



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-371/21-22**

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR ISSUANCE OF APPROPRIATE ORDER ALLOWING PROPORTIONATE POWER PURCHASE COST INCLUDING ALLIED TRANSMISSION CHARGE FOR SURPLUS POWER SOLD TO THE PERSONS OTHER THAN ITS OWN CONSUMERS AND LICENSEES DURING FUEL AND POWER PURCHASE COST ADJUSTMENT (FPPCA) ORDER IN ORDER TO PASS ON BENEFIT OF PARTLY RECOVERED FIXED COST TO CONSUMERS FROM ABOVE SALE OF SURPLUS POWER DURING TRUE UP

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI DURGADAS GOSWAMI, MEMBER
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 29.09.2021



Issuance of appropriate order allowing proportionate power purchase cost including allied transmission charge for surplus power sold to the persons other than its own consumers and licensees during Fuel and Power Purchase Cost Adjustment (FPPCA) order in order to pass on benefit of partly recovered fixed cost to consumers from above sale of surplus power during true up



FACTS IN BRIEF

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') has submitted a petition vide letter dated 14.06.2021 for issuance of appropriate order allowing proportionate power purchase cost including allied transmission charge for surplus power sold to the persons other than its own consumers and licensees during Fuel and Power Purchase Cost Adjustment (FPPCA) order in order to pass on benefit of partly recovered fixed cost to consumers from above sale of surplus power during true up. The Commission has admitted the petition on 13.08.2021 and registered in Case No. OA – 371/21-22.
- 2.0 WBSEDCL in their petition inter-alia submitted that, due to inherent nature of electricity business, WBSEDCL manages their incidental surplus through generation back down, selling to person other than consumers, etc. However, during 2020 – 21, propensity to falling demand increased manifold due to situations like COVID – 19 pandemic. Thus, besides backing down of generation, WBSEDCL was compelled to sell 2735.198 MU of surplus power through exchanges/ traders at an average price of Rs. 3.40/kWh, which is less than the average power purchase cost of Rs. 4.07/kWh but higher than the average variable cost of power i.e., Rs. 2.47/kWh. WBSEDCL submitted that, by this way, there will be no burden of variable cost of power on consumers rather they have managed to reduce the fixed charge burden of the consumers to some extent.
- 3.0 In view of the above, WBSEDCL prayed for an order allowing power purchase cost of surplus power sold to the persons other than its own consumers and licensees during Fuel and Power Purchase Cost Adjustment (FPPCA) order in order to pass the benefit of recovery of fixed cost to consumers during true up.

OBSERVATIONS OF THE COMMISSION

- 4.1 The Commission observes that WBSEDCL neither furnished details regarding the exact period when they had faced such problems, nor they furnished the extent of loss they had suffered. It is also observed that the pandemic situation has prevailed for quite long-time during FY 2020 – 21 with definite predictions from the Government and thus WBSEDCL had ample scope to adjust their power procurement strategy.



Issuance of appropriate order allowing proportionate power purchase cost including allied transmission charge for surplus power sold to the persons other than its own consumers and licensees during Fuel and Power Purchase Cost Adjustment (FPPCA) order in order to pass on benefit of partly recovered fixed cost to consumers from above sale of surplus power during true up



- 4.2 The Commission also notes that WBSEDCL has already contracted significantly more power than is required even under normal years. WBSEDCL should focus on meticulous planning for power procurement coupled with periodic review for corrective action.
- 4.3 The Commission further observes that the issue of sale of surplus power along with its sharing of profit or loss are being dealt during Annual Performance Review and Fuel and Power Purchase Cost Adjustment stage as per the provisions of the Tariff Regulations.

ORDER

- 5.0 In view of the above, the Commission directs WBSEDCL to provide the necessary details with relevant data and justifications along with their application of Annual Performance Review and Fuel and Power Purchase Cost Adjustment of the respective year.
- 6.0 The petition is thus disposed off. Let a copy of the order be served upon WBSEDCL.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 29.09.2021

Sd/-
SECRETARY