



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 1st 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>



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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.

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.

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.

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.

6.0 All the distribution licensees and generating company shall adhere to the above decision of the Commission.



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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