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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. 82/WBERC

Kolkata, the 13th July, 2026.

In exercise of the powers conferred by sub-section (1) of section 181, clause (o), (u), (y), (zd), (ze), (zf), (zg), (zh) and (zp) of sub-section (2) of section 181 read with section 41, 45, 51, 61, 62, 63, 64, 65 and sub-section (1) of section 86 of the Electricity Act, 2003 (36 of 2003) and all powers enabling in that behalf and in supersession of the Notification No. 48/WBERC dated 25th April 2011 published in the *Kolkata Gazette, Extraordinary*, with all subsequent amendments, the West Bengal Electricity Regulatory Commission (WBERC) hereby makes the following regulations.

CHAPTER – 1

PRELIMINARY

1. Short title, extent, applicability and commencement.

- 1.1 These regulations may be called the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2026.
- 1.2 These regulations shall extend to the whole of the State of West Bengal.
- 1.3 These regulations shall be published in the *Official Gazette* and shall come into force from 01.08.2026.
- 1.4 These regulations shall be applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees for the determination of Aggregate Revenue Requirement, Tariff, Mid-term Review, Truing-up, and all other matters covered under these regulations.
- 1.5 These regulations shall be applicable in all cases where a Generating Company has the arrangement for supply of coal or lignite from the integrated mine(s) allocated to it, for one or more of its specified end-use generating stations, whose tariff is required to be determined by the Commission under section 62 of the Act read with section 86 thereof.

SCHEDULE – 4**FUEL AND POWER PURCHASE ADJUSTMENT SURCHARGE (FPPAS)**

1. Fuel and Power Purchase Adjustment Surcharge (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission.
2. FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the Commission in this Schedule, subject to true up, on an annual basis:

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with this Schedule;

Provided further that the Distribution Licensee shall make available the detailed FPPAS computations, duly supported by working sheet and such documentary evidence, if any for each month in its website.

3. FPPAS shall be computed and charged by the Distribution Licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. For example, the FPPAS on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year:

Provided that in case the Distribution Licensee fails to compute and charge FPPAS within this timeline, except in case of any force majeure condition, its right for recovery of carrying costs on account of FPPAS shall be forfeited.

4. The Distribution Licensee may decide, FPPAS or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of FPPAS shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total FPPAS for a Billing Month, including any carry forward of FPPAS over the previous month exceeds twenty per cent of approved tariff.
5. The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through FPPAS shall first be accounted towards the oldest carry forward portion of the FPPAS followed by the subsequent month.
6. In case of carry forward of FPPAS, the carrying cost calculated on simple interest basis at the bank rate, as specified under these regulations, shall be allowed till the same is recovered through tariff and this carrying cost shall be trued up in the year under consideration.
7. Depending upon quantum of FPPAS, the automatic pass through shall be adjusted in such a manner that,
 - i. If $FPPAS \leq 5\%$, 100% cost recoverable of FPPAS by Distribution Licensee shall be levied automatically using the formula.
 - ii. If $FPPAS > 5\%$, 5% FPPAS shall be recoverable automatically as per item (i) of paragraph (7) above. 90% of the balance FPPAS shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the Commission during true up.
8. The revenue recovered on account of pass through FPPAS by the Distribution Licensee, shall be trued up annually for the year under consideration.
9. In case of excess revenue recovered for the year against the FPPAS, the same shall be recovered from the Distribution Licensee at the time of true up along with carrying cost to be charged at 1.20 times of the carrying cost rate specified in regulation 8.6 of these regulations and the under recovery of FPPAS shall be allowed during true up, to be billed along with the automatic FPPAS amount.

Explanation: - For example, in the month of July, the automatic pass-through component for the power supplied in May and additional FPPAS, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.

10. The Distribution Licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and FPPAS recovered, and the detailed computations and supporting documents along with certificate of auditor and such other details as required by the Commission, during true up of the normal tariff.
11. To ensure smooth implementation of the FPPAS mechanism and its recovery, the Distribution Licensee shall ensure that its billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open source software as available.
12. The Distribution Licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.
13. Formula for Computation of FPPAS:

$$\text{Monthly FPPAS for the } N^{\text{th}} \text{ month (\%)} = \left(\frac{(A - B) \times C + (D - E)}{[Z \times (1 - L/100)] \times ABR} \right) \times 100$$

For the purpose of billing, FPPAS shall be charged as per following formula:

FPPAS in paisa/kWh = ABR X FPPAS (%)

Where,

N^{th} month means the month in which billing of FPPAS component is done. This FPPAS is due to changes in tariff for the power supplied in $(n-2)^{\text{th}}$ month;

A is Total units procured in $(n-2)^{\text{th}}$ Month (in kWh) from all Sources including Long- term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees) (ex-bus);

B is sale of power from all Sources to other than consumers in $(n-2)^{\text{th}}$ Month (in kWh) = (to be taken from provisional accounts to be issued by State Load Despatch Centre by the 10th day of each month);

C is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in $(n-2)^{\text{th}}$ month (Rs. / kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs. / kWh) (from tariff order);

D = Actual inter-state and Intra-State Transmission Charges in the $(n-2)^{\text{th}}$ Month, (From the bills by Transmission licensees to the distribution licensees) (in Rs);

E = Base Cost of Transmission Charges for $(n-2)^{\text{th}}$ Month. = (Approved Transmission Charges in the tariff order/ 12) (in Rs);

Z = [$\{ \text{Actual Power purchased from all the sources outside the State in } (n-2)^{\text{th}}$ Month. (in kWh) $\times$ (1 – Interstate transmission losses in % /100) + Power purchased from all the sources within the State (in kWh) $\} \times$ (1 – Intra-State losses in %) – B] /100 in kWh;

ABR = Average Billing Rate for the year as approved by the Commission in the tariff order (in Rs/kWh);

L (in %) = Target Distribution Losses as approved by the Commission in the tariff order;

Intra-state transmission Losses (in %) as approved by the Commission in tariff order.

Note:

- (i) The Power Purchase shall include sourcing power from own generation.
- (ii) The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.
- (iii) Pumping energy for PSP, if any, shall be considered under sale other than consumer.
- (iv) The transmission charge shall exclude any charge towards transmission deviation charge.
- (v) Other charges which includes ancillary services and security constrained economic despatch shall not be included in FPPAS and shall be adjusted through the true up approved by the Commission.

FPPAS Calculation for the Billing Month of October 2026

1. The West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2026 (“Tariff Regulations 2026”) provides the methodology of computation of Fuel and Power Purchase Adjustment Surcharge (“FPPAS”). Methodology and formula have been specified in Schedule – 4 of the Tariff Regulations 2026. A copy of the Schedule-4 of the Tariff Regulations 2026 is uploaded.
2. FPPAS computation for CESC for the billing month of October 2026 has been done following the aforesaid methodology, on the basis of the monthly data for various parameters for August 2026, prescribed in the Tariff Regulations 2026. Accordingly, FPPAS has been computed in terms of the formula contained in Para 13 of Schedule – 4 of the Tariff Regulations 2026, as detailed below –

$$\text{Monthly FPPAS for nth Month (\%)} = \frac{(A-B) \times C + (D-E)}{[Z \times (1 - L/100)] \times \text{ABR}} \times 100$$

For the purpose of billing, FPPAS shall be charged as per following formula:

$$\text{FPPAS in paisa/kWh} = \text{ABR} \times \text{FPPAS (\%)}$$

Where,

N th month	means the month in which billing of fuel and power purchase adjustment surcharge / FPPAS component is done. This fuel and power purchase adjustment surcharge / FPPAS is due to changes in tariff for the power supplied in (n-2) th month
A	is Total units procured in (n-2) th Month (in kWh) from all Sources including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees) (ex-bus)
B	is sale of power from all Sources to other than consumers in (n-2) th Month (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10 th day of each month)
C	is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in (n-2) th month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources in (Rs./ kWh) - (from tariff order)
D =	Actual inter-state and Intra-state Transmission Charges in the (n- 2) th Month, (From the bills by Transmission licensees to the distribution licensees) (in Rs)

E =	Base Cost of Transmission Charges for (n-2) th Month. = (Approved Transmission Charges in the tariff order /12) (in Rs)
Z =	[(Actual Power purchased from all the sources outside the State in (n-2) th Month (in kWh) x (1 – Interstate transmission losses in %/100) + Power purchased from all the sources within the State (in kWh)] x (1 – Intra state losses in %) – B]/100 in kWh
ABR =	Average Billing Rate for the year as approved by the Hon’ble West Bengal Electricity Regulatory Commission (“Hon’ble Commission”) in the tariff order (in Rs./kWh)

L (in %) = Target Distribution Losses as approved by the Hon’ble Commission in the tariff order

Intra-state Transmission Losses (in %) as approved by the Hon’ble Commission in tariff order

3. Various details of formula and parameters are furnished in the FPPAS calculation hereinafter in accordance with the principles adopted by the Hon’ble Commission in the Tariff Regulations 2026 and relevant orders of CESC Limited.
4. Paragraph 4 of Schedule – 4 of the Tariff Regulations 2026 provides an option of carrying forward of costs pertaining to FPPAS for a distribution licensee which shall not exceed a maximum duration of two months.
5. The formula contained in Paragraph 13 of the Tariff Regulations 2026 results in FPPAS (%) of 8.5%, including carried forward amount accumulated at the end of July 2026. In terms of Paragraph 7ii) of Schedule – 4 of the Tariff Regulations 2026, automatically recoverable component of FPPAS is 5% plus 90% of the balance i.e. $5\% + (8.5\% - 5\%) * 90\% = 5\% + 3.2\% = 8.2\%$.
6. FPPAS works out to 60 paise/kWh in terms of aforementioned formula. Balance 0.3% (8.5% less 8.2%) or 2.2 paise/kWh will be considered upon approval of the Hon’ble Commission, in terms of the Tariff Regulations 2026.
7. FPPAS Calculation has been based on the above methodology. Where appropriate, the Electricity (Amendment) Rules, 2022 issued by the Ministry of Power on 29.12.2022 read with the Electricity (Amendment) Rules, 2023 issued on 30.06.2023, have been relied upon.