

THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION,
RANCHI.
Case No. 27 of 2015.

In the matter of: Claim of Fuel Price and Power Purchase Adjustment (FPPPA) by JUSCO Limited for its licensed area under Clause 6 sub-clause 6.59-6.65 of Terms and Conditions for Determination of distribution Tariff, 2010 read with Clauses 29 and 39 of JSERC (Conduct of Business Regulations), Order 2011 and Clause 11 para (i) of the JSERC (Miscellaneous Provisions) Order, 2003.

AND

In the matter of: Jamshedpur Utilities & Services Company Limited (hereinafter referred to as "JUSCO") having its registered office at Jamshedpur, District East Singhbhum
... .. Petitioner

P R E S E N T

Hon'ble Mr. Justice N.N. Tiwari, Chairperson
Hon'ble Mr. Sunil Verma, Member (Finance)

Dated: 15th December, 2015.

For the Petitioner: Mr. Manish Mishra, Advocate.

O R D E R

1. JUSCO Limited (hereinafter referred to as "JUSCO") has filed the instant petition for approval of Fuel Price and Power Purchase Adjustment (FPPPA) charges for its licensed area within the district of Seraikela Kharsawan.
2. It has been stated that the petitioner sources power from Tata Steel Limited (for short "TSL") at 6.6 KV & 132 KV and Damodar Valley Corporation (for short "DVC") at 33KV. The said generating Company is charging on the basis of their approved tariff as per TSL Tariff Order dated 31.5.2015 and DVC distribution tariff order dated 4.9.2014 respectively issued by this Commission. The petitioner has annexed copy of bills of TSL and DVC as Annexure 3. The petitioner has also annexed a detailed calculation of FPPPA charges for the period July,, 2015 to September, 2015 as Annexure 1 to this petition. On the basis of the actual bills of the said generating Company, the petitioner has calculated Fuel Price and Power Purchase Adjustment Charges at Rs. 0.15/kWh and prayed approval for recovery of the same from the consumers.

3. The petitioner has claimed that the Fuel Adjustment Charges have been calculated as per the formulae specified under Clause No. 6.63 of JSERC Terms and Conditions for Determination of Distribution Tariff, 2010). The petitioner has prayed for allowing recovery of the above said FPPPA charges.

4. The petition has been scrutinized on the basis of the supporting documents supplied by the petitioner as well as in the light of the relevant provisions as also the formula for calculating FPPPA charges under Clause 6.63 of the JSERC (Terms and Conditions for Determination of Distribution Tariff, 2010).

Commission Analysis:

5. The petitioner has submitted month wise actual power purchase bills of TSL for the months of July to September, 2015 on account of revision of tariff by the Commission vide order dated 31st May, 2015. The following table demonstrates the FPPPA for TSL132 KV as submitted by the JUSCO and the Commission's analysis after scrutiny of the supporting bills:--

TABLE No. 1

FPPPA for TSL 132 kv as submitted by JUSCO and Commission's analysis

Particulars	UoM	Submitted by Petitioner				Commission's Analysis			
		July.15	Aug.15	Sept.15	Total	July,15	Aug.15	Sept.15	Total
Actual units purchases(A)	MU	32.3214	32.15	29.24	93.7114	32.32	32.15	29.24	93.71
Approved Rate (B)	Rs/kwh	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11
Actual Rate as per bills(C)	Rs/kwh	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11
Cost of actual purchased as per App.Rates (D=A*B/10)	Rs Cr	13.28	13.21	12.01	38.50	13.28	13.21	12.01	38.50
Cost of actual purchased as per actual (E=A*C/10)	Rs Cr	13.28	13.21	12.01	38.50	13.28	13.21	12.01	38.50
FPA claimed (F= E-D)	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

6. Similarly, JUSCO has submitted copies of bills of all four sources of power for the period of July, '15 to September, 2015.

7. The Commission analyzed the details of the bills and compared the same with the claim made in the petition by the JUSCO. The FPPPA for DVC 33kV and the Commission's analysis are clearly depicted in Table 2 :-

TABLE No. 2
FPPPA for DVC 33 kv as submitted by JUSCO and Commission's analysis

Particulars	UoM	Submitted by Petitioner				Commission's Analysis			
		July.15	Aug.15	Sept.15	Total	July,15	Aug.15	Sept.15	Total
Actual units purchased(A)	MU	9.29	8.58	7.37	25.24	9.29	8.58	7.37	25.24
Approved Rate (B)	Rs/kwh	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23
Actual Rate as per bills(C)	Rs/kwh	4.84	4.90	4.87	4.87	4.84	4.90	4.87	4.87
Cost of actual purchased as per App.Rates (D=A*B/10)	Rs Cr	3.93	3.63	3.11	10.67	3.93	3.63	3.11	10.67
Cost of actual purchased as per actual (E=A*C/10)	Rs Cr	4.49	4.20	3.58	12.29	4.49	4.20	3.58	12.29
FPA claimed (F= E-D)	Rs Cr	0.57	0.58	0.47	1.62	0.57	0.58	0.47	1.62

8. On minute scrutiny and analysis of month-wise actual power purchase bills and the claim of JUSCO on FPPPA, it has been found that that the actual rate as per the power purchase bills supports the claim of JUSCO.

9. As per the provisions of the JSERC's Distribution Tariff Regulations, 2010, FPPPA has to be claimed for power purchase from all sources for changes in variable charges and fixed charges. Clause 6.63 of the aforesaid Regulations provides a formula for calculating FPPPA which is as follows:-

The formula for calculating FPPPA (vide clause 6.63 of aforesaid regulations):

“FPPPA (in Rs/kWh) = (OG1 + OG2 + PPP1+ PPP2) / Saleable energy Where, OG1 (in Rs) = Adjustment on account of variable cost of power generated (in case of own generation) OG2 (in Rs) = Adjustment on account of fixed cost of power generated (in case of own generation) PPP1 (in Rs) = Adjustment on account of variable cost of power purchased PPP2 (in Rs) = Adjustment on account of fixed cost of power purchased Saleable energy (in MU) = Total Sales in MU + Excess Distribution Loss in MU. Where, Total sales = Actual energy sold in MU Excess Distribution loss in MU = {power purchase in MU – total sales in MU} – {power purchase in MU x % Distribution Loss Norm} Where, % Distribution Loss Norm = % Distribution loss level approved by the Commission for the year Provided that FPPPA charge shall not exceed 10% of the variable component of tariff or such other ceiling as may be stipulated by the Commission from time to time; Provided that any excess in the FPPPA charge over the above ceiling shall be carried forward by the Licensee and shall be recovered over such future period as may be directed by the Commission;”

10. On the basis of the above formula, the petitioner has claimed FPPPA on variation in power purchase cost and has prayed for approval of recovery from its consumer @ Rs. 0.15/kwh.

11. The JUSCO has clarified that its losses are less than the approved loss for the period July-September.2015.

12. The Commission has analysed the petitioner's claim as per the above formula. The claim of JUSCO and the Commission's analysis are summarized in the following Table No. 3:-

TABLE No. 3

FPPPA for the period April-June as claimed by JUSCO and Commission's Analysis

SI No.	Particulars	UoM	Submitted by Petitioner				Analysis of the Commission			
			July'15	Aug.'15	Sep.'15	Total	July'15	Aug.'15	Sep.'15	Total
A.	TSL	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	132 kv	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	LT	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B.	DVC	Rs Cr	0.57	0.58	0.47	1.62	0.57	0.58	0.47	1.62
	Variation in power purchase cost	Rs Cr	0.57	0.58	0.47	1.62	0.57	0.58	0.47	1.62
	Power purchased quantum	MU	41.62	40.73	40.53	122.88	41.62	40.73	40.53	122.88
	Actual total sales	MU	41.16	40.24	40.01	121.42	41.16	40.24	40.01	121.42
	Approved Distribution Loss	%				2.50%				
	Excess Distribution Loss	MU				0.00				0.00
	Actual Saleable Energy	MU				121.42				121.42
	FPPPA Charge*	Rs/kwh				0.15				0.15

*Note: FPPPA Charge is subject to 10% of the variable component of tariff approved by the Commission.

13. The above methodology is further explained in the formula given below:-

$$\text{“FPPPA charge} = (\text{OG1} + \text{OG2} + \text{PPP1} + \text{PPP2}) / \text{Saleable energy} = (0 + 0 + 0 + \text{Rs. 1.91Cr.}) / 121.42 \text{ MU} = \text{Rs.0.1572 /kWh subject to max. of 10\% of variable component of tariff”}.$$

14. On the said analysis and scrutiny of the supporting documents, the claim of the JUSCO is found to be in line with the methodology prescribed by the Commission in the JSERC's (Terms and Conditions for determination of

Distribution Tariff) Regulations, 2010. It has been further found that the actual distribution loss is less than the approved distribution loss during the period July to September, 2015, whereas the approved loss, as per Tariff Order for financial year 2015-16, is 2.5%. The claim of change in power purchase cost at Rs. 0.15/kWh does not include any distribution loss. The recovery, however, is subject to maximum of 10% of the variable component of the tariff, as per Clause 6.63 of the JSERC's Distribution Tariff Regulation, 2010. As per Tariff Order dated 31st May, 2015, the approved variable component of tariff was Rs. 4.62/kWh. Thus the recovery allowed for FPPPA charge of JUSCO is Rs. 0.15/kWh which is lower than 10% of the variable component i.e. 0.46/kWh.

15. However, since the energy rate applicable to different categories of consumers are different, the per unit impact of FPPPA charge across each consumer category has been summarized in the following Table No. 4:-

TABLE No. 4
Category-wise Impact of FPPPA Charge

Consumer Category	Energy Rate(Rs/kwh)	Ratio of Category- wise rate with Average Energy rate(%)	Category wise Impact(Rs/kwh)
DS1(metered)	1.10	0.24	0.03
DS2(0-200 MU)	1.60	0.35	0.05
DS2(above 200MU)	2.00	0.43	0.06
DS3	2.00	0.43	0.06
DS HT	1.70	0.37	0.05
NDS 1	1.40	0.30	0.04
NDS II	4.10	0.89	0.13
LTIS	3.90	0.84	0.13
HTS-11 kv	4.90	1.06	0.16
HTS-33 kv	4.90	1.06	0.16
HTSS-11 kv	2.80	0.61	0.09
HTSS-33kv	2.80	0.61	0.09
Total	4.62	1.00	0.15

16. In view of the above analysis and discussion, the petitioner's prayer for recovery of FPPPA charge for the period July to September, 2015 of Rs. 1.91Crores is allowed. The petitioner shall, however, recover the same from the consumers in accordance with category-wise FPPPA as shown in the abovementioned table in three monthly installments. The recovery shall take effect from December, 2015 onwards. Any over/under recovery of FPPPA claim during the recovery period shall be considered for adjustment on the submission of the

statement for recovery by the petitioner at the end of the above said period of recovery.

17. Order accordingly.

18. This petition stands disposed of.

Sd/-
(Sunil Verma)
Member (F)

Sd/-
(N.N.Tiwari, J.)
Chairperson