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PART III

Notifications by High Court, Advertisement, Notices and Change of Name etc.

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

Notification

The 12th April, 2023

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 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), (3rd Amendment) Regulations, 2023.
- (2) These regulations shall come into force on the date of their publication in the Haryana Government Gazette.
- (3) These regulations shall extend to the whole of the State of Haryana.

2. Amendment of Regulation 31 (c)

Regulation 31 (c) shall be read as under: -

“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:

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

(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: -

Regulation 33 shall be amended to replace the definition of ‘Kcm’, as under: -

“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:

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 (FPPAS) 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 recover 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 the 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 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 31st May 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.
- (i) "Fuel and Power Purchase Adjustment Surcharge" (FPPAS) shall be calculated only in respect of approved source wise power purchase quantum including short term power, if any, for the relevant year. The discoms may resort to drawl of short term power on TAM, DAM, RTM etc. to meet day to day exigencies provided no other cheaper source of power is available.
 - (ii) For the purpose of recovery of FPPAS, power purchase cost shall include all invoices raised by the approved suppliers of power and credit received by the distribution licensees during the year irrespective of the period to which these pertain for any change in cost in accordance with tariff approved by the Commission. This shall include arrears/refunds, if any, not settled earlier.
 - (iii) In case of negative FPPAS, the credit shall be given to the consumers by setting off the minus figure against the positive figure of FPPAS being charged from the consumers. In other words, credit of FPPAS shall be given only against FPPAS being charged so that the base tariff determined by the Commission remains unchanged.
 - (iv) The allowed percentage of transmission and distribution losses for the relevant year allowed by the Commission in the ARR shall only be considered for working out FPPAS.
 - (v) Per unit rate of FPPAS (paisa/kWh/kVAh) shall be worked out after rounding off to the nearest paisa;
 - (vi) The distribution licensee shall submit details relating to FPPAS recovery to the Commission for each year in the following format: -

(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 draws 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: -

All the source-wise details should be supported with requisite documentary evidence / invoices raised by the generators / suppliers of the power. Further, 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.

- (vii) In case Haryana Government decides to provide subsidy on account of FPPAS liability to any consumer category/sub-category, the amount of subsidy equivalent to the FPPAS recoverable from the consumer category concerned, 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.

(11) The distribution licensee shall ensure that the billing system is updated considering the requirements of the FPPAS methodology 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 the 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.

2. Computation of Fuel and Power Purchase Adjustment Surcharge:

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

{Z * (1- Distribution losses in %/100)} * 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 the bulk sale of power or inter-state sales 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 %/100) - 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

Provided that the Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

Provided further that other charges which include Ancillary Services, Security Constrained Economic Despatches as well as any prior period adjustments, shall not be included in Fuel and Power Purchase Adjustment Surcharge and will be adjusted through the true-up.”

By the order of the Commission

Panchkula:
The 12th April, 2023.

(*Sd.*)...,
Director/Tariff,
HERC.

[326-1]