

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 33 of 2021
Date of Order:20.09.2021

Petition for approval of Fuel Cost Adjustment (FCA) Surcharge for 4th Quarter (January, 2021 to March, 2021) of FY 2020-21.

AND

In the matter of: Punjab State Power Corporation Limited (PSPCL), The Mall, Patiala.

Present: Sh. Viswajeet Khanna, Chairperson
Ms. Anjuli Chandra, Member
Sh. Paramjeet Singh, Member

ORDER

1. Punjab State Power Corporation Limited (PSPCL) has filed the present petition for approval of Fuel Cost Adjustment (FCA) Surcharge for 4th quarter of FY 2020-21.
2. PSPCL has claimed FCA on account of:
 - a) Change in Fuel Cost of PSPCL's own Thermal Generating Stations on account of change in fuel prices w.r.t. Fuel Cost approved by the Commission in the Tariff Order for FY 2020-21 as Rs. 2.21 Crore.
 - b) Increase in variable cost of Power Purchase from all Thermal Stations under long term contract with PSPCL as (-) Rs. 178.53 Crore.

PSPCL has worked out the FCA surcharge as under:

Metered category = (-) 9 paise/kWh
consumers (FCA_M) (-) 9 paise/kVAh

Unmetered category = (-) 9 paise/kWh or
consumers (FCA_{HP}) (-) 16.78 Rs./BHP/ month or
(-) 22.49 Rs./kW/ month

3. The Commission observed the following deficiencies in the FCA Petition:

- i) PSPCL has calculated the FCA impact on basis of ARR approved in the Tariff Order for FY 2020-21. The Commission has issued the Tariff Order for FY 2021-22 on 28.05.2021 wherein Annual Performance Review for FY 2020-21 has been made with revision in fuel cost and power purchase rates. Accordingly, PSPCL needs to rework the FCA impact with revised rates.
- ii) PSPCL has submitted the following coal prices for 4th quarter of FY 2020-21:

GGSSSTP : Rs. 4405.81/MT
GHTP : Rs. 6806/MT

Coal price of GHTP is very high in comparison to coal price of GGSSSTP. From perusal of Annexure-3 of the petition, issue price of coal is Rs. 5241/MT. Other fuel costs are contributing Rs. 1565 /MT (Rs. 6806/MT-Rs. 5241/MT) to the coal price, which is on higher side. PSPCL needs to explain and justify various components of other fuel related costs.

PSPCL was directed to submit the reply of the deficiencies within two weeks vide letter No. 1504 dated

18.06.2021.

4. PSPCL vide letter No. 2229 dated 30.07.2021 submitted the reply to the deficiencies as under:

- i) The FCA impact has been reworked with revised rates as per the Tariff Order for FY 2021-22. However, washing charges amounting to Rs. 139.09 Crore payable up to the billing month of January 2021 to Talwandi Sabo Power Limited and Nabha Power Limited for FY 2020-21 as per Order dated 09.03.2021 of Hon'ble Supreme Court of India in contempt petitions has been adjusted in the revised FCA amount.

PSPCL has calculated the revised claim of FCA as under:

- a) Change in Fuel Cost of PSPCL's own Thermal Generating Stations on account of change in fuel prices w.r.t. Fuel Cost approved by the Commission in the Tariff Order for FY 2021-22 as Rs. 3.72 Crore.
- b) Increase in variable cost of Power Purchase from all Thermal Stations under long term contract with PSPCL excluding Rs. 139.09 Crore payable to TSPL and NPL as per Hon'ble Supreme Court decision as (-) Rs. 84.72 Crore.

PSPCL has re-worked the FCA surcharge as under:

Net amount of FCA (Rs. = (-) Rs. 81 Crore
3.72Crore - Rs. 84.72 Crore)

Metered category = (-) 4 paise/kWh
consumers (FCA_M) (-) 4 paise/kVAh

Unmetered category = (-) 4 paise/kWh or
consumers (FCA_{HP}) (-) 7.71Rs./BHP/ month or

(-) 10.33 Rs./kW/month

- ii) Regarding the coal price of GHTP, PSPCL submitted that the Coal price of GHTP for the 4th quarter of FY2020-21 is Rs. 6806/MT and for 4th quarter of FY2019-20 was Rs. 6513/MT. Generation for 4th quarter of FY 2020-21 and FY 2019-20 was 39.685 MU & 39.725 MU respectively. The comparison of coal prices of FY 2019-20 and FY 2020-21 is as under:

4 th quarter of	Issue price of coal (Rs./MT)	Consumption (MT)	Other fuel related costs		Coal rate excluding transit loss (Rs./MT)
			Rs. Crore	Rs./MT	
FY 2019-20	5152	26789	421.65	1574	6513
FY 2020-21	5241	26165	412.68	1577	6806

PSPCL submitted that whenever generation is less coal rate is increased. PSPCL has also provided the detail of other fuel related costs of GHTP as under:

- i) Coal Handling contract Charges: Rs. 2.39 Crore
- ii) Commission to agents: Rs. 0.28 Crore
- iii) Payment to Railway Staff: Rs. 0.26 Crore
- iv) Derailment Charges: Rs. 0.025 Crore
- v) Transit loss: Rs. 0.055 Crore
- vi) Loss on a/c Stones below 200mm: Rs. 1.07 Crore
- vii) Loss on a/c Mill Reject: Rs. 0.04 Crore

Total: Rs. 4.12 Crore

5. The Commission admitted the petition vide Order dated 23.08.2021 and after hearing PSPCL on 15.09.2021, decides as under:

6. Commission's Observations and Decision:

The reply to the deficiencies raised in the petition for FCA surcharge for 4th quarter of FY 2020-21 has been received on 02.08.2021. As per the Regulations, the FCA surcharge for 4th quarter was chargeable from 01.07.2021 to 30.09.2021. Due to delay in submission of reply by PSPCL, the order in present petition could not be issued in time and FCA cannot be made applicable from 01.07.2021. The Commission, therefore, decides that the impact of FCA for 4th Quarter of FY 2020-21 (January, 2021 to March, 2021) will be considered in the Tariff Order for FY 2022-23, subject to the reconciliation/validation during the true up of FY 2020-21.

The Petition is disposed of accordingly.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Anjuli Chandra)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **20.09.2021**