

**JOINT ELECTRICITY REGULATORY COMMISSION  
FOR THE STATE OF GOA AND UNION TERRITORIES  
GURGAON**

Quorum  
Shri. M . K. Goel, Chairperson  
Smt. Neerja Mathur, Member  
**Petition No. 230/2017**  
**Date of Interim Order: 22.02.2017**

**In the matter of:**

Application for directions that the action of the Respondent in charging the members of the Petitioner with Fuel and Power Purchase Cost Adjustment in lieu of Additional Open Access Surcharge is against the FPPCA formula as notified by the Commission.

**And in the matter of:**

Federation of Industries Associations, Silvassa  
Danudyog, Opposite to Hirwa Van,  
Silvassa- Vapi Road, Silvassa, UT of DNH 396230

.....Petitioner

Vs

Dadra & Ngar Haveli Power Distribution Corporation Limited,  
Vidyut Bhawan, Secretariat, Silvassa,  
(By its Chairman & Managing Director)  
Electricity Department,

.....Respondent

**Interim Order**

The Commission has received an Application from the Federation of Industries Association, Silvassa, the Petitioner, for directions that the action of the Electricity Department, Dadra & Nagar Haveli Power Distribution Corporation Ltd. (ED, DNHPDCL), the Respondent in charging the members of the Petitioner with Fuel and Power Purchase Cost Adjustment (FPPCA) in lieu of Additional Open Access Surcharge is against the FPPCA formula as notified by the Commission.

The Petitioner has contended that in the matter of Petition no. 205 of 2016 filed by the Respondents, an additional surcharge of Rs.1.41 per unit was proposed for recovery from the open access consumers towards the stranded cost of Power purchase. The Petition was disposed off by the Commission vide Order dated 15 September 2016 approving an amount of Rs. 0.47 per unit towards recovery of additional open access surcharge. Thus the difference of

Rs. 0.94 per unit not allowed by the Commission has been wrongly recovered by the Respondent using the FPPCA formula, which is creating undue financial burden on non open access consumers.

The FPPCA charge now levied by the Respondent for the quarter from October 2016 to December 2016 amounting to Rs. 1.30 per unit includes fixed charges paid by the Respondent but not recovered due to certain consumers going for open access.

The Petitioner has further submitted that such an action of the Respondent in passing of the burden of fixed charges to non- open access consumers, which were to be recovered from the open access consumers is illegal and contrary to the intentions of the FPPCA formula. The FPPCA formula is applied only upon the event of spike or dip in the fuel and power cost and as such cannot be applied for levying an amount that primarily arose because of non utilization of power and non- payment of fixed cost by the open access consumers.

In this background, the Petitioner has sought an interim relief by way of an ex parte Order restraining the Respondent from levying the FPPCA charges for the months of January 2017 to March 2017; and, pass any other or further Order it deems appropriate in the nature of justice and equity.

The Petition was admitted on 22<sup>nd</sup> February 2017. The Commission has examined the Petition and the supporting documents submitted along with the Petition. The Commission also recalls that during the Public hearing in respect of the Tariff Petition filed by the ED DNHPDCL for FY 2017-18 held on 8<sup>th</sup> February 2017 at Silvassa, there was a representation by the Industrial Associations of Non Open Access Consumers regarding the exorbitant increase in the FPPCA due to inclusion of stranded power purchase cost, which should be ideally attributable to the open access consumers. The Commission has also received written representations from other Non-Open Access Industries and also the Open Access Industries. The Commission has patiently heard all the stakeholders present in the Public Hearing. The Commission also held detailed discussions with the DNHPDCL officers on this issue.

The Commission observed that as per the documents available on record, the FPPCA for the past four quarters has shown the following trend, which prima facie indicates a huge increase of 123%, 333% and 317% as compared to the fourth quarter of 2015-16:

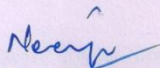
Particulars	FPPCA charge	% increase
Fourth Quarter of 2015-16	30 Paise/unit	
First Quarter of 2016-17	67 Paise/unit	123%
Second Quarter of 2016-17	130 Paise/unit	333%
Third Quarter of 2016-17	125 Paise/unit	317%

Besides, there has been almost a doubling of the FPPCA in the 2<sup>nd</sup> quarter of 16-17, after operationalisation of Open Access in September, 16.

The Commission is of the view that this is an issue which requires detailed analysis of all the relevant data and supporting information/documents, which would involve an intensive & focused effort and would require some time.

The Commission understands that a lot of financial burden has been imposed on the Non-Open Access Industries by the increased FPPCA, specially the small industries, forcing them to even close their operations and hence hampering the growth of Industrial activity in the UT of DNH. This rising trend could continue if not examined at this stage and have a further adverse effect. The Commission also understands that without going into the details of this issue, which is interlinked with other related issues, the matter cannot be addressed in its entirety. Accordingly as an interim measure, the Commission directs the Respondent to restrict the recovery of the FPPCA charges to 67 paise per unit immediately from February 2017 onwards till further Orders of the Commission. Any deficit in recovery in this regard shall be appropriately addressed in the true up exercise along with carrying cost, wherever applicable. The Respondent is further directed to submit the detailed calculations of FPPCA along with the supporting documents well before the levy of the same for consideration of the Commission.

Ordered accordingly.

  
Neerja Mathur  
Member

  
M K Goel  
Chairperson