



महाराष्ट्र विद्युत नियामक आयोग

Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/20182019/1275

Date: 30 Oct, 2018

To,

The Mindspace Business Parks Pvt. Ltd.,
(Formerly Serene Properties Pvt. Ltd.)
Plot No. C-30, Block 'G',
Opposite SIDBI, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Subject: Post facto approval of Fuel Adjustment Charges (FAC) submissions of MBBPL for the month of April, 2018 to June, 2018.

Reference: 1. MBBPL's FAC submission for the month of April, 2018 to June, 2018 vide letter no. M643 dated 23 August, 2018.
2. Replies to data Gaps submitted vide email dated 15, 23 and 24 October, 2018

Sir,

Upon vetting the FAC calculations for the months of April, 2018 to June, 2018 as mentioned in the above reference, the Commission has accorded post facto approval for levying FAC to its consumers as shown in the Table below:

Month	FAC Amount (Rs. Crore)
April, 2018	0.15
May, 2018	(0.82)
June, 2018	(1.68)

MBPPL is directed to refund Rs. 4.31 Crore along with interest to the consumers in next FAC billing cycle. This is on account of errors during the month of April, 2018 to June, 2018 as specified in para 4.7, para 4.8, para 6.2 and para 9.4 for of this vetting report.

The above approval of FAC is subject to final true up of FY 2018-19 under the MERC (Multi Year Tariff) Regulations, 2015.

Yours faithfully,

(Dr. Rajendra Ambekar)
Executive Director, MERC

Encl: Annexure A: Detailed Vetting Report for the period of April, 2018 to June, 2018.

**POST FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF APRIL,
2018 TO JUNE, 2018**

Subject: Post facto approval of Fuel Adjustment Charges (FAC) submissions of MBBPL for the month of April, 2018 to June, 2018.

Reference: 1. MBBPL's FAC submission for the month of April, 2018 to June, 2018 vide letter no. M643 dated 23 August, 2018.
2. Replies to data Gaps submitted vide email dated 15, 23 and 24 October, 2018

1. FAC submission by MBBPL Undertaking:

1.1 MBBPL has submitted FAC submissions for the months of April, 2018 to June, 2018 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by MBBPL, the Commission has accorded post facto approval for the FAC amount to be charged in the billing months of May, 2018 to July, 2018.

2. Background

2.1 On 26 October, 2016, the Commission has issued Tariff Order in respect of MBPPL, (Case No.10of 2016) for provisional Truing-up for FY 2015-16, and Aggregate Revenue Requirement and Tariff for FY 2016-17 to FY 2019-20. Revised Tariff has been made applicable from 1 October, 2016.

2.2 Vide its letter dated 15 November, 2016, the Commission communicated the excel formats for filing of FAC submissions to all Distribution Licensees. 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 Vide FAC vetting Report dated 6 January, 2017, the Commission accorded prior approval to the FAC for the month of October, 2016.

2.4 In terms of MERC (MYT) Regulations, 2015 a Distribution Licensee is required to obtain post facto approval of the Commission on a quarterly basis for FAC charges. Accordingly, vide its letter dated 23 August, 2018. MBPPL has filed FAC submissions for the months of April, 2018 to June, 2018 for post facto approval. The Commission has scrutinized the



submissions provided by MBPPL and has also verified the fuel and 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 MBPPL in the FAC submission and as approved by the Commission are as shown in the Table below.

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales		
			(Apr-18) (MU)	(May-18) (MU)	(Jun-18) (MU)
	(I)	(II=I/4)	(III)	(IV)	(V)
HT Category					
HT- I Industrial	103.21	8.60	6.69	7.27	6.79
HT-II Commercial	1.96	0.16	-	-	-
LT Category					
LT-I General Purpose	-	-	-	-	-
LT-II(A) Commercial (0-20 kW)	0.12	0.01	0.07	0.07	0.07
LT-II (B) Commercial (above 20 kW)	0.31	0.03	0.03	0.03	0.04
LT-III (A) Industrial (0-20 kW)	0.30	0.02	0.00	0.00	0.00
LT-III (B) Industrial (above 20 kW)	6.47	0.54	0.59	0.63	0.60
Total	112.37	9.36	7.38	8.01	7.49

3.2 The Commission observed that the actual sale for the individual months of April to June, 2018, was lower than that of approved by the Commission. The major variation was observed in the HT-I Industrial and HT-II Commercial categories as shown in the Table above.

4. Cost of Power Purchase

4.1 MBPPL does not own or operate any generating stations. Accordingly, MBPPL is required to procure power from outside sources in order to fulfil the demand of its consumers. MBPPL purchases power as per Medium-Term PPA for 10 MW with M/s. Jindal Power Limited (JPL) for meeting the Base Load demand and for 10 MW with M/s. GMR Energy Trading Limited (GMRETL) to meet the Peak load demand for a period of 5 years from 1 July, 2016 to 30 June, 2021.

4.2 The following Tables show the variation in Average Power Purchase Cost (APPC) (Rs/kWh) for the months of April, 2018 to June, 2018 as compared to APPC approved in Tariff Order dated 26 October, 2016:



Particulars	Tariff Order Dated 26.10.2016			Actual for April, 2018		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
Medium Term PPA (Base Load)	74.46	27.70	3.72	6.46	2.24	3.46
Medium Term PPA (Peak Load)	33.66	12.52	3.72	2.93	1.10	3.76
RE Sources		3.07		-	0.19	-
Surplus Sale	-	-	-	(1.91)	(0.81)	4.35
Additional Power	9.59	3.57	3.72	-	-	-
FBSM				-		
Total	117.71	46.86	3.98	7.48	2.72	3.64

Particulars	Actual for May, 2018			Actual for June, 2018		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
Medium Term PPA (Base Load)	6.88	2.51	3.66	6.32	2.28	3.60
Medium Term PPA (Peak Load)	2.92	1.12	3.83	2.57	1.00	3.90
RE Sources	-	-	-		0.06	
Surplus Sale	(1.65)	(0.81)	5.10	(1.77)	(0.73)	4.27
Additional Power	-	-	-	-	-	-
FBSM	-	-	-	-	-	-
Total	8.15	2.82	3.46	7.12	2.61	3.67

4.3 The Commission has scrutinised the detailed bills/invoices for power purchase during the respective months of April to June, 2018. The Commission has verified the Net Purchase (MUs), Variable Cost (Rs./kWh) and Power Purchase Cost. The Commission has also



verified the payment of monthly Fixed Charge based on the availability as per the norms specified in the applicable contract.

- 4.4 During the scrutiny it was found that MBPPL has made escalation in the Fixed and Variable cost of power purchase from both GMRETL and JPL for FY 2018-19 based on WPI index. The escalation is as per APP dated 21 June, 2016 between MBPPL and GMRETL and APP dated 10 June, 2016 between MBPPL and JPL.
- 4.5 Based on above the Fixed Charge for GMRETL for FY 2018-19 has been modified to Rs. 1.62/kWh and Variable Charge (fuel/generating component) has been modified to Rs. 1.66/kWh from base year tariff. Thus, the total Variable Charge including cost of generation of Rs. 1.66/kWh, cost of transmission charge of Rs. 0.53/kWh and cost of transmission loss of Rs. 0.23/kWh works out at Rs. 2.42/kWh as per PPA. Accordingly, the total Tariff after adding Fixed Charge and Variable Charge is worked out as Rs. 4.04/kWh. However, the average power purchase cost from GMR for the months of April, May and June, 2018 is Rs.3.76/kWh, Rs. 3.83/kWh and Rs. 3.90/kWh respectively as shown in Table above. The variation is mainly on account of difference in Fixed Cost (Rs. Crore) payable as per availability during the respective months, amount of rebate and incentives, adjustment due to difference in Transmission charges and sale of surplus power through power exchange.
- 4.6 Similarly, the Fixed Charge for JPL has been modified to Rs. 1.39/kWh and Variable Charge to Rs. 1.42/kWh from base year tariff. Thus, the total Variable Charge including generating cost of Rs. 1.42/kWh, transmission charge of Rs. 0.82/kWh and cost of transmission loss of Rs. 0.26/kWh worked out at Rs.2.50/kWh. Accordingly, the total Tariff after adding Fixed Charge and Variable Charge is worked out as Rs. 3.89/kWh. However, the average power purchase cost from JPL during the months of April, May and June, 2018 is Rs. 3.46/kWh, Rs. 3.66/kWh and Rs. 3.60/kWh respectively as shown in Table above. The variation is mainly on account of difference in Fixed Cost (Rs. Crore) payable as per availability during the respective months, adjustment for incentives, rebate and Transmission charges and deduction of STU charges as per PPA. The Commission as verified the detailed computation submitted and accordingly, has considered the modified rate as submitted by MBPPL.
- 4.7 Further, it was found that MBPPL has made adjustment with regards to FBSM settlement during the months of April to June, 2018. The Commission has sought supporting documents/bills for the same. However, the bills towards the same were not provided by MBPPL. Hence, the Commission has not considered this adjustment in the FAC computation of the respective months.
- 4.8 The power purchase cost of June, 2018 from all the sources were erroneously taken as power purchase cost of May, 2018. Further, the quantum and revenue towards sale of surplus power had been considered as positive in FAC computation due to which APPC for the months of April to June, 2018 was appearing higher than that of MYT approved rate. The Commission sought clarification regarding the same. In response to this, MBPPL



stated that the aforesaid errors have been done inadvertently and accordingly they have submitted the revised FAC computation. The Commission acknowledge the same and accepted the revised submission.

- 4.9 The power purchase price for FY 2018-19 from JPL as per approved PPA after rate escalation is Rs 3.89/kWh at MBPPL periphery which included the transmission charges (STU charges) for State Transmission network. However, STU charges were paid directly by MBPPL to STU in accordance with the InSTS Tariff Order. Therefore, the power purchase bills were raised by JPL after deducting the STU charges from the total power purchase cost as the quoted tariff included the STU charges. Therefore, the effective power purchase price from JPL is approximately around Rs. 3.56/kWh for the present quarter which is lesser than the MYT Order approved power purchase price of Rs. 3.72/kWh. This has resulted into a downward variation in the power purchase cost.
- 4.10 The power purchase price for FY 2018-19 from GMRETL as per approved PPA with rate escalation was Rs. 4.04/kWh at STU periphery. MBPPL has consumed approximately an average of 36% of the energy generated under this contract at a variable price of Rs. 2.42/kWh at STU periphery. The balance surplus power quantum of around 64% of the energy generated under this contract was sold through power exchange for which MBPPL had paid a variable price of Rs 2.06/kWh (April and May 2018) and Rs 2.08/kWh (June 2018) at Western Region Periphery. This variable price at Western Region Periphery has been arrived after deduction of PoC charges and losses as the same was included in the quoted (PPA approved) price. Due to the significant quantum of surplus power and the lower variable price paid as specified above, the weighted average power purchase price was Rs. 3.83/kWh for Q1 FY 2018-19 is lesser than the quoted price of Rs. 4.04/kWh as per approved PPA. Further, the effective average power purchase price payable by MBPPL was Rs 3.83/kWh which is slightly more against the MYT Order approved power purchase price of Rs 3.72/kWh mainly on account of escalation in fixed cost and variable as explained in the para above.
- 4.11 The Commission in the MYT Order had approved the power purchase quantum of 20 MW with an observation that the licensee is allowed to sell any surplus power till it reaches the load requirement of 20 MW, and to the extent required considering demand variations thereafter arising from the nature of operations in its License area. In line with the above, MBPPL has done surplus power sale through the power exchange to reduce the burden of fixed cost on the consumers. The surplus quantum which was available due to low demand in SEZ area has been sold to third party through power exchange.
- 4.12 The sale of surplus power was not only able to recover the Fixed Charges paid to GMRETL, but also had additional revenue lowering the power purchase cost for the respective months. Hence, the transaction of sale of surplus power was found beneficial. Further, the Commission has compared the rate of sale of surplus power by MBPPL vis-à-vis the Market Clearing Price (MCP) prices of power traded at IEX. The average MCP prices prevailed at Rs. 3.98/kWh, Rs. 4.67/kWh and Rs. 3.73/kWh for the months of April, May and June, 2018 respectively. Against the above prices traded, MBPPL sold the



surplus power at a rate of Rs. 4.21/kWh, 4.93/kWh and Rs. 4.13/kWh for the months of April, May and June, 2018 respectively.

- 4.13 MBPPL has purchased 1860 Solar REC and 747 Solar REC at a clearing price of Rs. 1000/certificate during the months of April and June, 2018 respectively. The Commission has verified the aforesaid purchase from the obligation report and certificate of purchase issued by power exchange which was submitted by MBPPL and found to be in order.
- 4.14 Therefore, on overall basis the average power purchase price has a downward variation due to reduced price of power from JPL compared to MYT approved power purchase price and reduction in power purchase cost due to revenue from sale of surplus power through IEX.
- 4.15 After complete scrutiny of relevant documents submitted, the Commission allows the average power purchase cost of **Rs. 3.64/kWh** for the month of April, 2018, **Rs. 3.46/kWh** for the month of May, 2018, **Rs. 3.67/kWh** for the month of June, 2018 which are lower than the approved average power purchase cost of **Rs. 3.98/kWh** as shown in the Tables above.

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

- 5.1 The Commission has worked out the Average Power Purchase Costs for the months as shown in above Tables. The same has been compared with the Average Power Purchase Cost approved by the Commission in Tariff Order dated 26 October, 2016 and arrived at differential per unit rate at which Z_{FAC} is to be passed on to the consumers.
- 5.2 The following Table shows the Z_{FAC} worked out by the Commission on account of difference in fuel and power purchase cost for the months of April, 2018 to June, 2018.

S. No.	Particulars	Units	April 2018	May 2018	June 2018
1	Average power purchase cost approved by the Commission	Rs./kWh	3.98	3.98	3.98
2	Actual average power purchase cost	Rs./kWh	3.64	3.46	3.67
3	Change in average power purchase cost (=2 -1)	Rs./kWh	(0.34)	(0.52)	(0.31)
4	Net Power Purchase	MU	7.48	8.15	7.12
5	Change in fuel and power purchase cost (=3 x 4/10)	Rs. Crore	(0.26)	(0.43)	(0.22)

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

- 6.1 After adjustment for over-recovery/under recovery (B), the adjustment factor to be added / reduced is as below:



S. No.	Particulars	Units	April 2018	May 2018	June 2018
1.1	Incremental cost allowed to be recovered in Month n-2	Rs. Crore	(0.13)*	0.15	(0.82)
1.2	Incremental cost in Month n-2 actually recovered in month n-1	Rs. Crore	(0.54)	0.68	0.63
1.3	Over-recovery/under-recovery (1.1 - 1.2)	Rs. Crore	0.41	(0.53)	(1.45)
2.0	Carried forward adjustment attributable to application of ceiling limit for previous month	Rs. Crore	-	(0.00)	0.01
2.1	Adjustment factor for Oct, 2017 to Dec, 2017 as per Approval of MERC via letter no.427 dated 3 rd April, 2018	Rs. Crore	-	0.13	-
3.0	Net Adjustment factor for over-recovery/under-recovery (1.3+2.0)	Rs. Crore	0.41	(0.40)	(1.45)

* Corrected as per the Commission approved FAC report

- 6.2 The Commission observed that the value of incremental cost allowed to be recovered has been taken as Rs. 0.53 Crore by MBPPL based on their computation of FAC in previous quarter, i.e., Q4 of FY 2017-18. However, the Commission has approved the respective amount as Rs. 0.13 Crore in its FAC approval report dated 19 October, 2018 for Q4 of FY 2017-18. The Commission has rectified the above anomalies and accordingly computed the Net Adjustment as shown in Table above.
- 6.3 MBPPL has made adjustment of Rs. 0.13 Crore as per Approval of MERC via letter no.427 dated 3 April, 2018 (vetting report) as shown in Table above. The Commission had allowed this in the aforesaid vetting report, as an under-recovery for the months of October to December, 2017 and the same was allowed to be recovered with interest in the subsequent billing cycle. Accordingly, the Commission has considered the adjustment in the month of May, 2018. The interest amount has also been claimed separately and is explained in para 7.1 of this vetting report.
- 6.4 The Commission has sought for supporting documents related to incremental cost actually recovered in the respective months. In response to this MBPPL has submitted the detailed excel sheet of Bill report for the months of April to June, 2018 showing the date, quantum of units, energy charge, demand charge, FAC recovered etc. The various entries in the Bill report have been generated through SAP billing system. The Commission has verified the amount taken and accordingly has considered the respective amount as submitted by MBPPL.
- 7. Carrying Cost for over recovery/under recovery (B)**
- 7.1 MBPPL has not levied any carrying cost for the months of April, 2018 to June, 2018. However, it has computed the carrying cost associated with regards to adjustment done of Rs. 0.13 Crore as per MERC approval letter no. 427 as explained above. MBPPL has considered the interest rate as 7.95% plus 150 bps, i.e., 9.45%, for a period from 1

January, 2018 to 31 January, 2018 and interest rate of 8.15% plus 150 bps, i.e., 9.65%, for a period from 1 February, 2018 to 30 April, 2018. Accordingly, the carrying cost has been worked out at Rs. 0.0042 Crore. The Commission has verified the applicable interest rate from SBI website and found to be in order.

8. Disallowance due to excess Distribution Loss

8.1 Regulation 10.8 of MYT Regulations, 2015 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 ZFAC 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 ZFAC 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 distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of ZFAC corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total ZFAC recoverable”

8.2 The following Table provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss if any.

S. No.	Particulars	Units	Approved in Tariff Order	Actual up to		
				Apr-18	May-18	Jun-18
1	Net Energy input at Distribution Voltages	MU	113.10	7.48	15.60	23.18
2	Energy sales at Distribution voltages	MU	112.37	7.38	15.39	22.88
3	Distribution Loss (1 - 2)	MU	0.73	0.10	0.21	0.31
4	Distribution Loss as % (3/1)	%	0.65%	1.33%	1.32%	1.32%
5	Excess Distribution Loss = [Actual Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	0.05	0.05	0.05
6	Disallowance of FAC due to excess Distribution Loss	Rs. Crore	-	0.0010	-	-

8.3 As seen from the above Table, cumulative distribution loss for the months of April, 2018 to June, 2018 is higher than the approved distribution loss of 0.65%. The Commission has sought for reasoning for the higher distribution losses. In response to this MBPPL stated



that there are three buildings B#2, B#10 & B#12 in its SEZ area which were supplied at HT point of supply till March, 2018. However, it has now been supplied at LT level, hence, transformer losses have come into picture and thus the losses have increased. Further, disallowance of FAC on account of excess distribution loss for the month of April, 2018 as shown in Table above is Rs. 0.001 Crore. However, as the stand alone FAC for the month of May to June, 2018 is negative, hence, disallowance on account of excess distribution loss has not been worked out.

9. Summary of Allowable Z_{FAC}

9.1 The summary of the FAC amount as approved by the Commission for the month of April, 2018 to June, 2018 as shown in the Table below.

S. No.	Particulars	Units	April 2018	May 2018	June 2018
1.0	Calculation of ZFAC				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	(0.26)	(0.43)	(0.22)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	0.00	-
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.41	(0.40)	(1.45)
1.4	ZFAC = F+C+B	Rs. Crore	0.15	(0.82)	(1.68)
2.0	Calculation of FAC Charge				
2.1	Energy Sales within the License Area	MU	7.38	8.01	7.49
2.2	Excess Distribution Loss	MU	0.05	-	-
2.3	ZFAC per kWh	Rs./kWh	0.20	(1.02)	(2.24)
2.4	Cap at 20% of variable component of tariff	Rs./kWh	0.84	0.84	0.84
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs./kWh	0.20	(1.02)	(2.24)
3.0	Recovery of FAC				
3.1	Allowable FAC [(2.1 x 2.5)/10]	Rs. Crore	0.15	(0.82)	(1.68)
3.2	FAC disallowed corresponding to excess Distribution Loss [(2.2 x 2.5)/10]	Rs. Crore	0.0010	-	-
4.0	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	0.15	(0.82)	(1.68)
5.0	Carried forward FAC for recovery during future period (3.1-3.2-4.0)	Rs. Crore	-	-	-

9.2 It can be seen from the above Table that standalone FAC for the months of April to June, 2018 is Rs. 0.15 Crore, Rs. (0.82) Crore and Rs. (1.68) Crore respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. 0.20/



kWh, Rs. (1.02)/ kWh and Rs. (2.24)/ kWh for the months of April to June, 2018. Further, the Regulation 10.9 of MYT Regulations, 2015 specifies as:

Provided that the monthly ZFAC 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:

- 9.3 As the FAC per unit computed is already lower than the 20% cap specified in Regulation as shown in Table above, hence, there is no restriction triggered with regards to such ceiling for all the months in Q4 of FY 2017-18.
- 9.4 Further, MBPPL has to refund Rs. 2.37 Crore for the months from April, 2018 to June, 2018 cumulatively against which the MBPPL has recovered Rs. 1.94 Crore due to the error specified in Para 4.8 and 6.2 above and also on account of consideration of FBSM on provisional basis as specified in para 4.7 above. The Commission, hence, directs the MBPPL to refund the differential amount of Rs. 4.31 Crore along with interest to consumers in next FAC billing cycle.

10. Recovery from Consumers:

- 10.1 Regulation 10.9 of MERC MYT Regulations, 2015 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

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

*ZFAC Cat (Rs/kWh) = [ZFAC / (Metered sales + Unmetered consumption estimates + Excess distribution losses)] * k * 10,*

Where:

ZFAC Cat = ZFAC 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 ZFAC 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 ZFAC 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....”

- 10.2 The Commission has worked out FAC per unit for each category of consumer based on the formula provided in the above Regulations. The Commission observed that there is a variation of Z_{FAC} in absolute terms on considering category wise per unit FAC worked out and category wise actual sales for the months of April, 2018 to June, 2018.
- 10.3 The variation in FAC in absolute terms is due to formula error of Z_{FAC} computed on per unit basis. The variation however is taken care in the adjustment factor of subsequent months.
- 10.4 The following Table shows per unit Z_{FAC} to be charged to the consumers of MBPPL for the billing month of May, 2018 to July, 2018.

FAC for Billing Month of May, 2018 to July, 2018

S. No	Consumer Category	Slabs	ZFAC to be levied in billing month of		
			May'18	June'18	July'18
			(Rs./kWh)	(Rs./kWh)	(Rs./kWh)
	HT Category				
1	HT- I Industrial	all units	0.84	0.84	0.84
2	HT-II Commercial	all units	0.97	0.97	0.97
	LT Category				
3	LT-I General Purpose	all units	0.85	0.85	0.85
4	LT-II(A) Commercial (0-20 kW)	all units	0.87	0.87	0.87
5	LT-II (B) Commercial (above 20 kW)	all units	1.11	1.11	1.11
6	LT-III (A) Industrial (0-20 kW)	all units	0.85	0.85	0.85
7	LT-III (B) Industrial (above 20 kW)	all units	0.88	0.88	0.88



