



महाराष्ट्र विद्युत नियामक आयोग

Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/20152016/01469

Date: 11 February, 2016

To,
The Managing Director,
Maharashtra State Electricity Distribution Company Ltd.,
5th Floor, Prakashgad, Plot No. G-9,
Bandra (East),
Mumbai – 400 051.

Subject: Post Facto approval of FAC submissions of MSEDCL for the month of October 2013 to March 2014.

- Reference:**
1. MSEDCL's FAC submission of month of October, November and December, 2013 received vide MSEDCL/PP/FAC/L7/9995 of 26 March, 2014.
 2. MSEDCL's FAC submission of January, 2014 received on 23 April, 2014.
 3. MSEDCL's FAC submission of February, 2014 received vide MSEDCL/PP/FAC/L7/15466 of 19 May, 2014.
 4. MSEDCL's FAC submission of March, 2014 received vide MSEDCL/PP/FAC/L7/21961 of 10 July, 2014.

Sir,

Upon vetting the FAC calculations for the months of October, 2013 to March, 2014 submitted vide letters under above reference, the Commission has accorded post facto approval for charging to its consumers the FAC amount (net of excess T&D loss), as detailed below:

Month	FAC Amount (Rs. Crore)
October, 2013	(90.89)
November, 2013	74.74
December, 2013	57.18
January, 2014	97.22
February, 2014	36.56
March, 2014	84.19

The Commission has notified on 28th November 2011 the Amendment Regulations for recovery of Fuel Adjustment Cost charges from the consumers in a proportionate manner. Accordingly, the Commission has also approved the category wise and slab wise tabulation for recovery of the said FAC charges by MSEDCL from its consumers. The adjustments (positive or negative) arising out of the apportionment as above is to be carried forward by MSEDCL to the next month.

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The summary of the FAC claim for the month of October, 2013 to March, 2014 as approved by the Commission is shown in the Table below:-

Sr. No.	Particulars	Unit	Oct 13	Nov13	Dec 13
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	-	-	-
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) without considering cap and as per category wise and slab wise	Rs Crore	(98.62)	78.13	40.96
4	C/f from Previous month.	Rs Crore	0.00	0.00	0.00
5	Under/over recovery from 6.6 statement 3.	Rs Crore	7.72	(3.39)	16.23
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	(90.89)	74.74	57.18
7	Total FAC allowed to be recovered in the billing month of January 2014, February 2014 and March 2014 respectively	Rs Crore	(90.89)	74.74	57.18
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL	NIL
9	FAC rate in the billing month of January 2014, February 2014 and March 2014 respectively	Paise/kWh	Proportionate. See Table-6A & 6B of Annexure attached with this letter.		

Sr. No.	Particulars	Unit	Jan 14	Feb 14	Mar 14
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	-	-	-
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) without considering cap and as per category wise and slab wise	Rs Crore	113.84	37.56	68.85
4	C/f from Previous month.	Rs Crore	0.00	0.00	0.00
5	Under/over recovery from 6.6 statement 3.	Rs Crore	(16.61)	(1.00)	15.34
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	97.22	36.56	84.19
7	Total FAC allowed to be recovered in the billing month of April 2014, May, 2014 and June 2014 respectively	Rs Crore	97.22	36.56	84.19
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL	NIL
9	FAC rate in the billing month of April 2014, May, 2014 and June 2014 respectively	Paise/kWh	Proportionate. See Table-6A & 6B of Annexure attached with this letter.		



The Commission has disallowed MSEDCL's claim of Rs 11.53 crore towards incentive for reduction in distribution loss below the target level. This is because FAC mechanism does not provide for claiming such incentive. MSEDCL is directed to refund such amount of Rs. 11.53 crore to its consumers through FAC mechanism in the subsequent months.



Yours faithfully,


(Dr. Rajendra Ambekar)
Director (Tariff), MERC

Encl: Annexure: Detailed Vetting Report for the month of October, 2013 to March, 2014.

Cc as enclosed:

Names and Addresses of Institutional Consumer Representatives

Prayas Energy Group, Amrita Clinic, Athawale Corner, Lakdipool-Karve Road Junction, Deccan Gymkhana, Karve Road, Pune 411 004.	The President, Mumbai Grahak Panchayat, Grahak Bhavan, Sant Dnyaneshwar Marg, Behind Cooper Hospital, Vile Parle (West), Mumbai 400 056.
The General Secretary, Thane Belapur Industries Association, Plot No.P-14, MIDC, Rabale Village, PO Ghansoli, Navi Mumbai 400 7001	The President, Vidarbha Industries Association, 1st floor, Udyog Bhawan, Civil Lines, Nagpur 440 001.
Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K. Dubash Marg, Fort, Mumbai- 400 001 (Nashik Branch) E-mail: maccia.nsk@gmail.com	

ANNEXURE 1
Detailed Vetting Report

Date: 11 February, 2016

Post Facto approval of FAC Charges for the months of October, 2013 to March, 2014 submitted by MSEDCL

Subject: Post Facto approval of FAC submissions of MSEDCL for month of October, 2013 to March, 2014

Reference:

1. MSEDCL's FAC submission of month of October, November and December, 2013 received vide MSEDCL/PP/FAC/L7/9995 of 26 March, 2014.
2. MSEDCL's FAC submission of January, 2014 received on 23 April, 2014.
3. MSEDCL's FAC submission of February, 2014 received vide MSEDCL/PP/FAC/L7/15466 of 19 May, 2014.
4. MSEDCL's FAC submission of March, 2014 received vide MSEDCL/PP/FAC/L7/21961 of 10 July, 2014.

1. FAC submission by MSEDCL:

1.1 MSEDCL have submitted FAC submissions for the month of October, 2013 to March, 2014 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by MSEDCL, the Commission has accorded Post Facto Approval for the FAC amount for the said months as detailed below.

2. Background

2.1 The Commission has issued Tariff Order for MSPGCL, dated 21 June 2012 (Case No. 6 of 2012), for Final True up for FY 2010-11, approval of Aggregate Revenue Requirement and Tariff for FY 2011-12 and FY 2012-13.

2.2 The Commission has issued Tariff Order for Khaperkheda Unit 5 of MSPGCL, dated 4 September, 2013 (Case No. 44 of 2013), for determination of capital cost and Tariff for FY 2012-13.

2.3 The Commission has issued Tariff Order for MSEDCL dated 16 August, 2012, Case No. 19 of 2012, for Final True Up of FY 2010-11, Aggregate Revenue Requirement for FY 2011-12 and FY 2012-13, Tariff Determination for FY 2012-13 and Revision in Schedule of Charges and has mentioned about the Procedure for Vetting of FAC levied on Consumers.

2.4 As per above mentioned order, Clause 8.23:

“The levy of Fuel Adjustment Cost (FAC) charge for different consumers and the under-recovery/over-recovery of the corresponding costs will be vetted by the



Commission bi-monthly on a post-facto basis, based on submissions made by MSEDCL.”

- 2.5 Also, the Commission has issued a Suo-Moto Order, for Revision in the Ceiling for Levy of Fuel Adjustment Cost (FAC) by Distribution Licensees in the State of Maharashtra under Regulation 82 of the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005.

As per the Ruling, the Commission revised the average FAC Ceiling to 20% of Variable Tariff for all the Distribution Licensees in the State of Maharashtra. The revised FAC ceiling of 20% is the average ceiling for the Distribution Licensee as a whole, and the applicable ceiling will be different for different consumer categories/sub-categories/consumption slabs, equivalent to 20% of the variable tariff of that consumer category/sub-category/consumption slab. The revised FAC Ceiling came into effect for allowable FAC (to be charged to consumers) from the month of September 2012 onwards.

- 2.6 The Commission has notified on 28 October 2011 the “MERC (Terms and Conditions of tariff) (Amendment) Regulations, 2011” for recovery of Fuel Adjustment Cost charges from the Consumers in a proportionate basis as per its tariff category/sub-category/consumption slab.

3. FAC Mechanism

- 3.1 The Commission has taken cognizance of the directives issued in all the above Orders and has accordingly approved FAC charges for the months of October, November and December, 2013 and January, February and March, 2014 in accordance with the principles stipulated therein and the MERC (Terms and Conditions of Tariff) Regulations, 2005. Any variance on account any further Reviews / Amendments will be addressed during the Tariff proceedings.

- 3.2 MSEDCL procures power from:
- MSPGCL
 - Central Generating Stations
 - Ratnagiri Gas and Power Private Limited (RGPPL);
 - JSW (Ratnagiri) Energy Ltd.;
 - Adani Power Limited;
 - Mundra UMPP
 - Bilateral Procurements (Power Exchange, Traders, etc.)
 - Renewable Energy Sources
 - Infirm Power (MSPGCL units under commissioning, other infirm sources)

4. **Details of approval:**

4.1 Approval:

The Commission has accorded post facto approval for the FAC amount (net of T & D loss for the months of October, 2013 to March, 2014 as follows:

Month	FAC Amount (Rs. Crore)
October, 2013	(90.89)
November, 2013	74.74
December, 2013	57.18
January, 2014	97.22
February, 2014	36.56
March, 2014	84.19

The summary of the FAC claim approved by the Commission is shown in the Table below:-

Table -2

Sr. No.	Particulars	Unit	Oct 13	Nov 13	Dec 13
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	-	-	-
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) without considering cap and as per category wise and slab wise	Rs Crore	(98.62)	78.13	40.96
4	C/f from Previous month.	Rs Crore	0.00	0.00	0.00
5	Under/over recovery from 6.6 statement 3.	Rs Crore	7.72	(3.39)	16.23
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	(90.89)	74.74	57.18
7	Total FAC allowed to be recovered in the billing month of January 2014, February, 2014 and March, 2014 respectively	Rs Crore	(90.89)	74.73	57.18
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL	NIL

Sr. No.	Particulars	Unit	Jan 14	Feb 14	Mar 14
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	-	-	-
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) without considering cap and as per category wise and slab wise	Rs Crore	113.83	37.56	68.85
4	C/f from Previous month.	Rs Crore	0.00	0.00	0.00
5	Under/over recovery from 6.6 statement 3.	Rs Crore	(16.61)	(1.00)	15.34
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	97.22	36.56	84.19
7	Total FAC allowed to be recovered in the billing month of April 2014 to June 2014 respectively	Rs Crore	97.22	36.56	84.19
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL	NIL

After the apportionment, the under-recovered FAC amount to be carried forward to the month of April 2014 is Nil.



5. Analysis of FAC proposal submitted by MSEDCL and computation of FAC charges is as below:

I. Variable cost of power purchase:

The Commission has considered the increase in power purchase cost in case of approved power purchase sources as per the Tariff Order for MSEDCL dated 16 August, 2012, Case No. 19 of 2012, for Final True Up of FY 2010-11, Aggregate Revenue Requirement for FY 2011-12 and FY 2012-13, Tariff Determination for FY 2012-13.

MSEDCL has submitted the data for the power purchase certified by Chartered Accountant.

The details of power purchase by MSEDCL for October, 2013 to March, 2014 from all sources are given below:

Table-4

Sr. No.	Details	Unit	Oct 13	Nov 13	Dec 13
1	Net Energy Purchase	MU	7804.32	7800.48	8552.49
2	Weighted Average Normative actual Rate of energy purchased	Rs./kWh	2.34	2.46	2.52
3	Weighted Approved Rate for Energy purchase (Order)	Rs./kWh	2.49	2.49	2.49
4	Change in Variable Cost of Energy purchased	Rs. crore	(116.73)	(27.57)	27.75

Sr. No.	Details	Unit	Jan 14	Feb 14	Mar 14
1	Net Energy Purchase	MU	8834.23	8237.92	8890.70
2	Weighted Average Normative actual Rate of energy purchased	Rs/kWh	2.53	2.51	2.55
3	Weighted Approved Rate for Energy purchase (Order)	Rs/kWh	2.49	2.49	2.49
4	Change in Variable Cost of Energy purchased	Rs. crore	37.03	18.11	55.49

II. Total sales in licence area:

The total sales in its licence area have been presented by MSEDCL in the following manner:-

- Metered sales include the total sales metered for the HT and LT consumers in its area.



b. Unmetered sales are the assessed sales of unmetered consumers.

The details are tabulated below:

Table 5

Sr. No.	Detail	Unit	Oct 13	Nov 13	Dec 13	Ref FAC submission Form
1	Total Energy Sales excluding Energy Sales corresponding to specific utilisation of a particular Unit/Station as per Order.	MU	6118.34	5802.63	6876.70	Item No. 5 of FAC submission Form 1.1
2	Total sales of categories below 1318 Hrs/yr and above 1318 Hrs/yr for the said month	MU	644.76	644.76	1459.89	Sum of assessed energy sold in FAC submission Form 1.2
3	Less: Credit for HT injections, temporary supply, interstate, wheeling etc	MU	83.95	63.23	63.96	Entry with explanation in FAC submission Form 7.1, for item No.1
4	Total sales in license area	MU	6679.15	6384.16	8272.64	Item 2.1 of FAC submission form 8.1

Sr. No.	Detail	Unit	Jan 14	Feb 14	Mar 14	Ref FAC submission Form
1	Total Energy Sales excluding Energy Sales corresponding to specific utilisation of a particular Unit/Station as per Order.	MU	6245.58	6166.26	7037.08	Item No. 5 of FAC submission Form 1.1
2	Total sales of categories below 1318 Hrs/yr and above 1318 Hrs/yr for the said month	MU	916.47	916.47	1360.83	Sum of assessed energy sold in FAC submission Form 1.2
3	Less: Credit for HT injections, temporary supply, interstate, wheeling etc	MU	63.96	57.10	55.39	Entry with explanation in FAC submission Form 7.1, for item No.1
4	Total sales in license area	MU	7098.09	7025.63	8342.53	Item 2.1 of FAC submission form 8.1

III. Interest on working capital:

MSEDCL has mentioned that 14.75% is the rate of Interest for working capital for October, 2013 to March, 2014. However, no IWC has been claimed in the format 6.5. Hence, Interest on working capital has not been considered for the said months.

IV. Adjustment factor:

The computation of Adjustment factor is as shown in the following table.

Table-5A - Adjustment Factor

Sr. No.	Parameter	Unit	Oct 13	Nov 13	Dec 13
(A)	(B)	(C)			
1.0	Adjustment for over-recovery/under-recovery ('B')				
1.1	Incremental cost allowed to be recovered in Month	Rs Crore	(35.92)	(32.17)	(32.17)
1.2	Incremental cost in Month j-4 actually recovered in month j-2	Rs Crore	(43.65)	(28.78)	(48.39)
1.3	Over-recovery/under-recovery (1.2-1.1)	Rs Crore	7.72	(3.39)	16.23
2.0					
2.1	C/f DUE TO FORMULA ERROR	Rs Crore	(6.38)	(9.34)	8.79
2.2	KhaparKheda U 5 energy charge impact as per Order dated 4 Sept 2013 in Case No. 44 of 2013	Rs Crore	15.14	17.34	19.87
2.3	NTPC Energy Charges Adjustment from Oct 12 to Aug 13	Rs Crore	-	96.38	
2.4	FBSM impact for the month	Rs Crore	-	10.09	(1.99)
3.0	Adjustment factor for over-recovery/under-recovery (2.1+2.2+2.3+2.4)	Rs Crore	8.77	114.48	26.67

Sr. No.	Parameter	Unit	Jan 14	Feb 14	Mar 14
(A)	(B)	(C)			
1.0	Adjustment for over-recovery/under-recovery ('B')				
1.1	Incremental cost allowed to be recovered in Month	Rs Crore	(32.17)	-	61.88
1.2	Incremental cost in Month j-4 actually recovered in month j-2	Rs Crore	(15.55)	1.00	46.54
1.3	Over-recovery/under-recovery (1.2-1.1)	Rs Crore	(16.61)	(0.99)	15.34
2.0					
2.1	C/F DUE TO FORMULA ERROR for regular FAC	Rs Crore	13.46	20.11	6.53
2.2	C/F DUE TO FORMULA ERROR after adjustment of Sept 13 to Dec 13 FAC	Rs Crore	6.24		
2.3	KhaparKheda U 5 energy charge impact as per MERC Order No 44 of 2013	Rs Crore	17.19	21.16	22.65
2.4	Additional FAC under recovery	Rs Crore	42.51	(15.29)	0.00
2.5	FBSM Units and inter state losses impact for the month	Rs Crore	17.50	-	3.67
3.0	Adjustment factor for over-recovery/under-recovery (2.1+2.2+2.3+2.4+2.5)	Rs Crore	96.91	25.98	32.85



6. **Distribution Loss:**

Particular	Distribution Loss (%)					
	Oct. 13	Nov. 13	Dec. 13	Jan. 14	Feb. 14	Mar. 14
Target	15.77%	15.77%	15.77%	15.77%	15.77%	15.77%
Cumulative Achievement at the end of month	13.14%	14.47%	13.62%	14.56%	14.77%	14.03%

In March 2014 FAC calculation MSEDCL has claimed an incentive of Rs 11.53 Crore on account of lower distribution loss (14.03%) against the target distribution loss (15.77%). In this regard, it is pertinent to note that FAC mechanism stipulated in MYT Regulations provides only for disallowance of FAC amount corresponding to excess distribution loss. FAC mechanism does not provide for claiming incentive for reduction in distribution loss against the target distribution loss. Hence, MSEDCL's claim of Rs. 11.53 crore as an incentive for reduction in distribution losses through FAC mechanism cannot be allowed. This amount has already been levied by MSEDCL. Hence, MSEDCL is directed to refund the same through FAC mechanism in subsequent month.

7. **Energy Sales within Licence area:**

The net energy sales within licence area as submitted by MSEDCL in the FAC submission, after deducting the HT credits etc as explained above, and as approved by the Commission are as below:

Month	Sales (In MU)
October, 2013	6679.15
November, 2013	6384.16
December, 2013	8272.64
January, 2014	7098.09
February, 2014	7025.63
March, 2014	8342.53

8. **Summary:**

The summary of the FAC amount as approved by the Commission is shown in the Tables below:-

The Commission has approved FAC of October, 2013 to March, 2014, and has allowed it to be recovered in billing months of January, 2014 to June, 2014 respectively.



Table-5B

Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} October, 2013			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	(11672.93)
1.2	Working Capital Interest (I)	Rs Lakh	-
1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	876.84
1.5	FAC (A) = C + I + B	Rs Lakh	(10796.08)
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	6679.15
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	(16.16)
2.4	Cap on monthly FAC Charge as per 20% cap on category-wise energy charge and monthly sales	Paise/kWh	89.41
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.8941
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	59717.62
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-
3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise-(1)	Rs Lakh	(9862.34)
3.4	C/f from Previous month-(2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	772.57
3.6	Total FAC to be recovered from consumers 4=(1+2+3)	Rs Lakh	(9089.76)
3.7	Total FAC allowed to be recovered in the billing month of January 2014 based on current month category-wise and slab-wise sales- 5	Rs Lakh	(9089.76)
3.8	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00

Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} November, 2013			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	(2756.46)
1.2	Working Capital Interest (I)	Rs Lakh	-



1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	11448.23
1.5	FAC (A) = C + I + B	Rs Lakh	8691.76
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	6384.16
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	13.61
2.4	Cap on monthly FAC Charge as per 20% cap on category-wise energy charge and monthly sales	Paise/kWh	89.88
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.8988
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	58945.80
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-
3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise (1)	Rs Lakh	7812.75
3.4	C/f from Previous month (2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	(338.95)
3.6	Total FAC to be charged in current month 4=(1+2+3)	Rs Lakh	7473.80
4.0	Total FAC allowed to be recovered in the billing month of February 2014 based on current month category-wise and slab-wise sales (5)	Rs Lakh	7473.80
5.0	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00

Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} December, 2013			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	2774.69
1.2	Working Capital Interest (I)	Rs Lakh	-
1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	2666.80
1.5	FAC (A) = C + I + B	Rs Lakh	5441.49
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	8272.64
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	6.58
2.4	Cap on monthly FAC Charge as per 20% cap on category-wise energy charge and monthly sales	Paise/kWh	73.20
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.7320
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	60553.95
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-



3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise (1)	Rs Lakh	4095.69
3.4	C/f from Previous month (2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	1622.51
3.6	Total FAC to be charged in current month 4=(1+2+3)	Rs Lakh	5718.21
4.0	Total FAC allowed to be recovered in the billing month of March 2014 based on current month category-wise and slab-wise sales (5)	Rs Lakh	6187.84
5.0	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00

Table	8.1		
Title	Summary of FAC (A) and FAC _{kWh} January, 2014		
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	3703.35
1.2	Working Capital Interest (I)	Rs Lakh	-
1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	9690.95
1.5	FAC (A) = C + I + B	Rs Lakh	13394.31
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	7098.09
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	18.87
2.4	Cap on monthly FAC Charge	Paise/kWh	85.24
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.8524
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	60501.32
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-
3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise-(1)	Rs Lakh	11383.78
3.4	C/f from Previous month-(2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	(1661.47)
3.6	Total FAC to be recovered from consumers 4=(1+2+3)	Rs Lakh	9722.31
3.7	Total FAC allowed to be recovered in the billing month of April 2014 based on current month category-wise and slab-wise sales- 5	Rs Lakh	9722.31
3.8	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00



Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} February, 2014			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	1811.19
1.2	Working Capital Interest (I)	Rs Lakh	-
1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	2597.85
1.5	FAC (A) = C + I + B	Rs Lakh	4409.05
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	7025.63
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	6.28
2.4	Cap on monthly FAC Charge	Paise/kWh	84.12
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.8412
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	59102.22
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-
3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise (1)	Rs Lakh	3756.28
3.4	C/f from Previous month (2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	(99.98)
3.6	Total FAC to be charged in current month 4=(1+2+3)	Rs Lakh	3656.30
4.0	Total FAC allowed to be recovered in the billing month of May 2014 based on current month category-wise and slab-wise sales (5)	Rs Lakh	3656.30
5.0	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00

Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} March, 2014			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
1.0	Calculation of FAC (A)		
1.1	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	5549.17
1.2	Working Capital Interest (I)	Rs Lakh	-
1.3	T & D Loss Adjustment for the year		-
1.4	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	3284.58
1.5	FAC (A) = C + I + B	Rs Lakh	8833.76
2.0	Calculation of FAC_{kWh}		



2.1	Sale within License Area	MU	8342.53
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	10.59
2.4	Cap on monthly FAC Charge	Paise/kWh	72.97
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.7297
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	60873.54
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-
3.3	FAC (A) without considering cap and as per 8.3 category-wise and slab-wise (1)	Rs Lakh	6884.65
3.4	C/f from Previous month (2).	Rs Lakh	-
3.5	Under/over recovery from 6.6 statement Sl. No. 1. (3)	Rs Lakh	1534.04
3.6	Total FAC to be charged in current month 4=(1+2+3)	Rs Lakh	8418.69
4.0	Total FAC allowed to be recovered in the billing month of June 2014 based on current month category-wise and slab-wise sales (5)	Rs Lakh	6907.98
5.0	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	0.00

9. Recovery from Consumers:

9.1 As notified on 28th October 2011, vide Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2011, the Commission has amended the Regulations applicable to recovery of FAC as follows:

“82.6 The monthly FAC charges of a particular tariff category/sub-category/consumption slab shall not exceed 10% of the variable component of tariff of that tariff category/sub-category/consumption slab, or such other ceiling as be stipulated by the Commission from time to time.

Provided that any excess in the FAC charge over the above ceiling shall be carried forward by the Distribution Licensee and shall be recovered over such future period as be directed by the Commission.

Provided further that in case of un-metered consumers, ceiling of FAC charges shall be calculated by multiplying the ceiling of FAC charges of metered sub-category by the ratio of Average Billing Rate (ABR) of respective un-metered sub-category to ABR of metered sub-category within the same tariff category.

“82.10. Calculation of FAC per kWh for a particular tariff category/sub-category/consumption slab shall be as per the following formula:

*FAC_{cat} Rs/kWh = (FAC / (Metered sales + Unmetered consumption estimates + Excess distribution losses)) * K * 10*

Where:

FACCat = FAC for a particular tariff category/sub-category/consumption slab in 'Rupees per kWh' terms.

$K = (\text{Energy Charge}) / (\text{ACOS})$

Where,

Energy Charge = Energy Charge for a particular tariff category / sub-category/ consumption slab under consideration in 'Rupees per kWh' as approved by the Commission in Tariff Order.

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

Based on the above amendment, MSEDCL has calculated the "FAC apportioned to each Tariff Category and as per applicable slab",

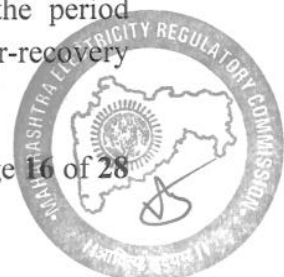
9.2 Modality of recovery modified by MSEDCL:

Vide its Order in the matter of Case 63 of 2012 issued on 26 August 2012, the Commission had directed as follows:

".....the Commission hereby revises the average FAC Ceiling to 20% of Variable Tariff for all the Distribution Licensees in the State of Maharashtra. The revised FAC ceiling of 20% is the average ceiling for the Distribution Licensee as a whole, and the applicable ceiling will be different for different consumer categories/sub-categories/consumption slabs, equivalent to 20% of the variable tariff of that consumer category/sub-category/consumption slab. The revised FAC Ceiling will come into effect for the FAC allowable (to be charged to consumers) from the month of September 2012 onwards.

9.3 MSEDCL in its letter dated 26 March, 2014 submitted the FAC calculations for the period of September 2013 to December 2013. In this letter, MSEDCL has stated that there was a possibility of under-recovery of Additional FAC (payable to MSPGCL as per Order dated 4 September, 2013 in Case No. 44 of 2013) and AEC 1 to 4 (as per Order dated 5 September, 2013 in Case No. 95 of 2013) for August 2013 and September 2013 against higher refund of FAC due in December, 2013. Hence, instead of refunding Rs. 267.55 crore in December, 2013 and Rs. 90.89 crore in January, 2014, MSEDCL continued refunding Rs. 32.17 crore (which is approved FAC refund to be levied in November, 2013) in these months. Further, MSEDCL has not levied FAC of Rs. 74.74 crore in February, 2014.

In its letter dated 26 March, 2014, MSEDCL has provided the reconciliation (provided in the below table) of FAC refundable/recoverable amount for the period pertaining to September 2013 December 2013 with the actual refunded/recovered in the period December 2013 to March 2014. MSEDCL has also provided details of under-recovery



of additional FAC (allowed as per MERC Order dated 3 September, 2013 in Case No. 28 of 2013) in the following table.

Month	FAC to be levied (Rs. crore)	FAC billed in the Month	FAC amount levied /(refunded) (Rs. crore)	Balance FAC amount to be adjusted in Mar 14 (Rs. crore)	Under recovery of FAC 2 (Rs. crore)	FAC to be billed in March 14 (Rs. crore)
Aug 2013	(32.17)	Nov2013	-	-	82.13	
Sep 2013	(267.55)	Dec 2013	(32.17)	(235.39)	18.48	
Oct 2013	(90.89)	Jan 2014	(32.17)	(58.73)	34.84	
Nov 2013	74.74	Feb 2014	0	74.74	39.81	
Dec 2013	61.88	Mar 2014	-	61.88	13.35	
Total				(157.50)	188.62	31.12

Based on the above reconciliation, MSEDCL has arrived at an FAC outstanding of Rs 31.12 Crore which was levied in March 2014.

The Commission observes that the period of reconciliation is limited and effect of the same has been passed on to the consumers within three months. Hence, the Commission has allowed the same.

Table-6 A – December, 2013

Sr. No.	Categories	FAC to be Charged in the Billing Month of March, 2014
	LT Category	Paisa/kWh
1	Domestic (LT-1)	
A	BPL (0-30 Units)	0.51
B	Consumption > 30 Units per month	
i	1-100 Units	2.27
ii	101-300 Units	4.09
iii	301-500 Units	5.36
iv	500-1000 Units	5.94
v	Above 1000 Units	6.43
2	Non Domestic (LT-2)	
A	0-20 KW	
a	0-200 Units	3.96
b	Above 200 units	5.67
B	>20-50 KW	5.71
	>50 KW	7.38



Sr. No.	Categories	FAC to be Charged in the Billing Month of March, 2014
	LT Category	Paisa/kWh
3	Public Water Works (LT-III)	
A	0-20 KW	1.59
B	20-40 KW	2.10
C	40-50 KW	2.84
4	Agriculture (LT-IV)	
A	Unmetered Tariff	
1	Zones with Consumption norm < 1318 Hrs/HP/Annum	
	A) 0-5 HP	0.89
	B) Above 5 HP	0.89
2	Zones with Consumption norm > 1318 Hrs/HP/Annum	
	A) 0-5 HP	1.93
	B) Above 5 HP	1.93
B	Metered Tariff (Including Poultry Farms)	1.42
5	LT Industries (LT-V)	
A	0-20 KW	3.42
B	Above 20 KW	4.72
6	Street Light (LT-VI)	
A	Grampanchayat A, B & C Class Municipal Council	2.79
B	Municipal corporation Area	3.38
7	Temporary Connection (LT-VII)	
A	Temporary Connection (Religious)	2.21
B	Temporary Connection (Other Purposes)	10.19
8	Advertising and Hording (LT-VIII)	14.05
9	Crematorium & Burial (LT-IX)	2.28
10	Public Services (LT X)	
	0-20 KW	
	0-200 Units	3.63
	Above 200 units	5.33
	>20-50 KW	5.27
	>50 KW	5.57



Table-6 B – December, 2013

Sr. No.	Categories	FAC to be Charged in the Billing Month of March, 2014
	HT Category	Paisa/kWh
1	HT-I – Industries	
A	HT-I - Cont (Express Feeders)	4.74
B	HT-I - NonCont (Non Express Feeders)	4.28
C	HT-I - Seasonal Category	5.27
2	HT-II Commercial	
a	Express Feeder	12.36
b	Non-Express Feeder	11.63
3	HT-III Railways	9.24
4	HT-IV Public Water Works (PWW)	
A	Express Feeders	5.97
B	Non-Express Feeders	5.59
5	HT-V Agricultural	3.41
6	HT-VI Bulk Supply	
A	Residential Complex	5.70
B	Commercial Complex	9.71
7	Temporary Supply	
A	Religious	3.87
B	Other	15.16
8	Public services(HT IX)	
A	Express Feeders	9.71
B	Non-Express Feeders	9.05
9	HT Port	11.57



Table-6 A – January, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of April 2014
	LT Category	Paisa/kWh
1	Domestic (LT-I)	
A	BPL (0-30 Units)	2.45
B	Consumption > 30 Units per month	
i	1-100 Units	10.78
ii	101-300 Units	17.04
iii	301-500 Units	13.84
iv	500-1000 Units	22.79
v	Above 1000 Units	29.10
2	Non Domestic (LT-2)	
A	0-20 KW	
a	0-200 Units	20.87
b	Above 200 units	26.98
B	>20-50 KW	33.28
	>50 KW	43.68
3	Public Water Works (LT-III)	
A	0-20 KW	7.03
B	20-40 KW	9.68
C	40-50 KW	13.44
4	Agriculture (LT-IV)	
A	Unmetered Tariff	
1	Zones with Consumption norm < 1318 Hrs/HP/Annum	
	A) 0-5 HP	2.28
	B) Above 5 HP	2.28
2	Zones with Consumption norm > 1318 Hrs/HP/Annum	
	A) 0-5 HP	4.91
	B) Above 5 HP	4.91
B	Metered Tariff (Including Poultry Farms)	4.23
5	LT Industries (LT-V)	
A	0-20 KW	19.58
B	Above 20 KW	29.93
6	Street Light (LT-VI)	
A	Grampanchayat A, B & C Class Municipal Council	12.46



Sr. No.	Categories	FAC to be Charged in the Billing Month of April 2014
LT Category		Paisa/kWh
B	Municipal corporation Area	16.16
7	Temporary Connection (LT-VII)	
A	Temporary Connection (Religious)	11.09
B	Temporary Connection (Other Purposes)	51.13
8	Advertising and Hording (LT-VIII)	74.98
9	Crematorium & Burial (LT-IX)	14.15
10	Public Services (LT X)	
	0-20 KW	
	0-200 Units	18.19
	Above 200 units	26.74
	>20-50 KW	26.43
	>50 KW	27.96

Table-6 B – January, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of April 2014
HT Category		Paisa/kWh
1	HT-I – Industries	
A	HT-I - Cont (Express Feeders)	17.11
B	HT-I - NonCont (Non Express Feeders)	16.41
C	HT-I - Seasonal Category	26.69
2	HT-II Commercial	
a	Express Feeder	25.22
b	Non-Express Feeder	24.93
3	HT-III Railways	21.04
4	HT-IV Public Water Works (PWW)	
A	Express Feeders	14.50
B	Non-Express Feeders	12.36
5	HT-V Agricultural	13.61
6	HT-VI Bulk Supply	



A	Residential Complex	11.71
B	Commercial Complex	27.86
7	Temporary Supply	
A	Religious	11.09
B	Other	43.50
8	Public services(HT IX)	
A	Express Feeders	27.86
B	Non-Express Feeders	25.96
9	HT Ports	33.18



Table-6 A – February, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of May 2014
	LT Category	Paisa/kWh
1	Domestic (LT-I)	
A	BPL (0-30 Units)	0.88
B	Consumption > 30 Units per month	
i	1-100 Units	3.75
ii	101-300 Units	6.52
iii	301-500 Units	7.89
iv	500-1000 Units	9.19
v	Above 1000 Units	10.37
2	Non Domestic (LT-2)	
A	0-20 KW	
a	0-200 Units	9.88
b	Above 200 units	9.09
B	>20-50 KW	32.85
C	>50 KW	42.12
3	Public Water Works (LT-III)	
A	0-20 KW	2.65
B	20-40 KW	3.51
C	40-50 KW	4.74
4	Agriculture (LT-IV)	
A	Unmetered Tariff	
1	Zones with Consumption norm < 1318 Hrs/HP/Annum	
	A) 0-5 HP	1.48
	B) Above 5 HP	1.48
2	Zones with Consumption norm > 1318 Hrs/HP/Annum	
	A) 0-5 HP	3.21
	B) Above 5 HP	3.21
B	Metered Tariff (Including Poultry Farms)	2.39
5	LT Industries (LT-V)	
A	0-20 KW	15.34
B	Above 20 KW	25.12
6	Street Light (LT-VI)	
A	Grampanchayat A, B & C Class Municipal Council	4.63



Sr. No.	Categories	FAC to be Charged in the Billing Month of May 2014
LT Category		Paisa/kWh
B	Municipal corporation Area	5.48
7	Temporary Connection (LT-VII)	
A	Temporary Connection (Religious)	3.69
B	Temporary Connection (Other Purposes)	17.00
8	Advertising and Hording (LT-VIII)	22.14
9	Crematorium & Burial (LT-IX)	3.78
10	Public Services (LT X)	
	0-20 KW	
	0-200 Units	6.05
	Above 200 units	8.89
	>20-50 KW	8.79
	>50 KW	9.30

Table-6 B – February, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of May 2014
HT Category		Paisa/kWh
1	HT-I – Industries	
A	HT-I - Cont (Express Feeders)	3.64
B	HT-I - NonCont (Non Express Feeders)	3.36
C	HT-I - Seasonal Category	3.58
2	HT-II Commercial	
a	Express Feeder	1.55
b	Non-Express Feeder	1.92
3	HT-III Railways	0.34
4	HT-IV Public Water Works (PWW)	
A	Express Feeders	1.82
B	Non-Express Feeders	1.22
5	HT-V Agricultural	0.31
6	HT-VI Bulk Supply	



A	Residential Complex	0.16
B	Commercial Complex	9.26
7	Temporary Supply	
A	Religious	3.69
B	Other	14.47
8	Public services(HT IX)	
A	Express Feeders	9.26
B	Non-Express Feeders	8.63
9	HT Ports	11.04



Table-6 A – March, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of June 2014
	LT Category	Paisa/kWh
1	Domestic (LT-I)	
A	BPL (0-30 Units)	2.77
B	Consumption > 30 Units per month	
i	1-100 Units	11.74
ii	101-300 Units	18.40
iii	301-500 Units	20.89
iv	500-1000 Units	26.67
v	Above 1000 Units	28.19
2	Non Domestic (LT-2)	
A	0-20 KW	
a	0-200 Units	21.66
b	Above 200 units	28.85
B	>20-50 KW	26.94
C	>50 KW	32.62
3	Public Water Works (LT-III)	
A	0-20 KW	6.59
B	20-40 KW	9.46
C	40-50 KW	11.45
4	Agriculture (LT-IV)	
A	Unmetered Tariff	
1	Zones with Consumption norm < 1318 Hrs/HP/Annum	
	A) 0-5 HP	(4.13)
	B) Above 5 HP	(4.13)
2	Zones with Consumption norm > 1318 Hrs/HP/Annum	
	A) 0-5 HP	(9.87)
	B) Above 5 HP	(9.87)
B	Metered Tariff (Including Poultry Farms)	(4.13)
5	LT Industries (LT-V)	
A	0-20 KW	13.42
B	Above 20 KW	20.29
6	Street Light (LT-VI)	
A	Grampanchayat A, B & C Class Municipal Council	10.85



Sr. No.	Categories	FAC to be Charged in the Billing Month of June 2014
LT Category		Paisa/kWh
B	Municipal corporation Area	17.45
7	Temporary Connection (LT-VII)	
A	Temporary Connection (Religious)	7.04
B	Temporary Connection (Other Purposes)	32.44
8	Advertising and Hording (LT-VIII)	90.78
9	Crematorium & Burial (LT-IX)	11.75
10	Public Services (LT X)	
	0-20 KW	
	0-200 Units	11.54
	Above 200 units	16.96
	>20-50 KW	16.77
	>50 KW	17.74

Table-6 B – March, 2014

Sr. No.	Categories	FAC to be Charged in the Billing Month of June 2014
HT Category		Paisa/kWh
1	HT-I – Industries	
A	HT-I - Cont (Express Feeders)	14.77
B	HT-I - NonCont (Non Express Feeders)	13.62
C	HT-I - Seasonal Category	89.36
2	HT-II Commercial	
a	Express Feeder	21.73
b	Non-Express Feeder	17.95
3	HT-III Railways	15.50
4	HT-IV Public Water Works (PWW)	
A	Express Feeders	10.22
B	Non-Express Feeders	9.23
5	HT-V Agricultural	(1.11)
6	HT-VI Bulk Supply	



A	Residential Complex	8.49
B	Commercial Complex	17.67
7	Temporary Supply	
A	Religious	7.04
B	Other	27.60
8	Public services(HT IX)	
A	Express Feeders	17.67
B	Non-Express Feeders	16.47
9	HT X Ports	19.33

