1.1 of the Principal Regulations the following clauses shall be substituted:

“v) They shall not apply to the following types of cases for the purpose of determination of tariff by West Bengal Electricity Regulatory Commission, but shall apply to such cases for the purpose of determination of wheeling and / or transmission charges and/or avoided cost for applicable cross subsidy surcharge;

 - a. Use of electricity from captive generating plants for own consumption by the owner of the captive generating plant;

- b. In such cases where there is direct commercial relationship through supply by a generating station to a consumer under open access mode;
 - c. In such cases where there is direct commercial relationship through supply by an electricity trader to a consumer of a distribution licensee;
 - d. In such cases where there is direct commercial relationship through supply by a distribution licensee to a consumer of another distribution licensee outside the area of supply of the first distribution licensee under open access mode;
 - e. In such cases where a consumer of a distribution licensee is drawing power from any other source through any power exchanges as approved by CERC or WBERC;
 - f. In such cases where the supply is by a person exempted under section 13 or under 8th proviso to section 14 of the Act to consumer or distribution licensees or electricity trader through open access by using the electrical network of any licensee.
- vi) They shall not apply to the cases where tariff is determined under West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 or any other regulations framed subsequently which will be the replacement of the said regulations."
3. In regulation 1.2.1 of the Principal Regulations:—
- (i) after clause (xlvii), the following clause shall be inserted:—
"(xlviii) 'EHT or EHV' means the same as defined in State Grid Code"
 - (ii) after clause (lxi), the following clause shall be inserted:—
"(lxia) 'HT or HV' means the same as defined in State Grid Code"
 - (iii) after clause (lxvi), the following clause shall be inserted:—
"(lxvia) 'LT or LV' means the same as defined in State Grid Code"
 - (iv) after clause (lxix), the following clause shall be inserted:—
"(lxixa) 'MT or MV' means the same as defined in State Grid Code"
 - (v) after clause (xcvi), the following clause shall be inserted:
"(xcvii) 'Specified Institutions' means the consumers who are falling under the following categories:
 - (a) All non-profit making educational and research institutions including public libraries, owned or aided by the State / Central Government; and
 - (b) Hospitals, maternity homes, charitable dispensaries, old age homes, children/ orphanage homes, homes for destitute and social welfare establishments owned and run by either State Government or Central Government or by any non-profit making charitable organization either public or private."
 - (vi) after clause (c), the following clause shall be inserted:—
"(ca) 'State Grid Code' means the regulations specified by the Commission under clause (h) of sub-section (1) of section 86;"

4. For clause (xiii) of regulation 2.5.3 of the Principal Regulations the following clauses shall be substituted:
 - "(xiii) Due to any addition or deletion of new source of supply of electricity to a licensee, the consequential changes in ARR for an ensuing year already determined in the first year of the control period may be done along with changes in input energy to the extent it is affected by such addition or deletion.
 - (xiv) For non-compliance of any direction of the Commission in the tariff order or order of APR, the Commission may withhold or deduct any amount from the ARR of any ensuing year through the tariff order or order of the APR."
5. After sub-clause c. in clause (i) of regulation 2.8.1.4.2 of the Principal Regulations the following sub-clause shall be inserted:
 - "d. Levellised tariff of the project considering life period of the generating plant as per CERC Regulations where the discounting factor and escalation rate of energy charge and other parameters shall be considered as per the values notified by the competent authority for competitive bidding in accordance with section 63 of the Act."
6. For first paragraph of regulation 2.8.2.3 of the Principal Regulations the following paragraph shall be substituted:

"2.8.2.3 The approval of the Commission for investment in new transmission project commissioned after 31.12.2007 is mandatory. Similarly, the approval of the Commission for distribution project whose cost is above rupees one hundred and twenty five crore or 5 % of the gross fixed asset of distribution business of the licensee at the time of taking up the project, whichever is lower and commissioned after the publication of these regulations is mandatory. Such approval in both cases shall be taken before investment is made in order to minimize their investment risk. Any subsequent revision of such investment must also be required to be got approved by the Commission before filing application for determination of tariff. For the investment approval licensee shall submit an application along with a gist."
7. For regulation 2.8.2.4 of the Principal Regulations the following regulation shall be substituted: -

"2.8.2.4 Any distribution licensee having its electricity business in the State shall, before committing to bear any type of fixed cost for creation of any new asset relating to any inter-state or intra-state transmission system of any other person, obtain approval of the Commission by giving full techno-economic-commercial justification of such commitment to the satisfaction of the Commission provided cost of creation of such new assets exceeds Rs. 125 crore or 5 % of the gross fixed asset of distribution business of the licensee at the time of taking up their project, whichever is lower."
8. For first paragraph of regulation 2.8.4.1 of the Principal Regulations the following paragraph shall be substituted:-

"2.8.4.1 A licensee or a generating company may undertake capital expenditure in small schemes, which do not fall within the capital expenditure programme approved by the Commission in pursuance of regulations 2.8.1.4, 2.8.2.3 and 2.8.3, provided the aggregate expenditure on such schemes does not exceed Rs 200 crore or 5 % of the gross fixed asset of the

generation business of the generating company or distribution business of the distribution licensee or transmission business of the transmission licensee, as the case may be, whichever is lower during the year concerned. No approval is required to be taken for Capital Expenditure for the schemes in a year upto the amount of Rs. 200 crore or 5% of the gross fixed asset of the concerned business whichever is lower as mentioned above. However, if such expenditure exceeds Rs. 200 crore or 5% of the gross fixed asset of the concerned business whichever is lower as mentioned above, prior approval is required to be taken for Capital Expenditure for such small schemes which are undertaken beyond the above limit prior to incurring such expenditure. Under this provision no proposal for a new generating station will be allowed."

9. At the end of the regulation 2.8.6.1 of the Principal Regulations the following sentences shall be inserted:—

"Beyond 2013-14, the values of applicable operating norms of different operational parameters for any ensuing year will be of the same value as is specified for 2013-14 in Schedule 9A and Schedule 9D till the Commission comes out with a new set of values through any order or regulations. However, norms of Operation and Maintenance (O&M expenses) for a Coal Fired Thermal Generating Station under Operation and under Construction will be provided in the tariff order of the 1st ensuing year of any control period applying average inflation rate of last control period on the base of actual expenditure of the last available completed year of that last control period but subject to further condition that the Commission may change such basis on detailed scrutiny after taking into account the application of tariff or APR where applicable and objections and suggestions on it. Such inflation rate for the last control period shall be taken upto the extent such rate is available at the time of issuance of the order."

10. After regulation 2.8.9.4 of the Principal Regulations the following regulation shall be inserted:-

"2.8.9.5 In case where a specific principle of calculation exists for determination of any element of ARR at tariff determination stage under these regulations but nothing has been mentioned for truing up through APR or FPPCA under these regulations, then such principle will also be applicable during truing up through APR or FPPCA to the extent it is possible. Similarly, in case where a specific principle of calculation exists for determination of any element of ARR under truing up exercise in APR or FPPCA under these regulations but nothing has been mentioned for calculation of any element of ARR at tariff determination stage under these regulations then such principle will also be applicable on those elements of ARR during tariff determination stage to the extent it is possible. Similarly in line with the tariff determination process during the truing up exercise of APR or/and FPPCA the Commission shall be entitled to require the generating company or the licensee to give such other or further information, particulars and documents at any stage of the truing up exercise as the Commission may consider appropriate. Moreover during truing up exercise in APR or/and FPPCA under these regulations for different data/ information including those pertaining to generating stations, generating companies and licensees, the Commission may, at its discretion, rely on and make use of any of the documents published or issued or supplied by Government of India, Central Electricity Authority, Government of West Bengal, different State Government and different statutory bodies formed under the Electricity Act, 2003 or any other statute of the country after giving the generating company or the licensee and the stakeholders an opportunity to express its views on the matter as to which is to be relied on through suggestions and objections where applicable as invited

through website of the Commission, to be submitted within 7 working days of publication in the website. In case of any discrepancies, or contradictions or inconsistencies in data and information contained in different documents as mentioned above including the information/data submitted by the licensee or the generating companies, the Commission, at its discretion, shall accept those data that will be found by the Commission to be rational or/and reasonable."

11. For clause (i) of regulation 2.11.2 of the Principal Regulations, the following clause shall be substituted:-

- "i) If there is shortage in power and such purchase price is less than any of the following:
- a) the rate of UI charges or prices available through power exchange whichever is higher for the relevant time block.
 - b) the weighted average rate of UI charges or prices available through power exchanges whichever is higher for relevant comparable time period within last one year from the commencement of the period for which such purchase is/will take place."

12. After regulation 3.14 of the Principal Regulations, the following regulation shall be inserted:-

"3.15 Implication of effective date of any order or notification on applicability of tariff.

3.15.1 On issuance of any order on tariff or APR or FPPCA, if the effective date of the applicable tariff or APR Tariff Adjustment or FPPCA according to the order is within the billing cycle for any consumer then such applicable energy charge or APR Tariff Adjustment or FPPCA will become applicable on the proportionate amount of energy that is consumed between the effective date and the end date of the billing cycle with respect to the billed energy. Similarly, the applicable demand charge or fixed charge will also be considered on the proportionate basis of the period between effective date and the end date of the billing cycle. Similarly, load factor rebate/surcharge and power factor rebate/surcharge and other charges will also be considered proportionate to energy amount for the period between effective date and end date of the billing cycle. For the period prior to effective date the previous load factor rebate/surcharge or power factor rebate/surcharge and other charges prior to the order will be applicable.

Provided that the effective date of any tariff order for any ensuing year for which tariff is already determined shall continue to be operative as per principle laid down or followed in accordance with the tariff order of those years.

3.15.2 On issuance of any notification on MVCA or MFCA for a month by licensee or Generating Company if the effective date of the applicable MVCA or MFCA is within the billing cycle for any consumer or licensee then such applicable MVCA or MFCA will become applicable on the proportionate amount of energy that is consumed between the effective date and the end date of the billing cycle with respect to the billed energy.

The effective date of MVCA will be the date as specified in Schedule-7B of these regulations."

13. For regulation 4.3.1 of the Principal Regulations the following regulation shall be substituted:-

"4.3.1 Demand charge will be applicable to all HV and EHV consumers and also to those LV and MV consumers who have contract load of 50 KVA or above and at a rate as stipulated in the respective tariff order."

14. After regulation 4.22 of the Principal Regulations, the following regulations shall be inserted.

"4.23 From 2012-13, the contract demand for each consumer will be calculated annually based on the consumption of the preceding year as per the formula laid down in regulation 4.15 and if value of such calculated contract demand is found to be higher than the contract demand as recorded with the licensee, then such contract demand will be revised prospectively. In case such calculated contract demand is not an integer, then it shall be rounded off to next integer in KW. The consumer category shall also be changed for those consumers, if required due to such revision of contract demand. Due to such change in contract demand if infrastructure to provide such supply is required to be changed for technical requirements then corresponding service connection charge for additional load enhancement is to be provided by the consumer according to SOP or any procedure framed under it as applicable. In case of change of category of consumer where technically infrastructure is to be changed consumer shall be provided with a notice for submission of application for enhancement of load as per regulations. In response within one month consumer shall either enhance the contract demand or give a declaration as per declaration format of the licensee that it shall be continued with the present contract demand subject to fulfillment of the regulation 4.24 wherever its recorded demand in a month falls under the application of the regulation 4.24.

4.24 If the maximum demand, of a consumer who has opted to abide by the regulation 4.23, recorded is found to be higher than the contract demand where such recorded maximum demand falls in the category of consumer which is determined on the basis of contract demand, then the consumer is required to pay the fixed charge or demand charge in accordance to the formula that will be provided in the tariff order."

15. For regulation 5.3.1 of the Principal Regulations the following regulation shall be substituted:-

"5.3.1 The actual cost incurred including fuel cost during trial up to COD shall be treated as Capital Cost."

16. For regulation 5.3.2 of the Principal Regulations the following regulation shall be substituted:-

"5.3.2 The actual revenue earned from sale of power (infirm power) shall be treated as reduction in capital cost."

17. For clause (a) of regulation 5.6.1.6 of the Principal Regulations the following clause shall be substituted:-

"(a) For a generating station the value of equity of the inoperative unit of a generating station for tariff determination purpose only, shall be:-

$$E_{\text{unit}} = \left[\frac{E_{\text{tot}} \times \{IO_{\text{unit}} \times (0.9085)^{A_{\text{unit}}}\}}{\sum \{IC_{\text{unitn}} \times (0.9085)^{A_{\text{unitn}}}\}} \right]$$

Where,

E_{unit} = Deemed Equity of inoperative unit under consideration.

E_{tot} = Actual Equity against the concerned generating station.

A_{unit} = Age difference of the latest unit and the concerned inoperative unit in completed years.

IO_{unit} = Installed capacity of the inoperative unit under consideration.

IC_{unitn} = Installed capacity of the nth unit of the station.

A_{unitn} = Age difference of the latest unit and nth unit in completed years."

18. For regulation 5.6.5.1 of the Principal Regulations the following regulation shall be substituted:-

"5.6.5.1 The interest on working capital requirement of a generating company or a licensee shall be assessed on normative basis @ 18% on a base amount derived by summation of annual fixed charge, fuel cost and power purchase cost reduced by the following elements of the ARR determined for the generating company or a licensee, as the case may be:

- i) The amount of depreciation,
- ii) Deferred revenue expenditure,
- iii) Return on equity,
- iv) The bad and doubtful debt,
- v) Reserve for unforeseen exigencies,
- vi) Special appropriation against any withheld amount of previous year,
- vii) Arrear on account of adjustment due to Annual Performance Review and FPPCA, if included in ARR.
- viii) In case of the distribution licensee, cash security deposit taken from consumer by a licensee etc
- ix) Other non-cash expenditure, if any,

Provided that such base amount will be considered as zero if on calculation as per above method the same is found to be negative.

Provided also that where Monthly Fuel Cost Adjustment or Monthly Variable Cost Adjustment exists, then for interest on working capital requirement the above normative basis shall be 10% instead of 18% on the said base amount.

Provided also that where power banking is done to get back the power at a deferred period then the carrying cost for such deferred revenue income shall be a pass through element in tariff. The rate of interest on deferred revenue income for computing the amount of carrying cost shall be equal to the S.B.I. prime lending rate as on 1st April of the year concerned and such amount shall be considered separately.

Provided further that such carrying cost shall be limited to the amount so that the summation of allowable working capital interest and such carrying cost does not exceed the actual interest paid for working capital purpose.

19. For regulation 5.6.5.2 of the Principal Regulations the following regulation shall be substituted:-

"5.6.5.2 Rate of interest on working capital so assessed on normative basis, shall be equal to the short term prime lending rate of State Bank of India as on the 1st April of the year preceding the year for which tariff is proposed to be determined. During APR for the concerned year interest on working capital will be allowed on the amount so assessed on normative basis or the actual amount of interest paid, whichever is less."

20. For clause (iii) of regulation 5.8.1 of the Principal Regulations the following clause shall be substituted:-

"(iii) In case where coal price from indigenous source is not on the basis of any notified grade as prevalent for determination of administrated price of Coal India Limited (CIL)

and its subsidiaries, then maximum admissible price will be arrived at after prudence check on the basis of administrated price per heat value of coal of same geographical area of supply from CIL and its subsidiaries. Maximum admissible price per unit of UHV will be computed as follows:

$$P_{ind} = (P_{admin} / UHV_{admin}) \times 1000$$

Where,

P_{ind} = Maximum admissible price per UHV of coal from said indigenous sources in Rs./Gcal.

P_{admin} = Weighted average administered price of coal supplied from said indigenous sources in Rs./Ton.

$$= \{\Sigma(P_{grade} \times CLWT_g)\} / \Sigma CLWT_g$$

Where,

P_{grade} = Admissible price of coal in Rs./Ton of each grade of indigenous coal supplied from same geographical area for CIL and subsidiaries corresponding to the notified grade of CIL coal to which UHV of the said indigenous coal belongs.

$CLWT_g$ = Weight of coal actually consumed or to be consumed annually for the year under consideration for each notified grade corresponding to each P_{grade} .

UHV_{admin} = UHV of coal in Kcal / Kg. for the concerned year which shall not be less than 'X' Kcal / Kg.

Where,

$$X = \{\Sigma(UHV_{gm} \times CLWT_g)\} / \Sigma CLWT_g$$

Where,

UHV_{gm} = Minimum UHV of each notified grade of coal.

For FPPCA the actual UHV as per audited report will be considered but generally it shall not be less than 'X' Kcal / Kg. as defined above."

21. At the end of regulation 5.8.11 of the Principal Regulations, the following proviso shall be added:-

"Provided that if the supplementary bill on power purchase cost or fuel cost for any previous year is payable due to any order of the Commission, then such amount of the supplementary bill paid during the period for which MVCA or MFCA is raised shall be applicable for computation of MVCA or MFCA for the concerned period."

22. After regulation 5.8.14 of the Principal Regulations, the following regulation shall be inserted:-

"5.18.15 Notwithstanding anything to the contrary contained elsewhere in any other regulation where there is requirement of conversion of heat value to UHV from gross calorific value of coal the same shall be done as per the following table, with necessary interpolations / and/or extrapolations.

Sl. No.	Gross Calorific Value (GCV) in K.Cal/Kg	Useful heat value (UHV) in K.Cal/Kg
1	Exceeding 6454	Exceeding 6200
2	Exceeding 6049 but not exceeding 6454	Exceeding 5600 but not exceeding 6200
3	Exceeding 5597 but not exceeding 6049	Exceeding 4940 but not exceeding 5600
4	Exceeding 5089 but not exceeding 5597	Exceeding 4200 but not exceeding 4940
5	Exceeding 4324 but not exceeding 5089	Exceeding 3360 but not exceeding 4200
6	Exceeding 3865 but not exceeding 4324	Exceeding 2400 but not exceeding 3360
7	Exceeding 3113 but not exceeding 3865	Exceeding 1300 but not exceeding 2400

23. For regulation 5.17 of the Principal Regulations the following regulation shall be substituted:—

"5.17 Income from Unscheduled Interchange (UI) Charges:

- 5.17.1 For a generating station of a generating company net UI charges receivable on actual basis for any previous year or base year or ensuing year shall be considered as income for the period of the previous year or the base year or the ensuing year concerned. The generating company shall be allowed to retain the net receivable UI charges for any previous year or a base year or an ensuing year. However for any previous year or a base year or an ensuing year for a generating company if there is net payable then that shall not be considered as expenses for determination of ARR.
- 5.17.2 For a distribution licensee net receivable UI charges on actual basis for any previous year or base year or ensuing year shall be considered as income for the period of the previous year or the base year or the ensuing year concerned when UI receivable charge is greater than UI payable charges. If the UI payable Charge is higher than the UI receivable charge then the net UI charge will be considered as expenditure but that shall be limited to 5% of the total power purchase cost for that ensuing year.
- 5.17.3 For a distribution licensee the net receivable UI charges for a previous year or base year or an ensuing year, as the case may be, shall be shared equally between the consumers and the distribution licensee from the fourth control period. In the intervening period the extent of such sharing shall be as may be decided by the Commission.
- 5.17.4 The income on net UI receivables for a distribution licensee as specified in regulation 5.17.2 of these regulations is to be considered for net ARR calculation to the extent it is shared by the consumer as per regulation 5.17.3 of these regulations."

24. At the end of the regulation 7.5.2 following proviso shall be inserted :—

"Provided that where the Commission in its tariff order fix maximum ceiling of the tariff for procurement of power through electricity traders or any licensee or any generating company to meet the shortage of supply of electricity then for such procurement no approval will be required at any stage in terms of the regulation 7.5.4 of these regulations if following two conditions are satisfied.

- i) if 75% of such procured power ultimately is used to meet the shortage of supply.
- ii) The above procurement is done through competitive bidding within at least three bidders.

Provided further that such maximum ceiling is not beyond 125% of the pooled power purchase cost of the licensee under long term agreement."

25. For regulation 7.5.3 of the Principal Regulations the following regulation shall be substituted:-

"7.5.3 The licensee may enter into short term arrangement or agreement for procurement of power without prior approval of the Commission and without bidding when faced with emergency conditions that threaten the stability of the distribution system in terms of any of the following reasons:

- i) shortage in supply by more than 10% of the demand,
- ii) to ensure continuous supply during any disaster or natural calamity or festival,
- iii) due to any reasons beyond the control of the licensee, or
- iv) when directed to do so by the SLDC to prevent grid failure.
- v) in pursuance to the order of the State Government to meet any emergency situation."

26. After regulation 7.5.5 of the Principal Regulations, the following regulations shall be inserted:-

"7.5.6 Notwithstanding anything contrary contained elsewhere in this regulations for short term procurement of power, licensee can procure power without any competitive bidding and/or prior approval of the Commission from a generator or electricity trader or distribution licensee at a price and terms and conditions that has already been agreed under any existing long term/short term PPA that has been already approved by the Commission provided that such procurement is required for any of the following purposes:

- i) to meet the shortage in supply.
- ii) to procure the power for sale to the persons other than consumers and licensee in order to reduce the ultimate tariff burden of the consumer.
- iii) to utilize such power for banking purpose so that its drawal in future will be economical or will ensure better availability. While taking such decision, it should be observed that the cost of such procurement be equal to or less than the available latest average monthly price of bilateral trade for a period similar to the period when power will be drawn as available in CERC report.

Against each such transaction the licensee shall prepare cost benefit analysis in terms of the above conditions and preserve those records, so that, if necessary the Commission may scrutinize such records for validation whenever deemed necessary.

7.5.7 Notwithstanding anything to the contrary contained elsewhere in this regulations for short term procurement of power, licensee can procure power without any competitive bidding and/or prior approval of the Commission if such power is procured at a tariff determined by CERC or approved by Government of India for any power that is received through GoI/CEA allocation from any generating or international source through electricity trader with whom PPA may or may not exist and where such procurement is required for any of the following purpose :

- i) to meet the shortage in supply.
- ii) to procure the power for sale to the persons other than consumers and licensee in order to reduce the ultimate tariff burden of the consumer.

- iii) to utilize such power for banking purpose so that its drawal in future will be economical or will ensure better availability. While taking such decision, it should be observed that price of such procurement be equal to or less than the available latest average monthly price of bilateral trade as available in CERC report for a period similar to the period when power will be drawn after banking.

Against each such transaction the licensee shall prepare cost benefit analysis in terms of the above conditions and preserve those records, so that, if necessary the Commission may scrutinize such records for validation whenever it is necessary.

- 7.5.8 Notwithstanding anything to the contrary contained elsewhere in this regulations for short term power, the short-term power purchased through the process of regulation 7.5.1, 7.5.2, 7.5.3, 7.5.6 and 7.5.7 of these regulations will not require any approval if the cumulative total power purchase cost under short-term mechanism in this way does not exceed the total power purchase cost in short-term method for that year as approved in the tariff order and where the rate of such procured power is -

- i) in accordance to the provisos of regulation 7.5.2 of these regulations; or
ii) less than or equal to the approved price for short-term power procurement under tariff order for the year under which such procurement will take place.

For other cases the provisions of regulation 7.5.3 will be applicable or prior approval is required as the case may be.

- 7.5.9 For the purpose of determination of shortage of supply while fulfilling the condition of regulation 7.5.1, 7.5.2, 7.5.3, 7.5.6 and 7.5.7 of these regulations, the requirement of spinning reserve under power procurement plan may also be considered as a part of demand.

- 7.5.10 While procuring power through competitive bidding, guideline under Section 63 of Electricity Act, 2003 besides the provision of the regulation 7.5.1, 7.5.2 and 7.5.3 of these regulations, no prior approval or post-facto approval will be required subject to the satisfaction of the conditions as mentioned in regulation 7.5.1, 7.5.2, 7.5.3, 7.5.4 and 7.5.8 of these regulations."

27. After regulation 8.5.3 of the Principal Regulations, the following regulation shall be inserted:—

"8.5.4 Notwithstanding anything contained in this regulations, for payment of energy bill or any other bill through e- payment gateway using debit or credit card or internet banking or electronic clearing system or any other mode which is an optional payment scheme to the consumer for payment of energy bill or any other bill to any licensee other than payment mode through own cash counter of the licensee. the consumer will be liable to pay applicable e-payment gateway service charge, if any, to the service provider in addition to the billed amount against his energy bill or any other bill as raised by the licensee. Licensee shall intimate the consumer about the service charge in the pre-printed bill format of the bill at an earliest opportunity and also during payment access through e-payment gateway prior to the payment instruction to the consumer."

28. At the end of the Paragraph 3.1 (i) of Schedule-2 following paragraphs shall be inserted :—

"(c) For estimating the actual availability from existing generating stations of the licensees and with whom PPA exists, the actual availability for energy calculation and actual

sent out during peak hours in the last twelve months or one year or calendar year shall be considered as the basis in the power procurement plan. Provided where any unit has been under major overhauling against any breakdown, then the expected generation from such unit may be appropriately considered against the existing generating plant.

- (d) For procurement purpose spinning reserve shall be upto 5% of the demand.
 - (e) To ensure uninterrupted power the licensee may also consider one unit for cold reserve upto a quantum equivalent to 5% of its annual peak demand.
 - (f) During long-term planning for the purpose of availability determination the spinning reserve and cold reserve as mentioned in (d) and (e) shall be considered. For availability from new conventional thermal generating units the normative PLF shall be considered as 80%. Availability factor shall be considered as 85%. Thus the difference of Availability Factor and PLF will act as spinning reserve for new units. For old conventional thermal units of age beyond 20 years the PLF and Availability factor shall also be considered as same. For other type of generating station PLF, Availability factor will be same. In case of shortage in spinning reserve the gap may be reduced by short term procurement.
 - (g) The unit under cold reserve can be used for short-term sale on day-ahead basis. In the matter of utilization of cold reserve for sell into open market the Commission may time to time change the policy through suo-motu order or any order on the basis of application from the licensee.
 - (h) For short-term procurement purpose for a particular period the trend of actual availability in the corresponding period of last year shall be considered along with the need of the spinning reserve upto 5% as will be decided by the licensee.
 - (i) In case of necessity of any procurement based on a procurement plan having significant deviation of the above consideration, the prior approval of Commission may be taken after providing due justification by the licensee."
29. For Paragraph-A of SCHEDULE -7B of the Principal Regulations the following paragraph shall be substituted:—

"A. Monthly Variable Cost Adjustment (MVCA) for Licensees.

Monthly Variable Cost Adjustment shall be computed as per the following formula.

a) Value to be taken from tariff order.

TL	=	Normative Transmission loss in %
DL	=	Normative Distribution loss in %
e_{sc}	=	Energy sale to consumer and licensee in MU as per tariff order
pp_{cost}	=	Power purchase cost allowed in the tariff order in Rs.
fc	=	Fuel cost allowed in the tariff order in Rs.
pp_{cost_ex}	=	Power purchase cost/ fuel cost for sale to person other than licensee and consumers as allowed in the tariff order in Rs.

b) Value to be taken for the month.

The following values shall be taken on monthly basis for the month preceding the month for which MVCA is to be determined.

UI_{in}	=	Net Power drawal (MU) in UI mode
UI_{out}	=	Net Power exported (MU) in UI mode
E_p	=	Total Power purchase (MU) against bill
E_G	=	Total Sent out from own generation (MU) on normative basis (Excluding normative auxiliary consumption and transformation loss from gross generation)
E_x	=	Energy sold (MU) to person other than licensee and consumers.
E_{p_PPSP}	=	Net power drawal for pumping power of PPSP.
PP_{cost}	=	Total cost of Power purchase from different sources in Rs.
FC	=	Total fuel cost of own generation as per normative parameters fixed by the Commission in Rs.
UI_{cost_in}	=	Power purchase cost for UI_{in} in Rs. ,
CTU_{loss}	=	Loss through inter-state transmission system for import of power from different sources.

c) Value to be taken from Order of Adhoc Variable Cost or Adhoc Power Purchase Cost, if any.

$Adhoc_V_{cost}$ = Adhoc Variable Cost or Adhoc Power Purchase Cost in Rs./kWh

d) Computation of MVCA.

Tot_{ENR}	=	$E_p + E_G + UI_{in} - CTU_{loss}$
$Tot_{ENR_Consumer}$	=	$Tot_{ENR} - UI_{out} - E_x - E_{p_PPSP} / (1 - TL)$
MVC	=	Total variable cost incurred for the month preceding the month for which MVCA is to be determined in Rs.
	=	$PP_{cost} + FC + UI_{cost_in} + \Delta_{Adj}$
Δ_{Adj}	=	Adjustment, if any on the basis of cumulative total variable cost incurred from the start of the ensuing year upto any specific month.
MVC_{unit}	=	MVC / Tot_{ENR}
$MVC_{consumer}$	=	$MVC - MVC_{unit} \times (UI_{out} + E_x)$
E_{SC}	=	Energy sale to consumer and licensee for the month preceding the month for which MVCA is to be determined in MU.
	=	$Tot_{ENR_Consumer} \times (1 - TL \times 0.01) \times (1 - DL \times 0.01)$
$MVC_{unit_consumer}$	=	$MVC_{consumer} / (E_{SC} \times 10^6)$
$mvc_{consumer}$	=	Variable cost as per tariff order in Rs .
	=	$pp_{cost} + fc - pp_{cost_ex}$
$mvc_{unit_consumer}$	=	$mvc_{consumer} / (e_{sc} \times 10^6)$
MVCA	=	Monthly fuel cost adjustment in Paise / Kwh.
	=	$(MVC_{unit_consumer} - mvc_{unit_consumer} - Adhoc_V_{cost}) \times 100 \text{ Paise / Kwh}$

- Note: a) The above MVCA shall be calculated on monthly basis for a month based on the normative fuel cost of own generation and power purchase bill received for the month preceding the month for which MVCA is to be determined within the 15th day of the month for which MVCA is to be determined. Determination of own generation cost for the above purpose shall be calculated on monthly basis for a month based on the normative fuel cost for generation based on the fuel related cost payable for the month preceding the month for which MVCA is to be determined within the 15th of the month for which MVCA is to be determined. The fuel related cost means cost of fuel and railway freight, including taxes, duties, cess and royalty and other charges, if any, as applicable on them. For better accuracy the licensee may also make due adjustment (Δ_{Adj} as mentioned in the formula) in calculating the above MVCA on monthly basis based on the bill received for the period from the start of the year to the month preceding the month for which MVCA is calculated. The Δ_{Adj} may be allowed to be derived in any of the following ways:
- i) by finding out the deviation in recovery of variable cost from sale side computation for a certain period.
 - ii) by finding out cumulative expenditure on variable cost from expenditure side for a certain period as is being done in MVCA calculation.
- b) While computing as per above formula the regulation 5.8.11 and 5.8.12 of these regulations shall be duly taken into consideration.
- c) The process of determination of MVCA shall not require any audited data and shall be done by the distribution licensee themselves and shall be recovered on monthly basis subject to final adjustment of FPPCA annually based on Audited Annual Accounts.
- d) Where any tariff order is referred for different parameters of the above formula then such parameters shall be taken from the tariff order on the basis of which the tariff is being charged to the consumer or electricity purchaser under the purview of the Commission. Where the normative parameter related to such tariff order is to be used then it shall be taken from that tariff order or the tariff order of the 1st ensuing year of the control period related to the referred tariff order.
- Provided that where there is no such tariff order for the ensuing year or where the latest above mentioned normative parameters for a year in these regulations differ from that of the tariff order then the normative parameters under these regulations for the concerned ensuing year will be considered.
- Provided also that for CTU loss the actual as considered under the import or export of the power through inter-state transmission line shall be considered as there is no normative value in this aspect.
- e) Such MVCA will be applicable to all consumers or purchaser of electricity under the purview of the Commission for each unit of consumption as billed for the month to the consumer or purchaser of electricity.
- f) The MVCA is to be rounded off to nearest integer Paisa in lower side.
[Example: If the computed value of MVCA is 7.92 paisa/ kWh then it will be rounded off to 7 paisa/ kWh only]
- g) In case, due to procurement of short-term power in a month, there is hike of MVCA for a month by equal to 'X' or more than 'X' then such additional cost shall be distributed into the future months of balance period of the year where, the value of

'X' = 10% of MVCA for the previous month or 5% of approved variable cost as per last available applicable tariff order of the Commission, whichever is higher. If such increase in MVCA in a month is less than the above 'X' then such additional cost may be distributed into the future months of balance period of the year if the distribution licensee desires so.

h) The notified MVCA shall become applicable from the date of notification only."

30. The following clause shall be inserted at the end clause f) of 'Note' to Paragraph B in SCHEDULE-7B :—

"g) If due to change in mix of coal there is any major increase in MVCA then in order to keep the MVCA of retail consumers of the purchasing licensee with lesser variation the generating company can charge the excess cost in number of instalments of variable instalment amount through supplementary bills in the balance period of the year where the purchasing licensee and the generating company agree for that.

h) The notified MVCA shall become applicable from the date of notification only."

31. For row C (j) of Annexure-A of the Principal Regulations the following row shall be substituted:-

(j) Meters :		
i) Electro-magnetic Meter	15	6.00
ii) Electronic Meter	7	12.85

32. After the row C (o)(ii) of Annexure-A of the Principal Regulations, following row shall be inserted:-

iii) Computer Systems	7	12.85
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33. At the end of clause 2 of the explanatory note below Annexure-A of the Principal Regulations, the following clauses shall be inserted:-

"(3) The useful life (Years) for Office equipments, Electronic Office Equipments and for Electronic meter will be 7 and Rate calculated (w.r.t 90%) will be 12.85 from the fourth control period.

(4) The depreciation rate for computer systems at the rows C(j) (ii) and C(o)(iii) of table in Annexure-A will be applicable from fourth control period "

34. For clause (v) of note to Annexure-C1 of the Principal Regulations, the following clause shall be substituted:-

"(v) On application for treating as specified institutions, the aforesaid status of specified institutions shall be given effect prospectively from the date on which the licensee takes decision for such status and that date should not be more than four months from the date on which the applicant-institution has complied with all formalities. The veracity of claim as specified Institutions shall be satisfied by the licensee itself. Moreover, in order to be treated as Specified Institutions, such classes of consumers are to satisfy the following conditions:

(a) The educational and research institutions aided by the State / Central Government shall furnish necessary documents to indicate that they have been receiving from the State / Central Government such aid, which must be at least 50% of their total annual income for the last three years consecutively.

- (b) The specified institution owned and run by "Charitable Organizations" shall be required to submit their audited accounts of the last three years.
- (c) The specified institution shall be required to furnish an undertaking stating that the power supply to their institutions / organizations shall be used and shall continue to be used exclusively for the purpose for which the supply has been proposed to be taken.
- (d) Libraries owned by the State Government shall be eligible to be treated as the Specified Institutions, if their applications are duly recommended by the Director of Libraries / District Library Officer concerned.
- (e) Libraries receiving grants from State Government for a continuous period of at least three years shall also qualify to be treated as Specified Institutions subject to submission of their audited accounts of the last three years along with a certificate from the Director of Libraries / District Library Officer concerned about their eligibility.

Provided that the status of Specified Institution shall not be allowed to any class of consumer(s) who is / are defaulter in regard to payment of electricity bills during preceding one year.

Provided further that such status shall stand automatically withdrawn if it defaults in payment of electricity bills during the period for which such status of Specified Institution has been allowed.

Provided also that the bill amount during the period for which such status of Specified Institution has been withdrawn shall not be less than the bill amount preferred under the status of Specified Institution."

35. For clause (viii) of note below Annexure-C2 of the Principal Regulations, the following clause shall be substituted:-

"(viii) Optional tariff scheme for prepaid meter will be available only in those areas where single vending machine is available which can be used to extend the service for payment of pre-paid meters that are being supplied by different suppliers. In case of absence of such single vending machine it will be the licensee's discretion to provide pre-paid metering system if it can establish such facility in a cost effective manner. However, where such vending machine is not available pre-denominated pre-paid facility may be available to the consumer if licensee can arrange for it."

36. For clause (x) of note below Annexure-C2 of the Principal Regulations the following clause shall be substituted:-

"(x) Notwithstanding anything to the contrary contained in any other regulation of the Commission, in case of non-availability of pre-paid meter facility in any area of a licensee, such facility of pre-paid meter will not be extended or may not be continued."

37. For clause (xi) of note below Annexure-C2 of the Principal Regulations the following clause shall be substituted:-

"(xi) optional tariff scheme is meant for existing consumers only. Once option for optional tariff scheme (except pre-paid scheme) is exercised, the subsequent revision to the applicable tariff scheme is not permissible."

By Order of the Commission

Place: Kolkata
Date: 27.08.2012

K. I. BISWAS,
Secretary of the Commission.