

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

August 16, 2023

No. F-9(32)(ii)/RG/UERC/2023/537: In exercise of powers conferred under section 61 read with Section 181 of the Electricity Act, 2003, and all other powers enabling it in this behalf, and after previous publication, the Uttarakhand Electricity Regulatory Commission hereby makes the following amendments in the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (Principal Regulations), and subsequent amendment made in the same, namely:

**1. Short Title, Commencement and Extent:**

- (1) These Regulations may be called the UERC (Terms and Conditions for Determination of Multi Year Tariff) (Second Amendment) Regulations, 2023.
- (2) These Regulations shall come into force from 01<sup>st</sup> September, 2023.
- (3) These Regulations shall be applicable in the State of Uttarakhand.

**2. Amendment of Regulation 83 of the Principal Regulation:**

Regulation 83 of the Principal Regulations shall be substituted as follows:

*“(83) Fuel and Power Purchase Cost Adjustment (FPPCA):*

- (1) *The FPPCA charge shall be applicable on the entire sale of the Distribution Licensee without any exemption to any consumer.*
- (2) *The FPPCA charge shall be computed and charged on the basis of actual variation in fuel and power purchase costs for delivery at the periphery of the distribution licensee relating to power generated from own generation stations and power procured during any month subsequent to such costs being incurred, in accordance with these Regulations, and shall not be computed on the basis of estimated or expected variations in fuel and power purchase costs.*
- (3) *The FPPCA charge for the n<sup>th</sup> month shall be computed and charged for the month from the subsequent (n+2)<sup>th</sup> month itself, without prior approval of the Commission and any under or over recovery shall be carried forward to the next consumption month e.g.:*

*The FPPCA charge for the month of June shall be charged for the consumption of August billed in September and any under or over recovery shall be carried forward to be charged alongwith consumption of October billed in November.*

*Provided also that such carry forward shall be adjusted within the next quarter of the respective quarter of the year. If any amount is still pending to be adjusted under FPPCA after three months period, i.e. at the end of the next quarter of the respective quarter, the licensee shall be eligible to adjust the amount through the regulatory process specified in sub regulation (4) below.*



- (4) The Distribution Licensee shall submit the details of the FPPCA incurred and to be charged or refunded to all the consumers for the entire quarter, along with the detailed computations and supporting documents as may be required for verification by the Commission within 45 days of the end of the next quarter for post facto approval of the Commission.
- (5) The Commission shall examine the FPPCA computations and approve the same with modifications, if required before the end of third quarter. Any variation in FPPCA charged or refunded by the Distribution Licensee and FPPCA approved by the Commission will be adjusted in the FPPCA computations of subsequent months as the Commission may determine.
- (6) In case the Distribution Licensee is found guilty of charging unjustified FPPCA charge from the consumers for (3) consecutive months, the Commission shall adjust the unjustified charges along with the interest on the same which shall not be allowed to be pass through. The interest so imposed shall not be allowed to pass through.
- (7) The Distribution Licensee shall upgrade the billing and IT systems to incorporate FPPCA charge as a component in tariff design and the same shall be reflected separately.
- (8) The formula for calculation of the FPPCA shall be as given under:

$$\text{FPPCA (Rs. Crore)} = C + B,$$

Where

FPPCA = Fuel and Power Purchase Cost Adjustment

C = Change in cost of own generation and total power purchase costs (including interstate and intrastate transmission charges) due to the variation in these costs and fuel cost,

B = Adjustment factor for over-recovery / under-recovery for previous month/quarter

$$C \text{ (Rs. Crore)} = A_{\text{Gen}} + A_{\text{PP}},$$

Where:

$A_{\text{Gen}}$  : Change in fuel cost/generation cost of own generation. This would be computed based on the norms and directives of the Commission, including heat rate, auxiliary consumption, generation and power purchase mix, etc.

$A_{\text{PP}}$  : Change in energy charges and power purchase cost of power procured (including inter-state and intra - state transmission charges) from all sources other than own generation. This change would be allowed to the extent it satisfies the criteria prescribed in these Regulations and the prevailing tariff order, and subject to applicable norms. This shall be computed as follows:

Power purchased / Procured during nth month at state periphery (kWh) x (actual weighted average rate of power purchases (Rs. / kWh) - approved weighted average rate of power purchases (Rs. / kWh)).



Note :

1. Intra - State & Inter-State transmission losses shall be considered as approved in the tariff order.
  2. Penalty imposed due to under drawals or over drawals or DSM penalty shall not be allowed as part of the FPPCA computation.
- (9) The FPPCA charge for any category shall not exceed 20% of the base Average Billing Rate as approved in the tariff Order for respective category, or such other ceiling as may be stipulated by the Commission from time to time:

Provided that any excess in the FPPCA charge over the above ceiling shall be carried forward by the Distribution Licensee and shall be recovered over such future period as may be directed by the Commission.

- (10) Calculation of FPPCA charge shall be as per the following formula:

Average FPPCA Charge (Rs/kWh) =  $\frac{\text{FPPCA}}{\text{Estimated sales within the State for the respective month as approved by the Commission in the Tariff Order}} \times 10$ .

- (11) Category wise FPPCA Charge (Rs/kWh) shall be calculated as per the following formula:

$\frac{\text{Average Billing Rate (ABR) of Consumer Category (in Rs./kWh) as approved in Tariff Order for the year}}{\text{Average Billing Rate (ABR) of Distribution Licensee (in Rs./kWh) as approved in Tariff Order for the year}} \times \text{Average FPPCA (in Rs./kWh)}$ .

Provided also that in case the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge within the time line specified, 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 of the fuel and power purchase adjustment surcharge determined during annual true-up exercise shall also be forfeited and the true up of fuel and power purchase adjustment surcharge by the Commission, for any financial Year, shall be carried out alongwith the trueing up of other costs and revenues based on the audited accounts for the relevant financial year of the distribution licensee.

Provided that the distribution licensee shall be required to notify the FPPCA charges atleast 1 week before the month for which the same shall apply, for information of all the consumers.

- (12) The distribution licensee shall provide the details of month-wise FPPCA charges calculated and revenue collected thereof at the time of filing the tariff petition for the next year.
- (13) All the FPPCA calculations and consumer wise FPPCA collections should also be displayed on the website of the distribution licensee as well."

By the Order of the Commission,

NEERAJ SATI,

Secretary.