



# M.P. POWER MANAGEMENT COMPANY LIMITED

CIN: L40109MP2006SGC018637 (A Government of MP Undertaking)

Office: Shakti Bhawan, Rampur Jabalpur Madhya Pradesh INDIA 482 008. Tel: 0761-2661111, 2660500, Fax: 0761-2661696, Website: [www.mppmcl.com](http://www.mppmcl.com) email: [info@mppmcl.com](mailto:info@mppmcl.com)

No. CGM (RM)/FPPAS/23-24/392

Jabalpur/Dated 25/10/2023

To

C.G.M. (IT) MPPMCL, JBP.  
Letter R. No. 523  
Date 25/10/2023

1. The Managing Director  
M.P. Paschim KVV Co. Ltd.  
G.P.H Compound, Polo Ground,  
Indore (M.P)
2. The Managing Director  
M.P. Madhya KVV Co. Ltd.  
Bijli Nagar Colony, Nishtha Parisar, Govindpura,  
Bhopal (M.P)
3. The Managing Director  
M.P. Poorv KVV Co. Ltd.  
Block No.7, Ground Floor, Shakti Bhawan,  
Jabalpur (M.P)

Sub: - Fuel & Power Purchase Adjustment Surcharge (FPPAS) for the Month of Oct-2023.

Ref: - First Amendment to MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) (1<sup>st</sup> Amendment) Regulation, 2021 {ARG-at 35(III) (i) of 2023}

As per the formula specified under MPERC Regulations cited under reference, the FPPAS for the month of October-2023 has been calculated as (-) 6.38 % (minus 6.38%). The Sub Clause (ze) (A) of Amendment to Regulation 4 of the MPERC (Terms and Conditions for determination of tariff for supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges (1st Amendment) Regulations, 2021. provides as under:

*"Fuel and Power Purchase Adjustment Surcharge" (FPPAS) shall mean the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost with reference to cost of supply approved by the Commission."*

It is clarified by the MPERC that FPPAS is to be levied, in case there is an increase in cost of power supplied to consumers, due to change in Fuel cost, power purchase cost with reference to cost of supply approved by the Commission. The Commission has further clarified that, in case there is no such increase in cost of power, FPPAS is not to be levied. Regulation 9.9 lays down clearly that excess revenue received against FPPAS shall have to

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be returned by the licensee along with its carrying cost. Thus, in case FPPAS is in the negative, the advantage accruing to the licensee on account of reduced cost of Fuel/ power purchase has to be passed on to the consumers.

Accordingly, the negative FPPAS may be adjusted against the positive FPPAS in the coming months and no FPPAS i.e. zero percent FPPAS is to be billed to the consumers on energy charge for one month commencing 24<sup>th</sup> October-2023 in accordance with the Regulations and as decided by the competent authority. A detailed calculation sheet is attached herein for your reference and uploading the same on the website of the company to comply with provisions of the Regulations.

Encl.: As above



(Shailendra Saxena)

Chief General Manager (RM)  
MPPMCL JABALPUR

Copy to: -

1. OSD, Energy Deptt. GoMP, Bhopal
2. The Secretary, MPERC, Metro Plaza, Bittan market, Arera Colony, Bhopal wrt the Commission's clarification letter No MPERC/RE/2023 /2372 Bhopal Dated: 20.10.2023
3. PS to MD.MPPMCL, Jabalpur.
4. The Chief General Manager, Commercial (Conv.)/(Non-Conv.) MPPMCL
5. Chief Financial Officer, MPPMCL, Jabalpur
6. Director (Commercial) / CGM (Commercial) MPPoKVVCL / MPMaKVVCL / MPPaKVVCL, Jabalpur/Bhopal/Indore- A copy of FPPAS calculation sheet is enclosed for uploading on the Company's website.

7. The CGM (IT) MPPMCL, Jabalpur -

A copy of FPPAS calculation sheet is enclosed for uploading on the Company's website.

Encl.: As above

**Formula for Computation of Fuel and Power Purchase Adjustment Surcharge  
as per the Regulations, 2021{ARG-35(III) (i) of 2021}**

$$\text{Monthly FPPAS for } n^{\text{th}} \text{ Month (\%)} = \frac{(A-B) \cdot C}{\left\{ Z \cdot \left( 1 - \frac{\text{Distribution losses in \%}}{100} \right) \right\} \cdot \text{ABR}} * 100$$

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” - Total units procured from all sources (n – 2)<sup>th</sup> Month (in kWh) including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensee);
- “B” - Bulk sale of power out of total units procured (as per A) in (n – 2)<sup>th</sup> Month (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre in each month);
- “C” - Incremental Average Power Purchase Cost in Rs./kWh=D-E
- “D” - Actual Average Power Purchase cost (PPC) for procurement of A-B units in (n – 2)<sup>th</sup> Month (Rs./kWh) (computed)
- “E” - Projected Average Power Purchase Cost (PPC) from all sources (Rs./kWh) (from Retail Supply Tariff Order of respective year).
- “Z” - = [ { Actual Power purchased from all the sources outside the State in (n – 2)<sup>th</sup> Month (in kWh) \* (1 – Inter-state transmission losses in %/100) + Actual Power purchased from all the sources within the State (in kWh) } \* (1 – Intra-state losses in %/100) – B] in kWh
- “ABR” - = Average Billing Rate for the year (to be taken from the Tariff Order in ₹/kWh)
- “Distribution Loss (in %)” = Normative Distribution Losses as given in table under Regulation 26.1
- “Inter-state transmission Losses (in %)” = As per Tariff Order

**Calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) for the month of Oct-2023.**

| FPPAS Computation as per the Formula Specified in First Amendment of MPERC MYT Regulations, 2021 dated 17th Feb 2023 |   |         |   |               |
|--|---|---------|---|---------------|
| Sr.No.   | Particulars   | UoM     | (N-2)th Month   | Aug-23        |
|  |   |         | Nth month   | Oct-23        |
| 1  | Total Units procured in (n-2) month from all Sources  | kWh     | A   | 9,559,758,063 |
| 2  | Bulk Sale of Power out of total units procured (As per A) in (n-2)th month Taken from provisional accounts issued by SLDC | kWh     | B   | 1,083,438,793 |
| 3  | Net units   | kWh     | A-B   | 8,476,319,271 |
| 4  | Incremental Average Power Purchase Cost   | Rs./kWh | C   | (0.35)        |
| 5  | Distribution Loss as per the Tariff Order   | %       |   | 15.45         |
| 6  | Z Factor  |         |   | 8,044,561,999 |
| 7  | ABR as per the Tariff Order   | Rs./kWh | ABR   | 6.79          |
| 8  | Monthly FPPCA for the Month of Oct-23 (%)   | %       | $\frac{((A-B)*C)/((Z*(1-Dist.\%/100)*ABR))}{100}$       | -6.38         |
|  |   |         |   |               |
| C  | Incremental Average Power Purchase Cost   | Rs./kWh | C=D-E   | (0.35)        |
| 9  | Actual Average Power Purchase Cost for procurement of A-B units in (n-2)th Month-Computed                                 | Rs./kWh | D   | 3.28          |
| 10   | Projected Average Power Purchase Cost from All sources -As per Tariff Order   | Rs./kWh | E   | 3.63          |
|  |   |         |   |               |
| D  | Actual Average Power Purchase Cost (Rs/KWh)   |         | $D = \frac{\text{Cost of A} - \text{Income of B}}{A-B}$ | 3.28          |
| 11   | Actual Power Purchase Cost for procurement of A   | Rs      | a   | 33682465624   |
| 12   | Income from Power Sale of B   | Rs      | b   | 5859442855    |
| 13   | Incremental/Net Power Purchase Cost   | Rs      | (a-b)   | 27823022769   |
| 14   | Power procurement Quantum as per A  | Kwh     | A   | 9559758063    |
| 15   | Power Sale Quantum as per B   | Kwh     | B   | 1083438793    |
| 16   | Net Units (A-B)   | Kwh     | (A-B)   | 8476319271    |
|  |   |         |   |               |
| 17   | ABR for the Year (Taken from Tariff Order for FY 23)  | Rs./kWh |   | 6.79          |
|  |   |         |   |               |
| 18   | Inter-state Transmission Losses as per TO FY 23   | %       | 6   | 3.52          |
|  |   |         |   |               |
|  | Z   |         |   | 8,044,561,999 |
| 19   | Actual Power Purchased from all sources outside the State in (n-2)th Month  | kWh     | 5   | 5,261,550,212 |

**FPPAS Computation as per the Formula Specified in First Amendment of MPERC MYT Regulations, 2021 dated 17th Feb 2023**

| Sr.No. | Particulars  | UoM | (N-2)th Month | Aug-23        |
|--------|--|-----|---------------|---------------|
|        |  |     | Nth month     | Oct-23        |
| 20     | Inter-state Transmission Losses                        | %   | 6             | 3.52          |
| 21     | Power Purchased from all sources with in State         | kWh | 7             | 4,298,207,851 |
| 22     | Intra-state Transmission Losses                        | %   | 8             | 2.63          |
| 23     | Power Sale Quantum as per B                            | kWh | B             | 1,083,438,793 |
|        |  |     |               |               |
|        | <b>Distribution Loss as per the Tariff Order FY 23</b> | %   | <b>Avg</b>    | <b>15.45</b>  |
| 1      | EZ   | %   |               | 15.50         |
| 2      | CZ   | %   |               | 16.50         |
| 3      | WZ   | %   |               | 14.50         |