

Discussion Paper for inviting comments/objections from stakeholders/general public for finalization of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (3rd Amendment) Regulations, 2023 (Suo-Motu Petition No. 3 of 2023).

Statement of Objects & Reasons

1. In exercise of the powers conferred on it under Section 181 of the Act and all other powers enabling it in this behalf, the Commission had notified the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 which came into effect from the date of its notification in the Haryana Government Gazette i.e. 31.10.2019 (hereinafter referred to as HERC MYT Regulations, 2019). The first amendment to the regulation was notified on 25th November 2019. Whereas, the second amendment to the regulation was notified on 08th February 2022.
2. The Commission has received a petition under Regulations 79 and 81 of the HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and on all other enabling provisions in this behalf, seeking amendment of Regulations 31 (c), 31 (d) and 33 of the MYT Regulations, 2019. The petitioner has sought amendment in the definition of ‘CVPF’ to provide that it shall mean Weighted Average Gross calorific value of coal as received, in Kcal per kg for coal based stations less 85 Kcal/Kg on account of variation during storage at generating station, in line with the CERC Regulations, 2019.
3. Further, the regulation 66 of the HERC MYT Regulations, 2019, provides as under: -
“66. **FUEL AND POWER PURCHASE COST SURCHARGE ADJUSTMENT (FSA)**
66.1 *The distribution licensees shall recover FSA amount on account of increase in fuel and power purchase costs from the consumers on a quarterly basis so as to ensure that FSA accrued in a quarter is recovered in the following quarter*

without going through the regulatory process i.e. FSA for the quarter “July to September” is recovered in the following quarter “October to December”.

- 66.2 *FSA shall be calculated only in respect of approved power purchase volume including short term power purchase cost, if any, for the relevant year from all approved sources. Drawl of power under UI mechanism, if any, shall be allowed only when it is not in violation of grid discipline and shall be subject to a price cap of average revenue realisation from all consumer categories for that year.*

Average revenue realisation = (Total revenue assessed for electricity supply in Rs + Government Subsidy in Rs.) / Total sales in Units.

- 66.3 *For the purpose of recovery of FSA, power purchase cost shall include all invoices raised by the approved suppliers of power and credits received by the distribution licensees during the quarter irrespective of the period to which these pertain for any change in cost in accordance with tariff approved by any regulator/ government agency mentioned in Regulation 59.4. This shall include arrears/refunds, if any, not settled earlier. In case data of the last month in a quarter is not available for calculating FSA to be levied in the following quarter, the licensee shall use an estimate based on available data of the first two months of the quarter. On availability of the actual figures, the difference on this account shall form part of FSA of the subsequent quarter. If the actual data for any quarter is not made available by the licensee before the end of the following quarter for this adjustment, the FSA finally allowed for that quarter based on actual figures supplied after the prescribed date shall be limited to the earlier estimated amount or the amount based on the actual figures, whichever is lower.*

- 66.4 *In case of negative FSA, the credit shall be given to the consumers by setting off the minus figure against the positive figure of FSA being charged from the consumers. In other words, credit of FSA shall be given only against FSA being charged so that the base tariff determined by the Commission remains unchanged.*

- 66.5 *Only the allowed percentage of transmission and distribution losses for the relevant year as per the approved ARR shall be considered for working out FSA.*

- 66.6 *The amount of FSA shall be recovered by each distribution licensee by charging a uniform FSA (per kWh) across all consumer categories in his area of license.*

- 66.7 For moderation purposes, the recovery of per unit FSA shall be limited to 15% of the approved per unit 'average power purchase cost' or such other ceiling as may be stipulated by the Commission from time to time. For calculating FSA, variations in quarterly purchase volume from an approved source are allowed subject to an overall ceiling of annual approved volume from that source. In case a portion of the FSA for any quarter is not recovered due to the ceiling of 15%, the under recovered amount shall be added to the FSA for the next quarter.
- 66.8 Per unit rate of FSA (paisa/kWh) shall be worked out after rounding off to the nearest paisa;
- 66.9 The distribution licensee shall submit details relating to FSA recovery to the Commission for each quarter in the following format by the end of the following quarter.

(i)	Approved power purchase volume from approved sources (MU)
(ii)	Approved power purchase cost (Rs. million)
(iii)	Actual power purchase volume (MU)
(iv)	Power purchased (MU) from sources not covered under Regulation 66.2 giving source wise details and in case of UI the frequency at which UI drawls were made. (disallowed power purchase).
(v)	Actual cost of power purchase from all sources except (iv) (Rs. million)
(vi)	Actual cost of disallowed power purchase relating to (iv) (Rs. million).
(vii)	Total FSA estimated to be recovered for the quarter (Rs. million).
(viii)	FSA per unit (Rs./kWh) being recovered during the following quarter.
(ix)	Actual FSA recovered/estimated to be recovered out of estimated FSA till the end of the following quarter (Rs. million)
(x)	Under/ over recovered FSA (vii-ix) (Rs. million).
(xi)	Approved sales (Consumer category wise / month wise) for the quarter (MU)
(xii)	Actual sales (Consumer category wise / month wise) for the quarter (MU)
(xiii)	Estimated sales, consumer category wise, for the following quarter (MU).

Note:

1. All the source-wise details should be supported with requisite documentary evidence / invoices raised by the generators / suppliers of the power.
2. Actual sales to AP consumers are to be calculated in accordance with the methodology approved by the Commission in the ARR for the relevant year.

66.10 FSA (Rs/kWh) shall be worked out as per the following formula:

$$\text{Total FSA (Rs million)} = PC + I_{nt} + A_{dJst}Q + (A_{dJst}A/4)$$

$$\text{FSA (Rs / kWh)} = \{PC + I_{nt} + A_{dJst}Q + (A_{dJst}A/4)\} \div PS$$

Where

- $PC = \{(\text{Actual average power purchase cost (Rs/kWh) for the quarter}) - (\text{Average power purchase cost (Rs/KWh) approved by the Commission for the relevant year})\} \times PP$

- PP = Total volume of power purchase during the quarter worked out based on total volume of powers sold to all the consumer categories grossed up by approved T&D loss. Sales to AP consumers are to be worked out in accordance with the methodology approved by the Commission in the ARR for the relevant year (MU).
- PS = Estimated sales volume for the following quarter with AP sales as approved by the Commission in the ARR for the relevant year (MU).
- Actual average power purchase cost (Rs. /KWh) = (total cost of power purchased during the quarter from approved sources and UI as per Regulation 66.2 in Rs million) / (total volume of power purchased in the quarter from approved sources and UI in MU) as per Regulation 66.2).
- I_{nt} = Additional working capital cost allowed on account of FSA amount to be worked out as under:
 $I_{nt} = \{(total\ FSA/12) \times (interest\ rate\ allowed\ for\ calculation\ of\ working\ capital\ in\ the\ ARR\ of\ the\ current\ financial\ year)\}$ in Rs. million.
- $A_{adjst}Q$ = Under/over recovered FSA of the previous quarter in accordance with Regulation 66.3 and 66.7 in Rs. million.
- $A_{adjst}A$ = Annual adjustment amount based on truing up of the FSA of the previous year by the Commission in Rs. million.

66.11 The licensee shall ensure that the Actual/ estimated FSA arising in a quarter is recovered in the following quarter. In case the licensee does not ensure levy of FSA based on the methodology given herein, the licensee shall have no claim to recover the FSA from the consumers in any manner in any subsequent period except in accordance with Regulation 66(3) and 66(7). The unrecovered FSA for the previous financial year, details of which are supplied to the Commission by the distribution licensee, may either form part of power purchase cost for the next financial year or may be allowed to be recovered as annual adjustment amount in the quarterly recovery of FSA in the next financial year as the Commission may decide.

66.12 In case Government of Haryana decides to provide subsidy on account of FSA to a particular consumer category, the amount of subsidy equivalent to the FSA recoverable from the concerned consumer category, shall be deposited in advance by the Government. Otherwise the recovery shall be affected from the consumer through electricity bills. It shall be the responsibility of the distribution licensees to seek prior approval of the State Government in this regard and maintain appropriate record of the same.”

4. Whereas, Ministry of Power, has notified on 29th December, 2022, the Electricity (Amendment) Rules, 2022, Rule 14 of the ibid rules, provides as under: -

“14. Timely recovery of power purchase costs by distribution licensee.-The Appropriate Commission shall within ninety days of publication of these rules, specify a price adjustment formula for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs and the impact in the cost due to such variation shall be automatically passed through in the consumer tariff, on a monthly

basis, using this formula and such monthly automatic adjustment shall be trueed up on annual basis by the Appropriate Commission:

Provided that till such a methodology and formula is specified by the Appropriate Commission, the methodology and formula specified in the Schedule – II annexed to these rules shall be applicable:

Provided further that the existing methodology and the formula specified by the Appropriate Commission shall suitably be amended in accordance with these rules, to implement the automatic pass through of fuel and power purchase adjustment surcharge, on a monthly basis:

Provided also that in case the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge within the time line, specified by the Appropriate Commission, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recovery the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited and the true up of fuel and power purchase adjustment surcharge by the Appropriate Commission, for any financial Year, shall be completed by 30th June of the next financial year.”

5. Accordingly, the regulation 66 of the HERC MYT Regulations, 2019, is proposed to be amended as under:-

66. Fuel and Power Purchase Adjustment Methodology

1. Computation of fuel and power purchase adjustment surcharge:

(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) *Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed in these regulations, subject to true up, on an annual basis, as may be decided by the Commission:*

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these rules.

(3) *Fuel and Power Purchase Adjustment Surcharge 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 fuel and power purchase adjustment surcharge 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 fuel and power purchase adjustment surcharge within this time line, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recovery the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited.

- (4) *The distribution licensee may decide, fuel and power purchase adjustment surcharge 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 fuel and power purchase adjustment surcharge shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total fuel and power purchase adjustment surcharge for a Billing Month, including any carry forward of fuel and power purchase adjustment surcharge over the previous month exceeds twenty per cent of variable component 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 fuel and power purchase adjustment surcharge shall first be accounted towards the oldest carry forward portion of the fuel and power purchase adjustment surcharge followed by the subsequent month.*
- (6) *In case of carry forward of fuel and power purchase adjustment surcharge, the carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff and this carrying cost shall be true up in the year under consideration.*
- (7) *Depending upon quantum of fuel and power purchase adjustment surcharge, the automatic pass through shall be adjusted in such a manner that,*
- (i) *If fuel and power purchase adjustment surcharge $\leq 5\%$, 100% cost recoverable of computed fuel and power purchase adjustment surcharge by distribution licensee shall be levied automatically using the formula.*
 - (ii) *If fuel and power purchase adjustment surcharge $> 5\%$, 95% fuel and power purchase adjustment surcharge shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the State Commission during true up.*
- (8) *The distribution licensees shall file a petition seeking true up of the fuel and power purchase for the year under consideration by 30th April of the next financial year. The Commission shall true up the same by 30th June, after applying the necessary prudence checks.*
- (9) *In case of excess revenue recovered for the year against the fuel and power purchase adjustment surcharge, the same shall be recovered from the licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the Commission and the under recovery of fuel and power purchase adjustment surcharge shall be allowed during true up, to be billed along with the automatic Fuel and Power Purchase Adjustment Surcharge amount.*
- Explanation:-For example in the month of July, the automatic pass through component for the power supplied in May and additional Fuel and Power Purchase Adjustment Surcharge, 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 details of the variation between expenses incurred and the fuel and power purchase adjustment surcharge recovered, and the detailed computations and supporting documents, along with the true up petition.*
- (11) *The distribution licensee shall ensure that the licensee 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.

- (12) The licensee shall publish all details including the fuel and power purchase adjustment surcharge formula, calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

2. Computation of Fuel and Power Purchase Adjustment Surcharge:

Monthly FPPAS for nth Month (%) = (A-B)*C + (D-E)

$$\frac{\text{-----}}{\{Z * (1 - \text{Distribution losses in \%}/100)\} * \text{ABR}}$$

Where,

Nth month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge 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)

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost = Actual average Power Purchase Cost (PPC) from all Sources in (n-2) 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)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

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

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = As per Tariff Order

Notes:

1. The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

2. *Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted through the true-up.*”

6. Further, regulations 31 (c) and 33 of the MYT Regulations, 2019, are also proposed to be amended as under: -

“31 (c) Energy charge rate (ECR) in Rs. per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formula: -

(i) In case secondary fuel Oil cost is the part of ECR:

$$[[\{SHR-(SFCXCVSF) \times LPPF\}/CVPF]+(SFCXLPSF)] \times \{100/(100-Aux)\}$$

(ii) In case secondary fuel Oil cost is not the part of ECR

$$[\{SHR-(SFCXCVSF) \times LPPF\}/CVPF] \times \{100/(100-Aux)\}$$

Where

AUX = Normative auxiliary energy consumption in percentage;

CVPF = Gross calorific value of primary fuel as received, in kCal per kg less 85 Kcal/Kg on account of variation during storage at generating station.

CVSF = Gross calorific value of secondary fuel in kCal per ml;

ECR = Energy charge rate in Rs. per kWh sent out;

SHR = Normative Station Heat rate in kCal per kWh;

SFC = Normative Specific fuel oil consumption in ml/kWh

LPPF = Weighted average landed price of primary fuel in Rs./kg.

LPSF = Weighted average landed fuel cost of Secondary Fuel in Rs./ml during the month.

33. Kcm shall be the weighed average GCV of coal on as received basis for the month in Kcal / Kg less 85 Kcal/Kg on account of variation during storage at generating station.”

7. Accordingly, the Commission has framed draft 3rd Amendment to the Principal Regulations for public / stakeholders consultation, attached herewith at Annexure “A”. Based on the feedback received on the discussion paper, the HERC MYT Regulations, 2019 (3rd Amendment) Regulations, 2023, shall be given a final shape by the Commission, after following the due process. The proposed amendment shall be applicable from the date of its notification in the Government Gazette.

ANNEXURE - A

HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS NO. 33-36, SECTOR-4, PANCHKULA – 134112

Draft Notification

Regulation No. HERC/46/2019/3rd Amendment/2023: - The Haryana Electricity Regulatory Commission, in exercise of the powers conferred on it by section 181 of the Electricity Act 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, after previous publication, makes the following regulations: -

Chapter – 1
General

1. Short title, commencement, extent of application and interpretation.

- (1) These Regulations may be called the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 (3rd Amendment) Regulations, 2023.
- (2) These regulations shall come into force on the date of their publication in the Haryana Government Gazette.

2. Amendment of Regulation 31 (c)

31 (c) Energy charge rate (ECR) in Rs. per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formula: -

(i) In case secondary fuel Oil cost is the part of ECR:

$$\left[\left\{ \frac{\text{SHR} - (\text{SFC} \times \text{CVSF}) \times \text{LPPF}}{\text{CVPF}} \right\} + (\text{SFC} \times \text{LPSF}) \right] \times \left\{ \frac{100}{100 - \text{Aux}} \right\}$$

(ii) In case secondary fuel Oil cost is not the part of ECR

$$\left\{ \frac{\text{SHR} - (\text{SFC} \times \text{CVSF}) \times \text{LPPF}}{\text{CVPF}} \right\} \times \left\{ \frac{100}{100 - \text{Aux}} \right\}$$

Where

AUX = Normative auxiliary energy consumption in percentage;

CVPF = Gross calorific value of primary **fuel as received**, in kCal per kg less 85 Kcal/Kg on account of variation during storage at generating station.

CVSF = Gross calorific value of secondary fuel in kCal per ml;

ECR = Energy charge rate in Rs. per kWh sent out;

SHR = Normative Station Heat rate in kCal per kWh;

SFC = Normative Specific fuel oil consumption in ml/kWh

LPPF = Weighted average landed price of primary fuel in Rs./kg.

LPSF = Weighted average landed fuel cost of Secondary Fuel in Rs./ml during the month.

3. Amendment of Regulation 33

33. Kcm shall be the weighed average GCV of coal on as received basis for the month in Kcal / Kg less 85 Kcal/Kg on account of variation during storage at generating station.

4. Amendment of Regulation 66

66. Fuel and Power Purchase Adjustment Methodology

1. Computation of fuel and power purchase adjustment surcharge:

(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) Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed in these regulations, subject to true up, on an annual basis, as may be decided by the Commission:

(3) Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these rules.

(4) Fuel and Power Purchase Adjustment Surcharge 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 fuel and power purchase adjustment surcharge 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 fuel and power purchase adjustment surcharge within this time line, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recovery the fuel and power purchase adjustment surcharge determined during true-up shall also be forfeited.

(5) The distribution licensee may decide, fuel and power purchase adjustment surcharge 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 fuel and

power purchase adjustment surcharge shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total fuel and power purchase adjustment surcharge for a Billing Month, including any carry forward of fuel and power purchase adjustment surcharge over the previous month exceeds twenty per cent of variable component of approved tariff.

- (6) The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through fuel and power purchase adjustment surcharge shall first be accounted towards the oldest carry forward portion of the fuel and power purchase adjustment surcharge followed by the subsequent month.
- (7) In case of carry forward of fuel and power purchase adjustment surcharge, the carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff and this carrying cost shall be true up in the year under consideration.
- (8) Depending upon quantum of fuel and power purchase adjustment surcharge, the automatic pass through shall be adjusted in such a manner that,
 - (i) If fuel and power purchase adjustment surcharge $\leq 5\%$, 100% cost recoverable of computed fuel and power purchase adjustment surcharge by distribution licensee shall be levied automatically using the formula.
 - (ii) If fuel and power purchase adjustment surcharge $> 5\%$, 95% fuel and power purchase adjustment surcharge shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the State Commission during true up.
- (9) The distribution licensees shall file a petition seeking true up of the fuel and power purchase for the year under consideration by 30th April of the next financial year. The Commission shall true up the same by 30th June, after applying the necessary prudence checks.
- (10) In case of excess revenue recovered for the year against the fuel and power purchase adjustment surcharge, the same shall be recovered from the licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the Commission and the under recovery of

fuel and power purchase adjustment surcharge shall be allowed during true up, to be billed along with the automatic Fuel and Power Purchase Adjustment Surcharge amount.

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

- (11) The distribution licensee shall submit details of the variation between expenses incurred and the fuel and power purchase adjustment surcharge recovered, and the detailed computations and supporting documents, along with the true up petition.
- (12) The distribution licensee shall ensure that the licensee 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.
- (13) The licensee shall publish all details including the fuel and power purchase adjustment surcharge formula, calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

2. Computation of Fuel and Power Purchase Adjustment Surcharge:

$$\text{Monthly FPPAS for nth Month (\%)} = \frac{(A-B)*C + (D-E)}{\text{-----}}$$

$$\{Z * (1 - \text{Distribution losses in\%/100})\} * \text{ABR}$$

Where,

Nth month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge 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)

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost= Actual average Power Purchase Cost (PPC) from all Sources in (n-2) 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)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

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

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

Inter-state transmission Losses (in %) = As per Tariff Order

Notes:

1. The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.
2. Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted through the true-up.