



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF
IN CASE NO: WBERC/OA-142/11-12

IN RE THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR ISSUANCE OF APPROPRIATE ORDER FOR MODIFICATION OF FUEL SURCHARGE FORMULA AS PROVIDED IN PARAGRAPH-A OF SCHEDULE-7B OF WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 FOR COMPUTATION OF MONTHLY VARIABLE COST ADJUSTMENT

PRESENT:

SRI PRASADRANJAN RAY, CHAIRPERSON
SRI SUJIT DASGUPTA, MEMBER

DATE: 14.03.2012



Order of the West Bengal Electricity Regulatory Commission in the matter of an application submitted by the West Bengal State Electricity Distribution Company Limited for issuance of appropriate order for modification of fuel surcharge formula as provided in Paragraph A of Schedule 7B of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for computation of Monthly Variable Cost Adjustment

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		14.03.2012	<p style="text-align: center;"><u>ORDER</u></p> <p>1.0 This is regarding the application submitted by West Bengal State Electricity Distribution Company Ltd. (in short 'WBSEDCL') for issuance of appropriate order for modification of Fuel Surcharge Formula (in short 'formula') as provided in Paragraph-A of Schedule-7B of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (in short 'Tariff Regulations') for computation of Monthly Variable Cost Adjustment (in short 'MVCA').</p> <p>2.0 In their application WBSEDCL has raised the following issues in giving effect of MVCA as per the fuel surcharge formula as specified in Paragraph-A of Schedule-7B of the Tariff Regulations.</p> <p>a) Difficulty in consideration of pumping energy in Purulia Pumped Storage Project (in short 'PPSP') in computation of total energy for sale to consumer and licensee. In the formula the pumping power and associated transmission loss for PPSP has not been considered for deduction from total energy (referred as 'Tot_{ENR}' in the formula) as because the formula is of general in nature. In absence of provision for deduction the saleable energy for consumer and licensee (referred as 'E_{sc}' in the formula) becomes more as the pumping energy along with transmission loss are included in the</p>



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			<p>E_{SC} and as a result MVCA rate in Paise/ kWh becomes less for WBSEDCL. WBSEDCL has mentioned a modified formula in this regard.</p> <p>b) As per the formula, the amount payable or refundable is being determined by the average per unit fuel and power purchase cost of the month preceding the month for which it will be applicable. Since the applicable rate is applied on sales volume of the month which is different from the month on the basis of which the above unit rate is computed there will be over recovery/ under recovery which may result into accumulation of significant amount of over or under realization that is required to be refunded or recovered through Fuel and Power Purchase Cost Adjustment (in short 'FPPCA') after completion of the year. To reduce such variation WBSEDCL has proposed to allow them to give adjustment in the formula for MVCA on the basis of bill for actual cost of fuel and power purchase related to the preceding months of the year as and when available while computing MVCA for any month.</p> <p>c) In short term procurement of power such power procurement at any month is done normally at a higher rate than the average price of power under long term agreement. As a result the power procurement cost for that month increases abruptly. WBSEDCL has proposed to distribute the impact of such excess power purchase cost over the balance period of the year, if any, so that the MVCA becomes smoother and acceptable to the purchaser of electricity.</p> <p>WBSEDCL has proposed for issuance of an appropriate</p>
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			<p>order for modification of the fuel surcharge formula as provided in Paragraph-A of Schedule-B of Tariff Regulations for computation of MVCA in terms of regulation 5.8.12 of the Tariff Regulation to mitigate those difficulties.</p> <p>3.0 After considering the fact stated by WBSEDCL and in exercising the power under regulation 5.8.12 and 8.10 of the Tariff Regulations, the Commission decides as follows:</p> <p>a) WBSEDCL shall consider the energy consumed in pumping mode in PPSP along with the associated transmission loss in every month in computation of energy for sale to consumer and licensee (E_{sc}) in the formula as proposed by WBSEDCL.</p> <p>b) There may be chances of over/ under realization in the MVCA every month, since MVCA is calculated based on data of preceding months. As finally, it is adjusted through FPPCA at the end of the year, there is no need to modify the formula to adjust the same in MVCA.</p> <p>c) Licensee shall adjust the considerable increase in power purchase cost due to short term power purchase in any month in the MVCA for the succeeding months within the financial year if the impact of such short term power purchase increases the MVCA for the concerned month by more than or equal to 10% of the MVCA of the previous month. If the increase is less than 10% then the option lies with the licensee. In case of MVCA for March of any financial year such amount may be adjusted fully or partly through the MVCA of March of that year and the balance amount will be adjusted</p>
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			<p>through the FPPCA of the concerned year. The licensee shall submit the worksheet regarding the adjustments of such power purchase cost in computation of the MVCA for the respective months.</p> <p>4.0 Let a copy of the order be served upon all distribution licensees under the purview of the Commission.</p> <p style="text-align: center;">Sd/- (Sujit Dasgupta) Member</p> <p style="text-align: right;">Sd/- (Prasadrangan Ray) Chairperson</p> <p>Dated : 14.03.2012</p>
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