



ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
IN A SUO MOTO PROCEEDINGS

**In Case No. SM-10/14-15**

IN RE THE SUO MOTO ORDER OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION IN THE MATTER OF MONTHLY FUEL COST ADJUSTMENT (MFCA) AND THE MONTHLY VARIABLE COST ADJUSTMENT (MVCA) IN TERMS OF REGULATION 5.8.12 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011.

PRESENT:

SRI SUJIT DASGUPTA, MEMBER

DATE: 18.07.2014



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Suo Moto order of the West Bengal Electricity Regulatory Commission in regard to determination Monthly Fuel Cost Adjustment (MFCA) and the Monthly Variable Cost Adjustment (MVCA) in terms of regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011.

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		18.07.2014	<p style="text-align: center;"><u>ORDER</u></p> <p>1.0 In terms of regulation 2.8.7.3 and 5.8.9 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (in short 'Tariff Regulations') the generating company and the distribution licensees under this Commission have been allowed for Monthly Adjustment of Fuel Cost or Power Purchase Cost or Variable Cost which are termed as Monthly Fuel Cost Adjustment (MFCA) or Monthly Variable Cost Adjustment (MVCA), as the case may be on the basis of the formula specified in Schedule 7B of the Tariff Regulations with effect from 1<sup>st</sup> April, 2011. The distribution licensees and the generating company under this Commission have already introduced MVCA or MFCA from the month of April, 2011 after publishing a notice in the newspapers in this regard as per provision of regulation 5.8.14 of the Tariff Regulations.</p> <p>2.0 In terms of regulation 5.8.13 of the Tariff Regulations MFCA realized by the generating company is subject to reconciliation against admitted fuel cost in the Fuel Cost Adjustment (FCA) order for the year on the basis of audited data after completion of the year. Further the MVCA realized by the distribution licensees are subject to reconciliation in truing up in Annual Performance Review (APR) on the basis of admitted fixed cost in APR and admitted fuel and power purchase cost in Fuel and Power Purchase Cost Adjustment (FPPCA) order for the concerned year on the basis of audited data after completion of the year.</p>



Suo Moto order of the West Bengal Electricity Regulatory Commission in regard to determination Monthly Fuel Cost Adjustment (MFCA) and the Monthly Variable Cost Adjustment (MVCA) in terms of regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011.

			<p>3.0 It is observed by the Commission during truing up in the APR order of the distribution licensees and in the Fuel Cost Adjustment (FCA) of the generating company for the year 2012-13 that a considerable amount is further recoverable by the licensees and the generating company even after realization of MVCA or MFCA during the year.</p> <p>4.0 The Commission thus feels that the distribution licensees and the generating company have failed to understand the true spirit of introduction of the MVCA and MFCA and they are not considering the eligible cost in computation of their MVCA or MFCA as per the formula specified in the Tariff Regulations properly.</p> <p>5.0 The Commission in terms of regulation 5.8.12 of the Tariff Regulations directs the distribution licensees and the generating company to compute their MVCA or MFCA taking into consideration the related cost in its true sense keeping in their mind the true spirit of introduction of such monthly adjustment failing which the Commission will think not to allow such adjustment in full in future or not to pass the amount as found recoverable on account of Fuel and Power Purchase Costs Adjustment during truing up in APR for distribution licensees and in Fuel Cost Adjustment in case of generating company.</p> <p>6.0 All the distribution licensees and generating company shall adhere to the above decision of the Commission.</p>
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Suo Moto order of the West Bengal Electricity Regulatory Commission in regard to determination Monthly Fuel Cost Adjustment (MFCA) and the Monthly Variable Cost Adjustment (MVCA) in terms of regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011.

7.0 Let this order be displayed in the website of the Commission and also in the websites of the licensees and generating company.

8.0 Let a copy of this order be served upon the distribution licensees and the generating company under this Commission.

Sd/-  
(SUJIT DASGUPTA)  
MEMBER

Dated : 18.07.2014



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**ORDER**

**OF THE**

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**IN THE MATTER OF**

**In Case No. WBERC/OA-148/12-13**

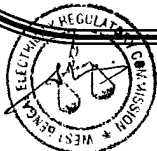
IN RE THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR ISSUANCE OF APPROPRIATE ORDER UNDER REGULATION 5.8.12 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 FOR CTU LOSS CALCULATION METHODOLOGY AND CONSIDERATION OF NORMATIVE TRANSMISSION AND DISTRIBUTION LOSS AS PER THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011

**PRESENT:**

**SRI PRASADRANJAN RAY, CHAIRPERSON**

**SRI SUJIT DASGUPTA, MEMBER**

**DATE: 15.05.2012**



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Order of the West Bengal Electricity Regulatory Commission in the matter of an application submitted by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order under regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for CTU loss calculation methodology and consideration of normative transmission and distribution loss as per the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		15.05.2012	<p style="text-align: center;"><b><u>ORDER</u></b></p> <p>1.0 This is regarding the application submitted by West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') for issuance of appropriate order under regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (in short 'Tariff Regulations') for CTU loss calculation methodology and consideration of normative transmission and distribution loss as per provision of Tariff Regulations.</p> <p>2.0 WBSEDCL in their application has stated that as per paragraph A of Schedule-7B of the Tariff Regulations there is no provision of normative transmission loss in the formula for computation of Monthly Variable Cost Adjustment (in short 'MVCA'). According to the Tariff Regulations the normative loss in transmission is being considered for STU system only. The Tariff Order for any year does not provide any norms for loss on CTU portion and to remove this difficulties in last few months WBSEDCL has taken up the CTU loss as follows:</p> <p>i) The CTU loss has been computed for the power banked under swap mechanism and short term power on the basis of weekly report on National Load Dispatch Centre (in short 'NLDC') on average basis;</p>



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West Bengal Electricity Regulatory Commission



Order of the West Bengal Electricity Regulatory Commission in the matter of an application submitted by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order under regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for CTU loss calculation methodology and consideration of normative transmission and distribution loss as per the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011

			<p>ii) The CTU loss for transmission of long term power from Central Sector Power Utilities and other agencies are considered 2% (two percent) on average basis as it depends on the injection and withdrawal of power by those agencies as per Point of Connection (in short 'POC') method as per regulation of Central Electricity Regulatory Commission (in short 'CERC').</p> <p>2.1 WBSEDCL has also stated that MVCA for the month of January, 2012 and onwards has been computed by them considering the parameters and normative distribution loss and transmission loss of re-determination of tariff for 2010-11 but the normative distribution loss of WBSEDCL and transmission loss for the transmission system of WBSEDCL for the year 2012-13 as per Tariff Regulations are different. As per the paragraph (d) to the note in paragraph A in Schedule-7B of Tariff Regulations such value are to be taken from latest Tariff Order. In order to remove such difficulties, WBSEDCL has prayed for issue an appropriate order under regulation 5.8.12 of the Tariff Regulations.</p> <p>2.2 WBSEDCL has further stated that they will continue with the MVCA computed for the month of March, 2012 based on the data for February, 2012 for the month of April 2012 and onwards till any direction is issued by the Commission. Any shortage in recovery due to continuing with the MVCA of March, 2012 for April, 2012 and onwards, may be allowed in the balance month(s) of 2012-13 on the basis of scheduled energy for the respective months or through Fuel and Power Purchase Cost Adjustment (in short 'FPPCA') for the year 2012-13.</p>
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Order of the West Bengal Electricity Regulatory Commission in the matter of an application submitted by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order under regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for CTU loss calculation methodology and consideration of normative transmission and distribution loss as per the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011

			<p>3.0 Considering the fact stated above the Commission in terms of regulations 5.8.12 and 8.4 of the Tariff Regulations decides as follows:</p> <p>i) CTU loss shall be considered at the actual rate of CTU loss prevailed during the preceding month for which MVCA is computed as this CTU loss is considered on actual basis as a pass through element in tariff.</p> <p>ii) Distribution and transmission loss shall be considered by all the distribution licensees as per the normative rate stipulated in the Tariff Regulations for the concerned licensee for that year during which the MVCA is computed if no tariff order for that year has been issued as the MVCA is subject to adjustment through fuel and power purchase cost adjustment considering normative transmission and distribution loss for the concerned year.</p> <p>iii) Operating norms of a generating station of a generating company or any distribution licensee shall be considered as per the norms stipulated in the Tariff Regulations for that generating station for that year during which the Monthly Fuel Cost Adjustment (in short 'MFCA') or MVCA is to be computed if the tariff order of that generating company or the distribution licensee for that year has not been issued as the MFCA or MVCA is subject to adjustment through fuel and power purchase cost adjustment considering the operating</p>
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Order of the West Bengal Electricity Regulatory Commission in the matter of an application submitted by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order under regulation 5.8.12 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for CTU loss calculation methodology and consideration of normative transmission and distribution loss as per the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011

			<p>parameter as per norms set in the Tariff Regulations for the concerned year.</p> <p>4.0 The petition is thus disposed of. Let a copy of the order be served upon all the distribution licensees and the generating companies under the purview of this Commission with a direction for publishing the same in their website.</p> <p>Sd/- <b>(Sujit Dasgupta)</b> Member</p> <p>Sd/- <b>(Prasadrangan Ray)</b> Chairperson</p> <p>Dated : 15.05.2012</p>
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