

### **FPPAS Calculation**

Month	FPPAS Billed
Apr-25	-4.14%
May-25	-15.82%
Jun-25	-8.41%
Jul-25	-14.52%
Aug-25	-14.78%
Sep-25	-6.39%
Oct-25	-5.51%
Nov-25	-6.21%
Dec-25	+14.00%
Jan-26	+19.34%
Feb-26	+10.89%
Mar-26	+16.82%

1. The Electricity (Amendment) Rules, 2022 (“Amendment Rules”) issued by the Ministry of Power on 29<sup>th</sup> December 2022, provide the methodology of computation of Fuel and Power Purchase Adjustment Surcharge (“FPPAS”) as enunciated in Schedule-II of the Amendment Rules.
2. The key highlights of the above Rules are as under:
  - i) 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 by the respective the State Commission, subject to true up, on an annual basis, as decided by the State Commission: Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these rules.
  - ii) 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 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.

iii) The revenue recovered on account of pass-through fuel and power purchase adjustment surcharge by the distribution licensee, shall be true up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year. iv) 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 State 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.

3. FPPAS computation for the each of the billing months has been done following the aforesaid methodology on the basis of the monthly data on quantum and cost of fuel, power purchase and transmission charges for n-2th month, as required under the Amendment Rules. Accordingly, FPPAS has been computed in terms of the formula as detailed below –

$$\text{“Monthly FPPAS for nth Month (%) = } \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in\%/100})\} * \text{ABR}}$$

Where,

N<sup>th</sup> 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)<sup>th</sup> month

- A is Total units procured in (n-2)<sup>th</sup> Month (in kWh) from all Sources including Long-term, Medium-term and Short-term Power purchase (to be taken from the bills issued to the distribution licensee)
- B is bulk sale of power from all Sources in (n-2)<sup>th</sup> 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 in (n-2) month (Rs./ kWh) ( computed) - (from tariff order)
- D = Actual inter-state and intra-state Transmission Charges in the (n-2)<sup>th</sup> Month, (From the bills by Transcos to Discom) (in Rs)
- E = Base Cost of Transmission Charges for (n-2)<sup>th</sup> Month. = (Approved Transmission Charges/12) (in Rs)
- Z =  $\{[\text{Actual Power purchased from all the sources outside the State in (n-2) th Month. (in kWh)} * (1 - \text{Interstate transmission losses in \% /100}) + \text{Power purchased from all the sources within the State (in kWh)}\} * (1 - \text{Intra state losses in \%} - B) / 100$  in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Loss (from Tariff Order)

Inter-state Transmission Losses (in %) = As per Tariff Order"

4. Power purchase cost, power purchase quantum, transmission charges have been considered on basis of actual figures for the corresponding months.