

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Ref. No. MERC/FAC/2020-21/ E-Letter

Date: 10 August, 2020

The Chief Executive Officer,
Adani Electricity Mumbai Limited,
Devidas Lane, Off SVP Road,
Near Devidas Telephone Exchange
Borivali (W), Mumbai – 400 092

Subject: Prior approval of Fuel Adjustment Charges (FAC) submissions of AEML-D for the month of June, 2020.

Reference: 1. AEML-D's FAC submission for the month of June, 2020 vide email dated 22 July, 2020.
2. The data gaps were communicated vide email dated 23 July, 2020.
3. AEML-D replied vide email dated 29 July, 2020

Sir,

Upon vetting the FAC calculations for the months of June, 2020 as mentioned in the above reference, the Commission has accorded approval for charging FAC of Rs. (27.75) Crore to its consumers as shown in the table below:

Month	FAC Amount (Rs. Crore)
June, 2020	0

The Commission allows the accumulation of FAC amount of Rs. 72.85 Crore which shall form part of FAC Fund and shall be carried forward to next FAC billing cycle with holding cost as per the Order dated 30 March, 2020 in Case No. 325 of 2019. Further, as directed in the said Order, AEML-D shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund and also for information of all the stakeholders.

AEML-D is directed to file their future FAC submissions taking into consideration data gaps raised in previous months to ensure timely prior approval.

Yours faithfully,
Sd/-
(Prafulla Varhade)
Director (EE), MERC

Encl: Annexure A: Detailed Vetting Report for the period of June, 2020.



PRIOR APPROVAL FOR FAC CHARGES FOR THE MONTH OF JUNE, 2020

Subject: Prior approval of Fuel Adjustment Charges (FAC) submissions of AEML-D for the month June, 2020.

Reference:

1. AEML-D's FAC submission for the month of June, 2020 vide email dated 22 July, 2020.
2. The data gaps were communicated vide email dated 23 July, 2020.
3. AEML-D replied vide email dated 29 July, 2020

1. FAC submission by AEML-D:

1.1 AEML-D has made FAC submissions for the months of June, 2020 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by AEML-D, the Commission has accorded prior approval for the FAC amount to be charged in the billing month of August, 2020.

2. Background

2.1 On 30 March, 2020 the Commission has issued Tariff Order in respect of AEML-D (Case No. 325 of 2019) for approval of Aggregate Revenue Requirement and Multi Year Tariff for FY 2020-21 to FY 2024-25. Revised Tariff has been made applicable from 1 April, 2020.

2.2 Vide its letter dated 20 April, 2020, the Commission communicated the excel formats for filing of FAC submissions to all Distribution Licensees including SEZs. The Commission also directed all Distribution Licensees to submit FAC computations, including details pertaining to variation in fuel cost of generators for the approval of the Commission.

2.3 As per Prior Approval of FAC Guidelines dated 20 April, 2020, the Commission directed Distribution Licensee to seek prior approval for monthly FAC computations. Accordingly vide its email dated 22 July, 2020. AEML-D has filed FAC submissions for the month of June, 2020 for prior approval of the Commission. The Commission has scrutinized the submissions provided by AEML-D and has also verified the power purchase bills provided along with its submissions.



3. Energy Sales of the Licensee

3.1 The net energy sales within licence area as submitted by AEML-D in the FAC submission and as approved by the Commission are as shown in the Table 1 below:

Table 1: Energy Sales approved and Actual in MUs

Consumer Category	Approved by the Commission (MU)	Monthly Approved* (MU)	Actual Sales (June, 2020) (MU)
	(I)	(II=I/12)	(III)
LT Category			
BPL	0.01	0.00	0.00
LT -I Residential	4,506.33	375.53	495.33
LT II Commercial	2,629.50	219.13	23.53
LT III(A) - LT Industrial upto 20 kW TOD Option	182.89	15.24	3.97
LT III(B) - LT Industrial above 20 kW	388.81	32.40	11.02
LT-V : LT- Advertisements and Hoardings	3.04	0.25	-
LT VI: LT -Street Lights	52.30	4.36	-
LT-VII : LT -Temporary Supply	12.25	1.02	-
LT VIII: LT - Crematorium & Burial Grounds	1.41	0.12	-
LT X: LT -Public Service (A)	30.85	2.57	1.58
LT X: LT -Public Service (B)	171.62	14.30	10.84
LT X (A) : LT - Agriculture Pumpsets	0.09	0.01	0.00
LT X (B) : LT - Agriculture Others	0.30	0.03	0.01
LTIV - Public Water Works	12.77	1.06	-
LT IX : LT – EVCS	-	-	0.00
HT Category			
HT 1 (Industrial)	339.76	28.31	31.43
HT 2 (Commercial.)	304.26	25.36	24.96
HT 3 (Group Housing Soc.)	34.70	2.89	3.93
HT 4 (Temporary Supply)	19.30	1.61	-
HT – Railways	30.84	2.57	0.62
HT - Public Services (A)	6.45	0.54	0.41
HT - Public Services (B)	98.67	8.22	7.15
HT - Public Water Works	8.13	0.68	-
Total	8,834.29	736.19	614.78

*- In Case of AEML-D, the sales is approved on annual basis. Monthly approved sales is derived based on approved annual sales for comparison purpose.



- 3.2 It can be observed from above Table 1 that **actual sales during June, 2020 is 614.78 MU which is 16% lower than approved energy sales of 736.19 MU per month for the FY 2020-21**. AEML-D submitted that for billing its consumers, AEML-D follows a cycle month billing for LT-Residential, LT-Commercial (a) & (b), LT-Industrial (upto 20 kW) from mid of a month to the mid of the next month i.e. for e.g. June 15, 2020 to July 15, 2020. Accordingly, actual sales would have been available by around 20 July 2020. This process would have delayed the FAC filing submission. AEML-D has worked out energy sales as per the bills given to consumers from 01 June 2020 to 30 June 2020, from its SAP system, considering bill posting dates. Same approach was also taken in the FAC Return submissions for the months of April, 2020 and May, 2020.
- 3.3 **AEML-D has gradually commenced meter reading. In the data of June 2020, sales presented (period bill posting dates from 1 June 2020 to 30 June 2020), the consumption of about 67% consumers is as per meter readings, whereas the remaining is still assessed.** Also, consumption of commercial and industrial premises which have not re-opened continues to be assessed as per the practice directions of the Commission.
- 3.4 **Out of total sale of 614.78 MU for the month of June, 2020, actual sale is 489.76 MU and adjustment for past months is 125.02 MU.** This is still significantly lower than the usual consumption of the month of June. For instance, in June 2019, the energy sales were 813 MU. This lowering of consumption is a result of several variables i.e. (1) lower activity in commercial and industrial premises due to low volume of business, (2) significant rain / cyclonic weather in early June 2020, (3) under-assessment of consumption, based on winter months, as per Supply Code, in residential premises where meter readings could not be taken.

4. Power Purchase Details

- 4.1 The following are the list of sources from which AEML-D procures power to meet its demand:
- a) Purchase from Adani Dahanu Thermal Power Station (ADTPS)
 - b) Renewable energy procurement (RPS) including Solar and Non-solar
 - c) Bilateral Contracts and Imbalance pool
- 4.2 The Commission in its MYT Order dated 30 March, 2020 in Case No. 325 of 2019 had approved the Power Purchase for FY 2020-21 from three major sources i.e, Adani Dahanu Thermal Power Station, Renewable sources and Short-term sources.
- 4.3 Summary of power purchase of AEML-D is as under:



Sr. No.	Particular	Compliance																								
1	Purchase from Approved Sources	Yes. AEML-D has procured power from ADTPS, Solar and Non-solar Sources and Bilateral in the month of June 2020, which are approved sources of power purchase.																								
2	Merit Order Dispatch	Yes. AEML-D had scheduled power as per MoD.																								
3	Fuel Utilization Plan	Yes. Since there is only one thermal generating station of AEML-G and there is shortage of indigenous coal and hence no scope for improvement in optimal fuel utilization corresponds to optimization of fuel mix.																								
4	Pool Imbalance	AEML-D has purchased 29.99 MU from the imbalance pool to meet its power purchase requirement.																								
5	Sale of Surplus Power	There was no sale of surplus of power during June, 2020.																								
6	Power Purchase	Actual Power Purchase is 631.15 MU as against approved 822.47 MU due to lower sales																								
7	Source wise Power Purchase	<table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual (MU)</th> <th>Proportion of each Source in Actual Purchase</th> </tr> </thead> <tbody> <tr> <td>ADTPS</td> <td>311.08</td> <td>258.14</td> <td>40.90%</td> </tr> <tr> <td>Solar and Non-Solar</td> <td>23.36</td> <td>29.69</td> <td>4.70%</td> </tr> <tr> <td>Exchange</td> <td>488.03</td> <td>313.33</td> <td>49.65%</td> </tr> <tr> <td>Imbalance Pool</td> <td>-</td> <td>29.99</td> <td>4.75%</td> </tr> <tr> <td>Total</td> <td>822.47</td> <td>631.15</td> <td>100.00%</td> </tr> </tbody> </table>	Source Name	Approved (MU)	Actual (MU)	Proportion of each Source in Actual Purchase	ADTPS	311.08	258.14	40.90%	Solar and Non-Solar	23.36	29.69	4.70%	Exchange	488.03	313.33	49.65%	Imbalance Pool	-	29.99	4.75%	Total	822.47	631.15	100.00%
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Imbalance Pool	-	29.99	4.75%																							
Total	822.47	631.15	100.00%																							

- 4.4 **AEML-D has purchased power of 631.15 MUs as against approved 822.47 MUs from the sources approved by the Commission.** The reduction in Power purchase is due to reduction in Sales of AEML-D in the month of June, 2020.
- 4.5 **Power Procurement from ADTPS:** AEML-D has a medium term PPA with ADTPS (own generation). **The Commission in Case No. 325 of 2019 has approved an energy quantum of 311.08 MU. AEML-D has purchased 258.14 MU for the month of June, 2020.**
- 4.6 **Power Procurement from Solar and Non-Solar:** AEML-D has an Energy Purchase Agreement (EPA) with Dhursar Solar Power Private Limited (DSPPL). AEML-D also has an EPA with five non-solar sources namely Reliance Innoventures, AAA Sons Enterprise, Vector Green Energy Private Limited, Tembhu Power Private Limited and Reliance Clean Power Private Limited. The Actual energy quantum purchased and Approved by the Commission in Case No. 325 of 2019 is as shown in the Table 2 below:



Table 2: Approved and Actual Energy Quantum from Solar and Non-Solar Sources

Source	Contracted Capacity (MW)	Approved (MU)	Actual (MU)
Solar			
DSPPL	40	5.52	5.25
Non-Solar			
Reliance Innoventures	45	6.57	7.01
AAA Sons Enterprise	3.38	0.52	0.21
Vector Green Energy Private Limited	18	2.63	4.36
Vector Green Energy Private Limited	6	0.88	1.16
Tembhu Power Private Limited	4.5	0.99	0.68
Clean Power Private Limited	45	6.26	11.02
Total		23.36	29.69

- 4.7 AEML-D has procured 0.43 MU more than the approved from Reliance Innoventures, 2.01 MU more than the approved from Vector Green Energy Private Limited and 4.76 MU more than approved from Clean Power Private Limited. This might be on account of the present season of high wind generation. Further, as the approval by the Commission is on yearly energy quantum, this variation is being accepted provided cumulative power procured for majority of the sources is within the approved energy quantum. The Commission has noted increase in power purchase is mainly from non-solar sources.
- 4.8 **Power Procurement from Exchange:** AEML-D has purchased power from IEX based on day ahead planning on daily basis. **AEML-D has purchased 313.33 MU from all these sources which is within the approved quantum of 488.03 MU.** The purchase of power is through Power Exchange.
- 4.9 **Power Procurement from Imbalance Pool:** AEML-D has purchased **29.99 MU** from the imbalance pool for the month of June, 2020.
- 4.10 The Commission has noted that AEML-D has followed Merit Order Dispatch for scheduling of power. As solar and non-solar sources have must run status they have been scheduled first and all the other sources are scheduled according to SLDC instructions.

5. Power Purchase Cost

- 5.1 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of June, 2020, in order to verify the claim of AEML-D regarding Average Power Purchase Cost (APPC). The Commission has verified the actual as well as approved Net Purchase (MUs), Variable Cost (Rs. /kWh) and Power Purchase Cost considered in FAC computation from the invoices and applicable MYT Order respectively.



5.2 The Power Purchase cost incurred in June, 2020 is Rs. 237.08 Crore which is lower than the approved Power Purchase cost of Rs. 337.64 Crore by the Commission for the month of June, 2020. As mentioned earlier, this is on account of the reduction in power purchase quantum from approved quantum of 822.47 MUs to actual quantum of 631.15 MUs alongwith the variation in power purchase rates due to fuel prices variation. The approved and actual Quantum of power purchase (MU), Power Purchase Cost (Rs. Crore) and Average Power Purchase Cost (Rs./kWh) for the month of June, 2020 is shown in Table 3 below:

Table 3: Approved and Actual APPC and Power Purchase Quantum & Cost

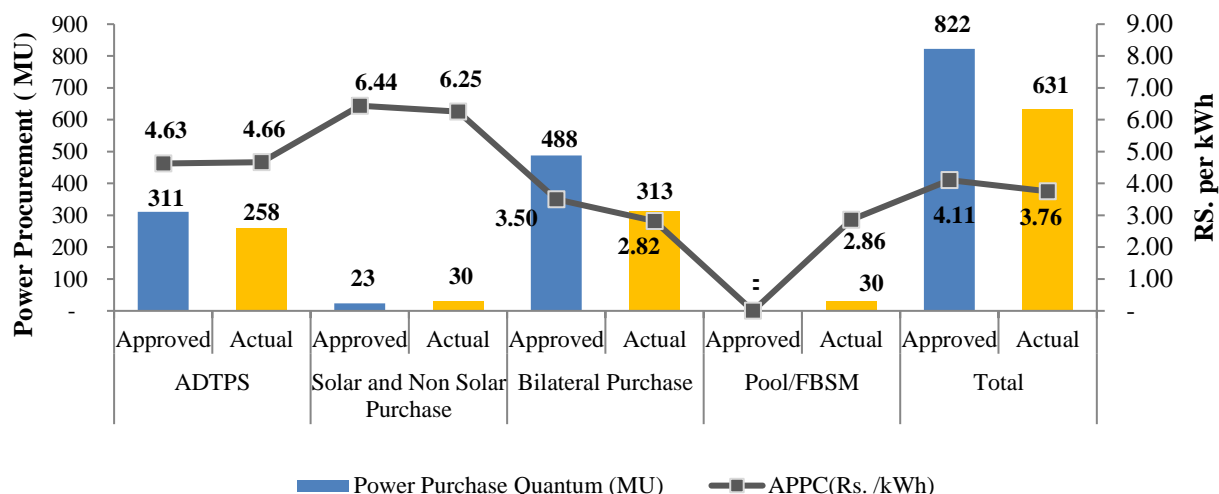
Particulars	Source	Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./kWh)	Total Cost (Rs. Crore)	APPC(Rs./kWh)
ADTPS	Approved	311.08	26.15	0.84	117.90	3.79	144.05	4.63
	Actual	258.14	26.08	1.01	94.34	3.65	120.42	4.66
Solar and Non Solar Purchase	Approved	23.36	-	-	15.04	6.44	15.04	6.44
	Actual	29.69	-	-	18.57	6.25	18.57	6.25
Bilateral Purchase	Approved	488.03	-	-	170.81	3.50	170.81	3.50
	Actual	313.33	-	-	88.45	2.82	88.45	2.82
Pool/FBSM	Approved	-	-	-	-	-	-	-
	Actual	29.99	-	-	8.58	2.86	8.58	2.86
Other Charges	Approved	-	-	-	7.74	-	7.74	-
	Actual	-	-	-	1.06	-	5.07	-
Total	Approved	822.47	26.15	0.32	311.49	3.79	337.64	4.11
	Actual	631.15	26.08	0.41	211.00	3.34	237.08	3.76

*- In case of AEML-D, there is no monthly approval for purchases. The monthly approved power purchase is arrived based on annual approved power purchase for comparison purpose.

5.3 The Figure 1 shown below shows the variation in Approved & Actual Power Purchased Quantum and Approved & Actual APPC for all the sources of AEML-D.



Figure 1: Approved & Actual Power Purchase and APPC



ADTPS

- 5.4 The Commission in Case No. 325 of 2019 has approved an energy quantum from ADTPS at the rate of Rs. 4.63/kWh. AEML-D has purchased at the rate of Rs. 4.66/kWh for the month of June, 2020.
- 5.5 **Fixed Cost:** The Fixed cost approved for FY 2020-21 in Case No. 325 of 2019 (AEML-D) is Rs. 313.81 Crore whereas the Fixed cost approved for FY 2020-21 in Case No. 298 of 2019 (AEML-G) is Rs. 312.99 Crore. The actual payment of Fixed Cost for the month of June, 2020 is to be done according to the entitlement under Case No. 298 of 2019 i.e 312.99 Crore, as the payment is to be done according to Generators Order. **Due to decrease in sales and the reason as mentioned in the paragraph above, actual PLF of ADTPS in June is 79.41% as compared to approved PLF of 94.38%. Due to lower generation, per unit impact on Fixed Cost has increased by Rs. 0.17 /kWh and it has increased from approved FC rate of Rs. 0.84 /kWh to actual FC rate of Rs. 1.01/kWh.**
- 5.6 **Energy Charges:** AEML-G has met the operational parameters such as PLF, Availability, Auxiliary Energy Consumption (without FGD), Additional Auxiliary Energy Consumption for FGD, Station Heat Rate and Secondary fuel Oil Consumption as approved by the Commission in Case No. 298 of 2019 for the month of June, 2020.
- 5.7 AEML-D has submitted documents to verify the quantity of coal purchased and total cost including breakup of all the cost such as washing charges, Coal handling charges, transportation charges and liasoning charges incurred for Domestic Coal and Imported Coal for the month of June, 2020. Analysis of fuel segregated into two parts i.e. Washed Coal and Imported Coal.



- 5.8 **Washed Coal:** AEML-D has submitted detailed computation and methodology for booking the coal consumption cost. AEML-D has stated that the total coal consumption cost is calculated on the basis of Moving Average Price Method by adding the purchases during the month in the opening inventory stock. The closing inventory is then obtained by deducting the coal consumed from the total of opening inventory and purchases during the respective month. **AEML-D has submitted that it has not purchased Coal from SECL in the month of June 2020.** AEML-D has also submitted the breakup and supporting documents for “Other Charges” of Rs. 0.18 Crore. In reply to the data gap, AEML-D has submitted that the booking of cost under the head Uploading on washed coal inventory is due to adjustment of the difference in lag in invoices with the provisional booking of cost in previous months. **The Commission has examined the invoices and the excel working of these adjustment and has found it to be appropriate.** The working of the washed coal fuel cost considered for June, 2020 is as shown in the Table 4 below:

Table 4: Working of Washed Coal Rate for June, 2020

Particular	Quantity (MT)	Cost (Rs. Crore)	Price (Rs./MT)
Inventory			
Opening (as on 1 st June)	3,01,578.67	166.73	5,528.42
Addition during month	52,179.61	27.98	5,362.16
Total	3,53,758.28	194.70	5,503.89
Consumption			
Actual	82,124.01	45.20	5,503.89
Additional Charges		0.18	
Total	82,124.01	45.38	5,525.76

- 5.9 **With regards to the washed coal, the landed cost considered by ADTPS for the month of June, 2020 is Rs. 5525.76/MT as compared to MYT approved Rs. 5524.04 /MT.**
- 5.10 In absence of CIMFR results for month of June, 2020, AEML-D has considered as billed GCV of 4032 kcal/kg for washed coal and as received GCV of 4058 kcal/kg for June, 2020. AEML-D has submitted third party sampling report from Inspectorate Griffith India Pvt Ltd (IGI) for GCV of the washed coal. The GCV of washed coal matches with the GCV “As received” used for Energy Charge calculation. In MYT Order in Case No. 298 of 2019, the Commission has stated to consider the GCV as received or as billed whichever is higher. The relevant paragraph is produced below:

“5.4.29 Based on the above analysis and the fact that AEML-G uses washed coal, it is evident that the GCV of coal is being improved due to washing. Thus, the relaxation of transit loss of 300 kcal/kg allowed as per the MYT Regulations, 2019 between GCV ‘as billed’ by supplier and GCV ‘as received’ at generating station” is not applicable in AEML-G’s case. Further, AEML-G itself has submitted that loss in calorific value is much less than 300 kcal/kg.



5.4.30 Considering the washery process undertaken by the AEML-G and having a yield loss of 15%, the burden of which is pass on to the consumers, the Commission is not inclined to provide any actual loss in calorific value of coal between 'as billed' and 'as received'. However, in future, the Higher of GCV at Mine end or ADTPS (washed coal) will be considered for computation of energy charges, whereby GCV will be considered on ARB basis post moisture correction based on the formula as provided by MoP and World council.

5.4.31 However, while calculating the energy charges for the 4th MYT Control Period AEML-G has submitted GCV 'as billed' as 3,990 kcal/kg and GCV 'as received' as 3,912 kcal/kg. However, based on the data provided by AEML-G specified in Table 80 and as per the rationale provided in Para 5.4.29 of this Order, the Commission approves the GCV 'as billed' of 3,990 kcal/kg for computation of energy charges for the 4th MYT Control Period.

5.4.32 However, the Commission shall take a final call on GCV at the time of true-up based on the results of third-party analysis and prudence check by the Commission.”

- 5.11 The transit loss claimed by AEML-D for the month of June, 2020 is 0.29%. AEML-D has submitted that raw coal was not lifted from SECL during June 2020. Hence, no analysis is done by CIMFR and no dispute pertaining to grade slippage has been raised in June 2020. The coal received at ADTPS in June 2020 is therefore the coal dispatched from the washery from the already existing stock at the washery. Transit loss of washed coal is calculated as the difference between net weight of coal in rakes sent by Indian Railways from washery end and the net weight of coal received at ADTPS railway siding. The net weight of coal sent by Railways is ascertained from Railway Receipts (RR). The net weight of coal at ADTPS railway siding is ascertained by weighment of coal at the time of its unloading through wagon tippler. The difference is reported as the transit loss which is 150.79 MT which is 0.29% of the total coal received during the month of June, 2020.
- 5.12 As submitted by AEML-D, actual stacking loss is 178 kcal/kg for month of June, 2020. As per MYT Regulations, 2019 for calculation of Energy Charge Rate, the Commission has ruled in Clause 50.7 for maximum stacking loss allowed as “*Any variation in Price and Gross Calorific Value of coal/lignite or gas or liquid fuel as billed by supplier less actual stacking loss subject to the maximum stacking loss of 85 kcal/kg or 120 kcal/kg, as the case may be, vis-a-vis approved values shall be adjusted on month to month basis on the basis of average Gross Calorific Value of coal/lignite or gas or liquid fuel in stock received and weighted average landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be for a power Station:”*
- 5.13 AEML-D in line with MYT Regulation, 2019 and MYT Order in Case No. 298 of 2019 has considered a stacking loss of only 120 kcal/kg for calculation of Energy charge rate.



5.14 AEML-D has submitted that the washed coal being consumed is from previous stock available in the coal yard and partial feeding from rakes. While reporting the “as received” GCV, the coal receipt during the month at ADTPS end is considered, whereas “as fired GCV” is determined based on coal fired during the month which has been fed to the boiler. Hence the comparison of “as received” GCV with “as fired” GCV on monthly basis would always provide varied results. Depending upon the quality of coal received during the month, the difference at times may show large variation when seen on standalone month basis. However, if the same values are analyzed for the year as a whole, the stacking loss is found to be well within limits. AEML-D further submitted that the cumulative stacking loss for the months of April, May & June is computed which works out to 112 kCal/kg, which is well within the norm of 120 kCal/kg.

5.15 **Imported Coal:** AEML has submitted actual bills/Invoices and coal indices proof of all the vessels through which it has imported the coal. **AEML-G had invited bids through International Competitive Bidding in two stages.** Based on evaluation of the lowest evaluated base CIF price per tonne, M/S Taurus Commodities General Trading LLC was selected as the vendor. AEML-G has not purchased any imported coal during June, 2020.

5.16 **For the purpose of computation of cost of coal consumption, AEML-G adopts FIFO method for computation of imported coal cost.** AEML-G has provided imported coal inventory and its consumption detail which is as shown in Table 5 below:

Table 5: Imported Coal Inventory

Sr. No.	Date of Purchase	Vessel Name	Cost (Rs./MT)	Opening Quantity (as on 1 st June, 2020) (MT)	Purchase during Month of June (MT)	Consumption during Month of June (MT)	Closing Quantity (as on 30 th June, 2020) (MT)
1	Mar-20	MV CD Callao	6,095.49	29,921.43	-	29,921.43	-
2	Mar-20	MV Fast	5,745.19	55,364.37	-	14,606.27	40,758.10
3	Apr-20	MV Genoa	5,317.72	60,174.85	-	33,449.89	26,724.96
4		Total		1,45,460.65	-	77,977.59	67,483.06

5.17 Working of weighted average cost and GCV of imported coal is as shown in Table 6 below:

Table 6: Weighted average cost and GCV of Imported Coal

S. No.	Vessel Name	Cost (Rs./MT)	Consumption (MT)	Coal Cost (Rs. Crore)	GCV (kcal/kg)
1	MV CD Callao	6,095.49	29,921.43	18.24	4,523
2	MV Fast	5,745.19	14,606.27	8.39	4,518
3	MV Genoa	5,317.72	33,449.89	17.79	4,528
	Total	5,696.23	77,977.59	44.42	4,524



- 5.18 With regards to the imported coal, the landed cost considered by ADTPS for the month of June, 2020 is Rs. 5696.23/MT as compared to MYT approved Rs. 5661.98/MT. The Commission has noted that Coal Index has decreased in March, 2020 as compared to February, 2020. FoB price of coal has decreased to \$48.66/ MT for MV CD Callao, \$44.89/ MT for MV Fast and \$40.88/ MT for MV Genoa as compared to previous vessel. The Commission has also observed that AEML-G has entered into new coal supply agreement with Taurus Commodities General Trading LLC on 13 November, 2019 for five years. **As per new agreement, ocean freight price has increased to \$22.42 / MT as compared to \$15 / MT in old agreement. The ocean freight price applicable for MV CD Callao is \$19.39/MT, MV Fast is \$18.29/MT and MV Genoa is \$16.71/MT.**
- 5.19 **Due to above two reasons, actual imported coal cost has increased to Rs. 5696.23 /MT as compared to MYT approved Rs. 5661.98 / MT**
- 5.20 The Imported Coal GCV “as billed” and “as received” considered for FAC calculation is weighted average of the coal used from all the three vessels and work out to 4524 kcal/kg.
- 5.21 As submitted by AEML-D, actual stacking loss is 279 kcal/kg for month of June, 2020. As per MYT Regulations, 2019 for calculation of Energy Charge Rate, the Commission has ruled in Clause 50.7 for maximum stacking loss allowed as *“Any variation in Price and Gross Calorific Value of coal/lignite or gas or liquid fuel as billed by supplier less actual stacking loss subject to the maximum stacking loss of 85 kcal/kg or 120 kcal/kg, as the case may be, vis-a-vis approved values shall be adjusted on month to month basis on the basis of average Gross Calorific Value of coal/lignite or gas or liquid fuel in stock received and weighted average landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be for a power Station:”*
- 5.22 AEML-D in line with MYT Regulation, 2019 and MYT Order in case no. 298 of 2019 has considered a stacking loss of only 120 kcal/kg for calculation of Enercharge rate.
- 5.23 AEML-D has submitted that ADTPS has consumed imported coal from three vessels –MV CD Callao, MV Fast and MV Genoa in June, 2020. AEML-D has submitted that imported coal was not purchased during June 2020, however, the same was consumed from already existing stock from the above-mentioned vessels. The actual landed cost of coal from the above vessels would account for the actual transit loss. However, for FAC, normative landed cost is to be computed by considering normative transit losses of 0.2% for imported coal, as Transit loss is a performance parameter. Therefore, in order to arrive at the normative cost of imported coal consumed, the weighted average landed rate from the above vessels is adjusted for actual and normative transit losses. AEML-D has submitted that as long as



imported coal is consumed in a month, corresponding actual transit loss will have to be considered depending upon the actual transit loss of the vessels from which such consumption took place.

- 5.24 The Commission has noted that the stacking loss in case of imported coal is substantially higher and over the approved stacking loss of 120 kcal/kg. AEML-D has submitted that ADTPS does not have an all-weather port, the Imported Coal can only be received for six months in a year (i.e. not during Monsoon Period – May to October) and therefore coal quantity of entire year is received in the six month window, leading to average coal stock of imported of about 6 months. Such high Inventory period of coal would naturally lead to higher heat loss. In June 2020, AEML consumed coal from three vessels namely MV CD Callao, MV Fast and MV Genoa which was received on 30 March 2020, 15 April 2020 and 17 April, 2020 respectively. As imported coal has more volatile matter, it evaporates by aging. Hence due to stacking of coal for more than 03 months, natural degradation of coal happened, which leads to deterioration in “as fired” GCV.
- 5.25 Based on the above actual fuel cost & GCV and normative operational parameters, actual energy charges work out to Rs. 3.65/kWh which is lower than the approved variable cost of Rs. 3.79/kWh.
- 5.26 Based on the above, **APPC for ADTPS works out to Rs. 4.66 /kWh as against approved Rs. 4.63 /kWh. Overall variation in APPC for month of June, 2020 is Rs. 0.03 /kWh in which fixed cost variation is contributing Rs. 0.17 /kWh increase and energy charge variation is contributing Rs. 0.14 /kWh decrease.**
- 5.27 **Solar Purchase:** The Commission has approved power purchase at the rate of Rs. 10.30/kWh from DSPPL. **AEML-D has purchased at the same rate of Rs. 10.30/kWh as approved in the MYT Order.** The Commission has verified the bills/invoices submitted and found to be correct.
- 5.28 **Non-Solar Purchase:** The Commission has approved power purchase from non-solar sources. The actual APPC and approved APPC from all the sources is as shown in the Table 7 below:

Table 7: Approved and Actual APPC from Non-Solar Sources

Source	Approved (Rs/kWh)	Actual (Rs./kWh)
Reliance Innoventures	5.00	5.15
AAA Sons Enterprise	5.00	5.15
Vector Green Energy Private Limited	5.00	5.15
Vector Green Energy Private Limited	5.07	5.07
Tembhu Power Private Limited	4.26	4.26
Clean Power Private Limited	5.81	5.81



- 5.29 The Commission has approved power purchase rate at Rs.5/kWh for Reliance Innoventures, AAA Sons Enterprise and Vector Green Energy Limited based on the PPA signed by AEML-D with the sources. AEML-D in its MYT Petition had projected the rate of Rs. 5.15 per Unit for these purchases with escalation as per EPA. The Commission in MYT Order of Case No. 325 of 2019 has not considered the annual escalation of 3% on these sources and approved the base rate of FY 2019-20 for FY 2020-21. Therefore, considering the annual escalation of 3% per unit rate works out to Rs. 5.15/kWh for June, 2020. This rate is being considered as approved rate for calculation of FAC as the payments done to the generator is on EPA basis.
- 5.30 **The Commission has also approved power purchase rate for Vector Green Energy Limited, Tembhu Power Private Limited and Clean Power Private Limited and AEML-D has procured power from these sources at the same rate during June, 2020.**
- 5.31 The Commission has scrutinized the bills/invoice submitted for RE sources and found that AAA Sons Enterprise invoices are not available. AEML-D has submitted that invoices are yet to be raised by AAA Sons and hence rate is considered based on the agreement. It is observed that historically AAA Sons has been delaying the raising of bill and as a result provisional numbers are being used. The Commission notes that this delay is not observed with any other sources. AEML-D should ensure that the bills are raised in time and are submitted on actual basis for levying the FAC in future.
- 5.32 AEML-D has submitted bills of March 2020 and April 2020 of AAA Sons Enterprise and sought for adjustment in power purchase of June 2020 according to actual consumption. In March 2020, a provisional quantum of 0.16 MU was considered whereas the actual quantum purchased is 0.05 MU therefore at the rate of Rs 5.00/kWh an adjustment of 0.05 Crore for the month of March is sought. Similarly, for the month of April 2020, provisional quantum of 0.11 MU was considered whereas the actual quantum purchased is 0.05 MU therefore at the rate of Rs 5.00/kWh an adjustment of 0.03 Crore for the month of April is sought.
- 5.33 The Commission has verified the bills of AAA Sons Enterprise for the month of March, 2020 and April, 2020 and has approved the adjustment of Rs 0.08 Crore in the month of June 2020.
- 5.34 APPC for renewable sources for the month June, 2020 works out to Rs. 6.25/kWh as against approved level of Rs. 6.44/kWh.
- 5.35 **Bilateral Purchase: AEML-D has purchased power from IEX at the average rate of Rs. 2.82/ kWh from all these sources which is within the approved rate of Rs. 3.50/ kWh which has the major impact in reduction of weighted APPC for June-2020**



AEML-D has also submitted the bill/invoices regarding the purchase of power from exchange and the Commission has verified the energy quantum and power purchase cost and found it to be appropriate. AEML-D has considered the credit of Rs. 1352.74 from TPTCL which was billed in the month of April, 2020 and AEML-D has also considered the STOA fees paid to SLDC towards IEX standing clearance as Rs. 7500 per application. The Commission approves both the charges as part of bilateral purchase for the month of June 2020.

- 5.36 **FBSM/ Imbalance Pool:** The Commission observes that **AEML-D has purchased 29.99 MU and considered associated charges with regards to imbalance pool for the month June, 2020 on provisional basis at the rate of Rs. 2.86/kWh as per the rate considered by the Commission in MYT Order**
- 5.37 AEML-D has drawn 29.99 MU from the imbalance pool for the month of June 2020. The said drawl from the pool may be on account of either increase in demand of consumers than estimated by the Licensee or due to lower generation than scheduled by the generator. In both the scenarios, power has been drawn by the Licensee and supplied to its consumers. The said power supplied to the consumers is already billed as per Tariff approved by the Commission. The Energy Charge approved also includes the element of power purchase. It is therefore pertinent that such cost of such power drawn from the pool is considered while computing FAC.
- 5.38 Due to historical issues of delay in computing imbalance pool quantum and cost of power, for which appropriate orders are already passed by the Commission, the imbalance pool quantum and cost is required to be considered on provisional basis to avoid any adverse impact in future. If the said cost and quantum is not considered, it will not only result in recovering the cost from the consumers as billing has already been done, but also increase the overall power purchase cost for the particular month having positive impact on FAC and burdening the consumers. Also, as and when the final bills are issued by MSDLC, the power purchase cost of the imbalance pool quantum will be levied in future months, thereby burdening the consumers in future in that month when such cost will be levied. Accordingly, to balance the overall interest of consumers and licensee, the Commission has considered imbalance pool quantum as submitted by the AEML-D at provisional rate of Rs. 2.86/kWh as considered in the MYT Order. This provisional consideration of cost for FAC computation will get adjusted during truing-up of the respective year.
- 5.39 **Other Charges:** In the FAC return submission for ‘Prior approval for May, 2020’, AEML-D had submitted provisional quantum of purchase from imbalance pool at 36.15 MU. The Pool imbalance continues to vary due to factors such as variation in InSTS Losses between provisionally considered by AEML-D vis-a-vis the figure determined by SLDC and



uploaded on its website later, Generation Credit Note from Open Access consumers and change in generation and consumption observed based on receipt of metered data.

- 5.40 The transmission loss considered by AEML-D for May, 2020 was 3.18% as approved by the Commission in its InSTS order. Subsequently, MSLDC has declared InSTS loss of 2.91% for the month of May, 2020.
- 5.41 Due to the above stated reasons, the imbalance pool quantum for May, 2020 stands at 34.04 MU as against 36.15 MU approved for May, 2020 i.e. an reduction in quantum of 2.11 MU having a cost implication to the tune of Rs. 0.60 crore at the approved rate of Rs. 2.86 per kWh.
- 5.42 The Commission has therefore approved previous period adjustment for Pool imbalances of Rs. 0.60 Crore.
- 5.43 **The Commission has also approved the additional transmission charges paid of Rs. 2.26 Crore to STU.**
- 5.44 AEML-D has claimed rebate pertaining to payments made to power purchase from contracted generators of Renewable energy, traders from short term power purchase, payment made for InSTS charges. SLDC charges etc. in the month of May 2020. The Commission has scrutinized the bills and has approved Rs. 0.59 Crore as rebate to be considered as part of Power purchase cost for the month of June 2020.
- 5.45 Considering the above, **the Commission allows the average power purchase cost of Rs.3.76/kWh for the month of June, 2020 as shown in Table 3 above as the actual APPC is within the approved limit of Rs. 4.11/kWh.**

6. FAC on account of fuel and power purchase cost (F)

- 6.1 The Commission has worked out the average power purchase costs for the June, 2020 as shown in Table 3 above. The same has been compared with the average power purchase cost approved by the Commission in MYT Order dated 30 March, 2020 to arrive at the differential per unit rate at which Z_{FAC} is to be passed on to the consumers.
- 6.2 It is noted that AEML-D has incurred the per unit Power Purchase cost within the limits of Approved per unit Power Purchase Cost hence the Z_{FAC} worked out by the Commission on account of difference in power purchase cost for the month of June, 2020 is negative as shown in the Table 8 below.



Table 8: FAC on account of Power Purchase Cost

Sr. No.	Particulars	Units	June, 2020
1	Average power purchase cost approved by the Commission	Rs./kWh	4.11
2	Actual average power purchase cost	Rs./kWh	3.76
3	Change in average power purchase cost (=2 -1)	Rs./kWh	(0.35)
4	Net Power Purchase	MU	631.15
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	(22.02)

7. Adjustment for over recovery/under recovery (B)

7.1 The Commission has determined a negative FAC of Rs. 24.76 Cr. for the month of May, 2020 contributing to the FAC Pool. The Commission has ruled in its Order No. 325 of 2019 that negative FAC shall be accrued and carried forward by the Licensee till the accumulated negative FAC reaches the limit of Rs. 110 Crore and further accumulated FAC thereafter shall be refunded to the consumers. Since Rs. 24.76 Crores approved in May, 2020 was considered as FAC Fund no under recovery or over recovery is approved by the Commission.

8. Carrying Cost for over recovery/under recovery (C)

8.1 The Commission has determined a negative FAC of Rs. 19.87 Cr. and Rs. 24.76 crore for April and May, 2020 respectively which is contributed to the FAC Pool. Also, in May, 2020, the Commission has approved the carrying cost of Rs. 0.15 Cr. Thus, the opening balance for FAC fund for June, 2020 is Rs. 44.78 Cr. The Commission has taken into consideration the submission made by AEML-D towards holding cost of Rs. 0.32 Crore to be contributed to the FAC Pool.

8.2 AEML-D has computed the holding cost considering the MCLR + 150 basis points. This turns out to be 8.58% for June 2020 and holding cost worked out is Rs. 0.32 Crore.

8.3 The Commission has considered MCLR rate of June month plus 150 basis points which works out to 8.58%. Accordingly, the Commission has calculated holding cost of Rs. 0.32 Crore to be contributed to the FAC Pool.

9. Disallowance due to excess Distribution Loss

9.1 Regulation 10.8 of MYT Regulations, 2019 provides for FAC amount to be reduced in case the actual distribution loss for the month exceeds the approved distribution loss. The relevant extract is reproduced as follows.



“10.8 The total Z_{FAC} recoverable as per the formula specified above shall be recovered from the actual sales in terms of “Rupees per kilowatt-hour”:

Provided that, in case of unmetered consumers, the Z_{FAC} shall be recoverable based on estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:

Provided further that, where the actual annual sliding distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of Z_{FAC} corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total Z_{FAC} recoverable”

9.2 The following Table 9 provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss, if any:

Table 9: Disallowance of FAC due to excess Distribution Loss

Sr. No.	Particulars	Units	Approved in Tariff Order	Actual for June, 2020	Actual upto June, 2020
1	Net Energy input at Distribution Voltages	MU	796.32	576.14	1,970.91
2	Energy sales at Distribution voltages	MU	736.19	586.41	1,696.38
3	Distribution Loss (1 - 2)	MU	60.13	(10.27)	274.54
4	Distribution Loss as % (3/1)	%	7.55	(1.78)	13.93
5	Excess Distribution Loss = [Actual Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	-	
6	Disallowance of FAC due to excess Distribution Loss	Rs. Crore	-	-	

9.3 As seen from the above Table 9, distribution loss for the month of June, 2020 is -1.78% which is abnormally lower than the MYT approved distribution loss of 7.55% mainly due to positive bill adjustment for residential consumers and open access consumers. However, the cumulative Distribution Loss upto June, 2020 is 13.93% which is higher than approved distribution loss of 7.55% as approved in MYT Order. This higher cumulative loss is on account of assessed reading for past period. The Commission has not worked out any disallowance on account of Distribution Loss since the standalone FAC for the month of June, 2020 is negative.



- 9.4 AEML-D has submitted that this abnormal negative distribution loss is on account of the fact that while T-D energy input is adjusted to change over sales of 151.22 MU and credit for OA consumers (firm and non-firm) of 49.82 MU. In the month of June, 2020 a lot of assessed bills have been adjusted for previous energy sales, also credit for approximately 28.37 MU is adjusted to the actual sale for the purpose of distribution computation.
- 9.5 AEML-D has requested the Commission to temporarily suspend application of the provision of assessing distribution losses on the basis of energy sales at Distribution level, till the time normalcy is restored and the billed energy starts reflecting the actual consumption of the consumer, instead of some theoretically assessed amount.
- 9.6 AEML-D has submitted the details of all adjustments undertaken in the month of June 2020 as is shown in the below.

Table 10: Sales adjustment summary for June 2020

Category	June Sales (MU)	Adjustment	Total Sale
LT- Residential	33.01	162.32	495.33
LT- Commercial	56.49	(32.96)	23.53
LT-Industrial	18.79	(3.81)	14.98
LT Others	12.96	(0.53)	12.43
LT Total(A)	421.25	125.02	546.27
HT-Industrial	31.43	-	31.43
HT Commercial	24.96	-	24.96
HT Group Housing	3.93	-	3.93
HT Others	8.18	-	8.18
HT Total (B)	68.51	-	68.51
Total (A)+(B)	489.76	125.02	614.78

- 9.7 AEML-D submits that the lowering of consumption in June 2020 is a result of several variables such as lower activity in commercial and industrial premises due to low volume of business, significant rain / cyclonic weather in early June 2020, under-assessment of consumption, based on winter months, as per Supply Code, in residential premises where meter readings could not be taken (as only about 67% of consumption is based on actual reading), etc.
- 9.8 As seen from the above Table 9, **disallowance of FAC due to excess distribution loss for the month of June, 2020 is nil.**

10. Impact of AEML-D Review Order in Case No. 103 of 2020

- 10.1 The Commission in AEML-D Review Order in Case No. 103 of 2020 stated that due to error, Rs. 5.73 crore rendered surplus with AEML-D instead of passing it on to consumers.



The Commission directed AEML-D to separately maintain this amount under FAC stabilisation fund. The relevant part of the same is reproduced here below:

“10.7 This error has led to Rs. 5.73 crore rendered surplus with AEML instead of passing it on to consumers. The said amount will be adjusted at the time of Mid Term Review (MTR) proceedings. In the Meantime, as this surplus amount is pertaining to power purchase expenses, the Commission directs AEML-D to separately maintain this amount under FAC stabilisation fund which has been created under impugned MYT Order for providing Tariff stability to the consumers.”

10.2 Accordingly, the Commission has considered surplus of Rs. (5.73) Crore as part of FAC fund of June, 2020.

11. Summary of Allowable Z_{FAC}

11.1 The summary of the FAC amount as approved by the Commission for the month of June, 2020 as shown in the Table 11 below.

Table 11: Summary of Allowable Z_{FAC} for June, 2020

Sr. No.	Particulars	Units	As Claimed	As Approved
1	Calculation of Z_{FAC}			
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	(22.02)	(22.02)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	-
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	-	-
1.4	Surplus impact of AEML-D Review Order in Case No. 103 of 2020		(5.73)	(5.73)
1.5	$Z_{FAC} = F+C+B$	Rs. Crore	(27.75)	(27.75)
2	Calculation of FAC Charge			
2.1	Energy Sales within the License Area	MU	614.78	614.78
2.2	Excess Distribution Loss	MU	-	-
2.3	Z_{FAC} per kWh	Rs./kWh	(0.36)	(0.36)
3	Recovery of FAC			
3.1	FAC disallowed corresponding to excess Distribution Loss $[(2.1+2.2) \times 2.3]/10$	Rs. Crore	-	-
3.2	Allowable FAC	Rs. Crore	(27.75)	(27.75)
4	Utilization of FAC Fund			
4.1	Opening Balance of FAC Fund	Rs. Crore	(44.78)	(44.78)
4.2	Holding Cost on FAC Fund	Rs. Crore	(0.32)	(0.32)
4.3	Z_{FAC} for the month (Sr. No. 3.2)	Rs. Crore	(27.75)	(27.75)
4.4	Closing Balance of FAC Fund	Rs. Crore	(72.85)	(72.85)



Sr. No.	Particulars	Units	As Claimed	As Approved
4.5	Z _{FAC} leviable/refundable to consumer	Rs. Crore	-	-
5	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	-	-
6	Carried forward FAC for recovery during future period (3.1-3.2-4)	Rs. Crore	(72.85)	(72.85)

11.2 It can be seen from the above Table 11 that opening FAC fund for month of June, 2020 is Rs. (44.78) Crore, surplus of Rs. (5.73) Crore as per AEML-D Review Order in Case No. 103 of 2020 and standalone FAC for the month of June, 2020 is Rs. (22.02) Crore. The Commission has also approved a holding cost of Rs. (0.32) Crore for the negative FAC accrued during the month of April & May, 2020. The overall FAC amount for the month till June, 2020 is Rs. (72.85) Crore. As the FAC is negative, the said amount will be accumulated in FAC Fund for stabilisation of FAC in future and the benefit will not be passed to consumers.

12. Recovery from Consumers:

12.1 Regulation 10.9 of MERC MYT Regulations, 2019 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

“10.9 The Z_{FAC} per kWh for a particular Tariff category/sub-category/consumption slab shall be computed as per the following formula: —

$$Z_{FAC\ Cat} (Rs/kWh) = [Z_{FAC} / (Metered\ sales + Unmetered\ consumption\ estimates + Excess\ distribution\ losses)] * k * 10,$$

Where:

$Z_{FAC\ Cat}$ = Z_{FAC} component for a particular Tariff category/sub-category/consumption slab in ‘Rupees per kWh’ terms;

k = Average Billing Rate / ACOS;

Average Billing Rate = Average Billing Rate for a particular Tariff category/sub-category/consumption slab under consideration in ‘Rupees per kWh’ as approved by the Commission in the Tariff Order:



Provided that the Average Billing Rate for the unmetered consumers shall be based on the estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:

ACOS = Average Cost of Supply in 'Rupees per kWh' as approved for recovery by the Commission in the Tariff Order:

Provided that the monthly Z_{FAC} shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:

Provided further that any under-recovery in the Z_{FAC} on account of such ceiling shall be carried forward and shall be recovered by the Distribution Licensee over such future period as may be directed by the Commission....”

12.2 The Commission had invoked power of removing difficulties under MYT Regulation, 2019 and made following changes for computation of FAC.

“Distribution Licensee shall undertake computation of monthly FAC as per Regulation 10 of the MYT Regulations, 2019 except for treatment to be given to negative FAC as follows:

- *Negative FAC amount shall be carried forward to the next FAC billing cycle with holding cost.*
- *Such carried forward negative FAC shall be adjusted against FAC amount for the next month and balance negative amount shall be carried forward to subsequent month with holding cost.*
- *Such carry forward of negative FAC shall be continued till the accumulated negative FAC becomes 20 % of monthly tariff revenue approved by the Commission in Tariff Order. In case of AEML-D such limit shall be Rs.110 Crore. Any accumulated amount above such limit shall be refunded to consumers through FAC mechanism.*
- *In case such FAC Fund is yet to be generated or such generated fund is not sufficient to adjust against FAC computed for given month, then Distribution Licensee can levy such amount to the consumers through FAC mechanism, upon seeking prior approval from the Commission.”*

12.3 The Commission in the Tariff Order had held that negative FAC amount shall be carried forward to the next FAC billing cycle with holding cost till the accumulated negative FAC reaches the limit of Rs. 110 Crore. **Accordingly, the Commission allows the FAC amount of Rs. (72.85) Crore to be accumulated as FAC Fund and shall be carried forward to the next billing cycle with holding cost.**

12.4 AEML-D has submitted an application dated 18 May 2020 pertaining to post facto approval of FAC for the 4th Quarter of FY 2019-20 and revised submission of chargeable FAC for Q1 to Q3 of FY 2019-20. AEML-D submitted that it has already accumulated negative FAC of Rs. 160.89 Crore at the end of FY 2019-20. AEML-D has requested to considered Rs.



50.89 Crore FAC to be passed on to the consumers after netting off Rs. 110 Crore as FAC Fund as per MYT Order. The Commission has already replied to the query in its letter MERC/Tech/FAC/E-Letter dated 10 May, 2020 regarding Levy/ Refund of FAC for balance consumption months of FY 2019-20 to Consumers in FY 2020-21. The relevant part of the same is reproduced here below:

“3. The Commission has in the interim received one request for prior approval of FAC for the month of February 2020 to be levied to the Consumers in the billing month of May 2020.

4. In light of the aforesaid request, I am directed to clarify that while according the approval to the FAC quarterly proposals of FY 2019-20, Commission will appropriately direct as to the treatment that is required to be given to the amount that gets computed based on the scrutiny of FAC proposals of January-March, 2020.”

12.5 Hence, treatment to negative FAC of Rs. 160.89 Crore as submitted by AEML-D at the end of FY 2019-20 will be given separately based on scrutiny of FAC proposals of January-March, 2020. No impact of the same has been considered as part of FAC approval for May, 2020.

12.6 **In view of the above, per unit Z_{FAC} for the month of June, 2020 to be levied on consumer of AEML-D in the billing month of August 2020 is Nil.**

