

No.
2000/0427

MERC/Case

15

of

May 5, 2003

The Technical Director (EHVP. EA.TR.),
Maharashtra State Electricity Board,
Prakashgad, Bandra (East),
Mumbai, 400 051.

Subject: FOCA charges for the period December 2002

Reference: 1. MSEB letter NO. CE/TRC/FOCA/10470 dated 10.04.03

2. MERC letter No. MERC/Case 15 of 2000/0399 dated 28.4.2003

Sir,

I am directed to refer to the above correspondence, and to state as follows:

1. The Commission has issued an Order in the matter of FOCA in July, 2001. The second Tariff Order in respect of MSEB for 2001-02 and the Clarificatory Order passed in April 2002 set out the FOCA norms in detail.

2. The principle of the FOCA order was to pass on the effect of the increased costs per unit beyond the control of the Board, or the reduced cost per unit, as the case may be, from month to month. MSEB's composite FOCA proposal for the period from October 2001 to September 2002 combined with proposals for October and November 2002, has been processed and the approval sent under letter dated 28.4.03, which details again both the philosophy and methodology of FOCA calculations.

3. Accordingly, MSEB may carry out the FOCA pass through calculations at their end for last quarter of the financial year 2002-03, including recalculation for the month of Dec-2002, in accordance with the methodology and principles set out in the earlier Orders and letter (with Appendix) dated 28.04.03. MSEB may approach the Commission only for those components for which such approval is required as per the FOCA order.

4. The details of the proposed calculation and rate of FOCA charges recoverable / refundable from / to the consumers are required to be hosted on MSEB website (with reference to directive XVI of the FOCA order). MSEB should also comply with the FOCA Order directives XIV (on submission of cost audit report) and XVII (on information dissemination to consumers).

Yours faithfully,

Sd/-
(A.M. Khan)
Secretary, MERC