

Ref. No. MERC/FAC/20122013/0177

Date: 17 April 2013

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 August, September and October 2012

Reference:

- a) MSEDCL's FAC submission of month of August 2012 received vide MSEDCL/PP/FAC/L7/34293 of 11.12.2012
- b) MSEDCL's FAC submission of month of September 2012 received vide MSEDCL/PP/FAC/L7/657 of 8.01.2013.
- c) MSEDCL's FAC submission of month of October 2012 received vide MSEDCL/PP/FAC/L7/2236 of 21.01.2013.
- d) Final Replies and Clarifications to all the Data Gaps received on 11 Mar 13
- e) Clarification mail regarding excessive UI charges, received on 26 Mar 13

Sir,

Upon vetting the FAC calculations for the months of August, September and October 2012 submitted vide letter under above reference, the Commission has accorded post facto approval for charging to its consumers the FAC amount (net of excess T&D loss) for the months of August, September and October 2012, as detailed below:

Month	FAC Amount (Rs. Crores)
August 2012	318.2685
September 2012	332.3058
October 2012	278.2657

The Commission has notified on 28th February 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.

The summary of the FAC claim for the months of August, September and October 2012 as approved by the Commission is shown in the Tables below:-

Table-1

Sr. No.	Particulars	Unit	Aug 2012	Sept 2012	Oct 2012
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	318.26	626.16	609.63
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) charged as per category wise and slab wise	Rs Crore	4.57	311.53	248.51
4	C/f from Previous month.	Rs Crore	1610.26	-	-
5	Under/over recovery from 6.6 statement 3.	Rs Crore	22.14	20.77	29.75
6	Total FAC to be charged in current month 6=(3+4+5)	Rs Crore	1636.99	332.30	278.26
7	Actual FAC charged in current month category wise and slab wise 5.	Rs Crore	318.26	332.30	278.26
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	1320.76	-	-
5	FAC rate	Paise/kWh	Proportionate. See Table-6A & 6B of Annexure attached with this letter.		
6	FAC rate (unmetered)				
6.1	-LT-Ag (>1318 hours per year)	Rs/hp/month			
6.2	-LT-Ag (<1318 hours per year)	Rs/hp/month			

Yours faithfully,

sd/
(Rajendra Ambekar)
Secretary, MERC

Encl: Annexure: Detailed Vetting Report for the months of August, September and October 2012

Cc as enclosed:

Names and Addresses of Consumer Representatives authorized as per Sec 94 (3) of EA 2003

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 Dynyaneshwar 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, 1 st floor, Udyog Bhawan, Civil Lines, Nagpur 440 001.

Post Facto approval of FAC Charges for the months of August, September & October 2012 submitted by MSEDCL

Subject: Post Facto approval of FAC submissions of MSEDCL for August, September & October 2012

Reference:

- a) MSEDCL's FAC submission of month of August 2012 received vide MSEDCL/PP/FAC/L7/34293 of 11.12.2012
- b) MSEDCL's FAC submission of month of September 2012 received vide MSEDCL/PP/FAC/L7/657 of 8.01.2013.
- c) MSEDCL's FAC submission of month of October 2012 received vide MSEDCL/PP/FAC/L7/2236 of 21.01.2013.
- d) Final Replies and Clarifications to all the Data Gaps received on 11 Mar 13
- e) Clarification mail regarding excessive UI charges, received on 26 Mar 13

1. FAC submission by MSEDCL:

1.1 MSEDCL had submitted the FAC submission for the months of August, September & October 2012 as referred above. After scrutiny of the said submissions, an initial set of queries was forwarded to MSEDCL on 4th Feb 2013. Clarifications were received from MSEDCL for the above mentioned queries on 5th February 2013. Further additional data gaps Set 1 and Set 2 were sent on MSEDCL ON 14th Feb 2013 and 23rd Feb 2013 respectively. The clarifications and replies of which were received on 22nd Feb 2013 and 11th Mar 2013 respectively

Upon vetting the FAC calculations, taking cognizance of all the clarifications furnished by MSEDCL to the queries raised, 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 had appointed CPRI (A Govt. of India enterprise) to conduct tests and recommend "Achievable performance parameters" of MSPGCL's thermal stations, whose report had guided the Commission to specify achievable performance parameters for the said year, taking into consideration the plant degradations.

2.3 The Commission has issued Tariff Order for MSEDCL dated 16th 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. However, for the first month after the issue of the Order, MSEDCL should obtain the Commission’s prior approval for levy of FAC, to ensure that the FAC is being levied correctly. Thereafter, MSEDCL should submit the FAC computations and details of under-recovery/over-recovery of fuel cost variations on a bi-monthly basis, as applicable.”

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 has revised the average FAC Ceiling to 20% of Variable Tariff for all the Distribution Licensees in the State of Maharashtra, as against the 10% ceiling prevalent earlier. 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 of 20% will come into effect for the FAC allowable (to be charged to consumers) from the month of September 2012 onwards.

2.6 The Commission has notified on 28 January 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.

2.7 The Commission, vide its Order in Case No. 43 of 2012 dated 15 June 2012, has allowed MSEDCL to recover an accumulated amount of Rs. 1483 Crore from its consumers through monthly energy bills in six equal installments from June 2012 to November 2012. The additional amount as above has to be recovered proportionate to the Tariff charged to the consumers as per the respective category and slabs, and with due consideration to the applicable ceiling. Accordingly MSEDCL has started recovery of the same from the month of June 2012. The vetting and approval of the said additional FAC recovery by MSEDCL will be done at the end of the said Six Month period as allowed by the Commission i.e. at the time of Vetting of the FAC Submissions for the month of November 2012. Any discrepancy in the recovery of Additional FAC of 1483 Crore will need to be addressed appropriately at that time.

3. FAC Mechanism

3.1 The Commission has taken cognisance of the directives issued in all the above orders and has accordingly approved FAC charges for the months of August, September and October 2012 in accordance with the principles stipulated therein and the MERC

(Terms and Conditions of Tariff) Regulations, 2005. Any variance on account of any further Reviews / Amendments will be addressed during the true-up.

- 3.2 Subsequent to the approval of the aggregate FAC amount, the Commission has also approved the apportionment of the said recovery from the consumers, based on the tariff categories and consumption slabs up to respective ceilings of 10% (20% from the month of September 2012)
- 3.3 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 *August, September & October 2012 of Rs. 318.26 Crores, Rs. 332.30 crores and Rs. 278.26 crores respectively*. The summary of the FAC claim as approved by the Commission is shown in the Table below:-

Table -1

Sr. No.	Particulars	Unit	Aug 12	Sep 12	Oct 12
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	318.26	626.16	609.63
2	FAC (A) disallowed corresponding to excess T&D loss	Rs Crore	-	-	-
3	FAC (A) charged as per category wise and slab wise	Rs Crore	4.57	311.53	248.51
4	C/f from Previous month.	Rs Crore	1610.26	-	-
5	Under/over recovery : form 6.6 statement 3.	Rs Crore	22.14	20.77	29.75
6	Total FAC to be charged in current month 6=(3+4+5)	Rs Crore	1636.99	332.30	278.26
7	Actual FAC charged in current month category wise and slab wise 5.	Rs Crore	318.26	332.30	278.26
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	1320.76	-	-

After the apportionment, the under-recovered FAC amount to be carried forward to the month of Nov 2012 is **Nil**.

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

- a) **Generation by MSPGCL stations:** (Ref: Details in Form 1.3 of FAC submission)

- The Plant Load Factor for the months of August, September and October 2012 for all the generating stations is near to 80%.
- The actual Gross generation at MSPGCL plants (Hydel, Thermal and Gas excluding Paras 3 and Parli 6 Stations) as per the FAC submissions for the month of August, September and October 2012 is **2692.96 MUs, 3110.39 MUs and 3718.28 MUs** respectively. (Order value 4790.39 MUs).

b) Variable Cost of Generation:

MSEDCL has submitted the break-up of purchase price of different fuels for all stations of MSPGCL, certified by Chartered Accountant.

i) Variable Fuel Cost:

MSEDCL has considered the base variable fuel cost for each station as approved by the Commission in the Final True up Order of MSPGCL of 21st June 2012 (Case 6 of 2012)

The summary of fuel related costs for the months of August, September and October 2012 for existing generating stations of MSPGCL as approved by the Commission after detail vetting is shown in the Table below:

Table-2

Sr. No.	Detail	Unit	Aug 12	Sep 12	Oct 12
1	Actual Fuel Cost	Rs. Crore	709.5888	745.8421	771.2836
2	Normative Actual Fuel cost	Rs. Crore	596.6965	610.5354	734.4942
3	Net Generation	MUs	2,388.85	2,456.59	3,065.97
4	Approved variable cost of generation (Order)	Rs./kWh	2.3744	2.3744	2.3744
5	Actual average variable cost of generation	Rs./kWh	2.9704	3.0361	2.5156
6	Average Normative variable cost of generation	Rs./kWh	2.4978	2.4853	2.3956
7	Change in variable cost of generation = $\{(3) \times [(6)-(4)]\} / 10$	Rs. Crore	29.4691	27.2237	(36.7894)

ii) 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 16th 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 Aug, Sep and Oct 2012 are given below:

Table-3

Sr. No.	Details	Unit	Aug 12	Sep 12	Oct 12
1	Net Energy Purchase	MUs	4732.88	4917.86	4813.28
2	Variable Cost of Energy purchased	Rs. Crore	1255.94	1341.45	1215.05
3	Average Rate of energy purchased	Rs./kWh	2.65	2.73	2.52
4	Approved Rate for Energy purchase (Order)	Rs./kWh	2.74	2.74	2.74

c) Unscheduled Interchange (UI) Charges:

MSEDCL has procured 154 MUs through UI at average rate of Rs. 2.69 per kWh, in the month of Aug 2012 at the net cost of Rs. 41.36 crores, (19 MUs) at average rate of Rs. 2.63 per kWh in the month of Sep 2012 at the net cost of Rs. 4.93 crores and 8 MUs at average rate of Rs. 25.91 per kWh in the month of Oct 2012 at the net cost of Rs. 21.60 Crores. Regarding high UI charges paid in October 2012, MSEDCL has clarified that the said amount is the net amount arrived at after netting the Import and Export of energy charged at UI rates for which the billing is done on weekly basis. Hence, the net charge is only the division of net UI charge in the month by the net UI energy in the month, and not indicative of UI rate settled during the weekly settlement. MSEDCL has furnished the tabulation in support of the statement which is produced below

WEEK	UNITS (kWh)	Add UI Chgs Rs	Pool Charges Rs	Total Rs	Rate Rs/kWh
1.10.12 TO 8.10.12	-4947836.827	0	68058174.44	68058174	13.7551 4
8.10.12 to 15.10.12	5367605.903	63449.5993	42410288.46	42473738	-7.91298
15.10.12 to 21.10.12	-5499275.609	36559.22442	64274374.5	64310934	11.6944 4
22.10.12 to 28.10.12	-8200185.571	0	34857726.4	34857726	4.25084 6
29.10.12	2959753.057	0	-4399549.207	-4399549	1.48645 8
30.10.12	1481000.376	0	3014267.845	3014267.8	-2.03529
31.10.12	496551.5673	0	7863174.67	7863174.7	-15.8356
	-8342387.105	100008.8237	216078457.1	21617846 6	25.9132 6

d) Scheduled Energy Received in grid through Imports from various regions and losses:

MSEDCL has claimed losses in power purchase through grid at (95) MUs in the month of Aug 2012, (105) MUs in the month of Sep 2012 and (75) MUs in the month of Oct 2012 as the difference between the Scheduled Energy (including UI) and Actual sale.

The Commission has considered the losses in the grid as submitted by MSEDCL.

e) Total sales in licensed area:

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

- a. 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.

These are shown in Form 1.1 of FAC statement as the total sales of the area (gross). From these, those which are eligible for FAC are separated out by deducting the HT credits given (for HT consumers having own small sources injected in network, temporary supplies, etc) to indicate net sales in licensed area which are tabulated in form 8.1 of FAC submission.

The details as above are tabulated below:

Table 4

Sr. No.	Detail	Unit	Aug 12	Sep 12	Oct 12	Ref FAC submission Form
1	Total Energy Sales excluding Energy Sales corresponding to specific utilisation of a particular Unit/Station as per Order.	MUs	5992.42	5614.49	5785.87	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	MUs	864.61	456.06	728.42	Sum of assessed energy sold in FAC submission Form 1.2
3	Less: Credit for HT injections, temporary supply, interstate, wheeling etc	MUs	(50.79)	(88.38)	(81.22)	Entry with explanation in FAC submission Form 7.1, for item No.1
4	Total of item 1 and 2	MUs	6857.03	6070.55	6514.30	
5	Grand total of items 1, 2 and 3	MUs	6806.23	5982.18	6433.08	Item 2.1 of FAC submission form 8.1

Order Values for all the three months: Metered Sales: 5902.02 MUs, Unmetered Sales: 890.03 MUs.

f) Interest on working capital –

MSEDCL has mentioned that 10.25% is the rate of Interest for working capital. However, no IWC has been claimed in the format 6.5 submitted for claiming the IWC incurred. Hence Interest on working capital has not been considered for the said month. As per APTEL judgment, interest on the difference of normative actual cost and approved cost of fuel in a month is eligible for payment through FAC mechanism, in case such claim is made along with supportive documentation. Else it will be addressed through the Annual True-up.

g) Adjustment factor-

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

Table-5A
Adjustment Factor

Sr. No.	Parameter	Unit	Aug 12	Sep 12	Oct 12
(A)	(B)	(C)			
1.0	Adjustment for over-recovery/under-recovery ('B')				
1.1	Incremental cost allowed to be recovered in Month	Rs Crore	293.0002	302.3071	278.4279
1.2	Incremental cost in Month j-4 actually recovered in month j-2	Rs Crore	270.8569	281.7881	248.6777
1.3	Over-recovery/under-recovery (1.2-1.1)	Rs Crore	22.1455	20.7751	29.7502
2.0	C/f DUE TO FORMULA ERROR	Rs Crore	3.5904	(1.7134)	(11.9795)
2.1	C/f of July 12 to be recovered in 6 equal instalment	Rs Crore	-	268.3800	268.3800
	Negative FAC of current month adjusted from Total C/f amount of July 12	Rs Crore	-	-	100.9196
3.0	Adjustment factor for over-recovery/under-recovery	Rs Crore	3.5904	266.6666	357.3201

4. Transmission and Distribution Loss:

Transmission Loss:

In the FAC submission, MSEDCL has reported Transmission loss for the month of Aug 12 as (2.65) % as against approved order value of 4.24% for InSTS.

For the month of Sep 2012, the Transmission Loss is 5.20% as against 4.24% and for the month of Oct 2012 the reported Transmission Loss is 3.38%.

MSEDCL has attributed such wide variations in “Transmission Loss” to FBSM related problems. The matter has been taken up by MSEDCL with MSLDC.

Distribution loss:

For the months of Aug 2012, MSEDCL has reported Distribution Loss of 7.28%. Thereby, the Cumulative Distribution loss up to the month of Aug 2012 is 12.23 % against approved Distribution loss of 16.87%.

For Sep 2012, MSEDCL has reported Distribution Loss of 17.98%. Thereby, the Cumulative Distribution loss up to the month of Sep 2012 is 13.28% against approved Distribution loss of 15.85%.

For Oct 2012, MSEDCL has reported Distribution Loss of 18.34%. Thereby, the Cumulative Distribution loss up to the month of June 2012 is 13.99 % against approved Distribution loss of 15.84%.

As the reported distribution loss (cumulative up to the month) is less than the stipulated limit value of Distribution loss for the FY, no deductions have been made from FAC charges.

5. Energy Sales for within License area:

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

Month	Sales (In MUs)
August 2012	6806.23
September 2012	5982.18
October 2012	6433.08

6. Summary:

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

The Commission has approved FAC chargeable in the month of Aug, Sep and Oct 2012 as ***Rs. 318.26 Crores, Rs. 332.30 crores and Rs. 278.26 crores respectively*** and has allowed to be carried forward to the next month (Nov 2012) for recovery ***Rs. Nil***, arrived at as the sum of the following quantities:

- a) Difference between FAC allowed to be recovered in the month j-4 and the FAC actually recovered in the current month.
- b) Difference between the FAC chargeable as per formula and that chargeable as per Order value on account of difference in MUs consumed by various categories with respect to Order values
- c) Excess amount above cap applied to any categories.
- d) Carried forward amount from the previous month
- e) Formula error of previous months FAC submission in Form 8.3

This is approved.

Table-5B**Table 8.1**
Title Summary of FAC (A) and FAC_{kWh}

Sr. No.	Parameter	Unit	Aug-12	Sep-12	Oct-12
(A)	(B)	(C)			
1.0	Calculation of FAC (A)				
1.1	Disallowance of change in variable cost of generation corresponding to excess auxiliary consumption	Rs Lakh			
1.2	Change in weighted average variable cost of generation and power purchase after accounting for disallowance of change in variable cost corresponding to excess auxiliary consumption	Rs Lakh			
1.3	Apportionment of change in variable cost of generation and power purchase to License Area (C)	Rs Lakh	(72.58)	3,288.46	(10,091.96)
1.4	Working Capital Interest (I)	Rs Lakh	-	-	-
1.5	T & D Loss Adjustment for the year		-	-	-
1.6	Adjustment for Over Recovery/Under Recovery (B)	Rs Lakh	359.04	26,666.66	35,732.01
1.7	FAC (A) = C + I + B	Rs Lakh	286.46	29,955.12	25,640.05
2.0	Calculation of FAC_{kWh}		-		
2.1	Sale within License Area	MU	6,806.23	5,982.18	6,433.08
2.2	Excess T&D Loss	MU	-	-	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	0.42	50.07	39.86
2.4	Cap on monthly FAC Charge	Paise/kWh	46.76	104.67	94.76
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.47	1.05	0.95
3.0	FAC (A)		-		
3.1	FAC (A) considering cap on Monthly FAC Charge	Rs Lakh	31,826.85	62,616.38	60,963.04
3.2	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-	-	-
3.3	FAC (A) charged as per 8.3 categorywise and slabwise 1	Rs Lakh	457.80	31,153.07	24,851.55
3.4	C/f from Previous month 2.	Rs Lakh	161,026.71	-	-
3.5	Under/over recovery from 6.6 statement 3.	Rs Lakh	2,214.55	2,077.51	2,975.02
3.6	Total FAC to be charged in current month 4=(1+2+3)	Rs Lakh	163,699.06	33,230.58	27,826.57
3.7	Actual FAC charged in current month categorywise and slabwise 5.	Rs Lakh	31,826.85	33,230.58	27,826.57
3.8	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	132,076.92	-	-

7. Recovery from Consumers:

7.1 As notified on 28th January 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:

*FACCat 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 = (Energy Charge) / (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”,

7.2 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.

During scrutiny of the FAC submissions of MSEDCL, sufficient clarity was not available regarding the modality of recovery of outstanding FAC amount deployed by MSEDCL, though it was noted that the recovered amount was lower than that amount permitted vide the Commission's Order. Clarification was requested and now vide its E-Mail dated 05.03.2013 MSEDCL has submitted the following clarification:

“Consequent upon Tariff revision w.e.f. 1st August 2012, the consumers mainly Industrial consumers agitated regarding the tariff hike. According to industrial consumers, the MSEDCL's industrial tariff is much higher than that in other states and as such their survival in Maharashtra is at stake. As such, the 10% or 20% levy of FAC in addition to tariff hike will add to their woes. In view of this, MSEDCL has decided to take a rational view whereby recovery of FAC will be made without FAC shock to consumers and divide the carried forward amount of Rs. 1610.26 crs in 6 equal instalments and thus to levy Rs. 268.38 crs every month along with current month FAC amount. Accordingly, the amount of FAC to be charged in billing month of Nov 12 would be Rs. 270 crs. The Nov billing is already started considering FAC amount of Rs. 318 crs., as stated above and the levy of Carried Forward FAC amount in instalment will hardly make a difference of Rs. 48 crs and therefore it is decided to continue with the billing with FAC amount of Rs. 318 crs and the balance is adjusted from Last instalment (6th Instalment)”

Pursuant to the decision as above, against the average FAC that could be charged @ Rs 1.04/kWH (average), MSEDCL has collected FAC amount from the consumers, at average rate as follows: (Total FAC Rs Cr divided by Units sold in License area)

August 2012 Rs 0.468/kWh; September 2012 Rs. 0.555/kWh, October Rs.0.433/kWh

The Commission has approved the said modality, considering that the same is in the interest of the Consumers.

Table 5C

Sr. No.	Details	Unit	Aug 12	Sep 12	Oct 12
1	Sales in licensed area	MUs	6806.23	5982.18	6433.08
2	FAC(A) =C+I+B	Rs Lakh	286.46	29955.12	25640.05
3	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-	-	-
4	FAC kWh	Rs/kWh	0.4209	50.07	39.86
5	FAC (A) charged as per 8.3 category wise and slab wise 1	Rs Lakh	457.80	31153.07	24851.55
6	C/f from Previous month.	Rs Lakh	161026.71	-	-
7	Under/over recovery from 6.6 statement 3.	Rs Lakh	2214.55	2077.51	2975.02
8	Total FAC to be charged in current month 8=(5+6+7)	Rs Lakh	1636.9906	33230.58	27826.57
9	Total FAC	Rs/kWh	2.405	0.555	0.433
10	Actual FAC charged in current month category wise and slab wise 5.	Rs Lakh	31826.85	33230.58	27826.57
11	FAC charged (Avg)	Rs/kWh	0.468	0.555	0.433
12	Carried forward FAC (A) for recovery during future period 12=(8-10)	Rs Lakh	132076.92	0.00	0.00

Table-6 A

Sr. No.	Categories	Approved energy charges	FAC To be Charged In The Billing Month August 2012	FAC To be Charged In The Billing Month September 2012	FAC to be charged PAISA/KWH in the Billing Month October 2012
A	LT Category	Rs/kWh	Paisa/kWh	Paisa/kWh	Paisa/kWh
1	Domestic (LT-I)				
A	BPL (0-30 Units)	0.76	5.32	5.32	4.37
B	Consumption > 30 Units per month				
I	1-100 Units	3.36	30.60	30.60	23.80
ii	101-300 Units	6.05	70.43	70.43	47.90
iii	301-500 Units	7.92	132.03	132.03	76.15
Iv	500-1000 Units	8.78	140.31	140.31	85.98
V	Above 1000 Units	9.50	118.96	118.96	96.47
	Sub Total Domestic				
2	Non Domestic (LT-2)				
A	0-20 KW				
I	Educational institute and Hospitals				
A	0-200 Units	5.85	44.95	44.95	
B	Above 200 units	8.38	37.35	37.35	
ii	Others				
A	0-200 Units	5.85	64.54	64.54	41.14
B	Above 200 units	8.38	64.54	64.54	44.40
B	>20-50 KW	8.44	81.61	81.61	55.65
	>50 KW	10.91	103.43	103.43	66.81
3	Public Water Works (LT-III)				
A	0-20 KW	2.35	21.90	21.9	14.77
B	20-40 KW	3.11	32.32	32.32	20.38
C	40-50 KW	4.20	36.09	36.09	27.65
4	Agriculture (LT-IV)				
A	Unmetered Tariff				
1	Zones with Consumption norm < 1318 Hrs/HP/Annum 980 hrs basis				
	A) 0-5 HP	2.15	11.79 Rs/HP	11.79	9.39
	B) Above 5 HP	2.15	11.79 Rs/HP	11.79	9.39

Sr. No.	Categories	Approved energy charges	FAC To be Charged In The Billing Month August 2012	FAC To be Charged In The Billing Month September 2012	FAC to be charged PAISA/KWH in the Billing Month October 2012
2	Zones with Consumption norm > 1318 Hrs/HP/Annum 1734 Hrs basis				
	A) 0-5 HP	2.64	25.63 Rs/HP	25.63	20.40
	B) Above 5 HP	2.64	25.63 Rs/HP	25.63	20.40
B	Metered Tariff (Including Poultry Farms)	2.10	18.91	18.91	14.94
5	LT Industries (LT-V)				
A	0-20 KW	5.06	76.02	76.02	73.49
B	Above 20 KW	7.01	70.33	70.33	62.87
	TOD Consumption				
	2200 Hrs-0600 Hrs				
	0600 Hrs-0900 Hrs & 1200 Hrs-1800 Hrs				
	0900 Hrs-1200 Hrs				
	1800 Hrs-2200 Hrs				
6	Street Light (LT-VI)				
A	Grampanchayat A, B & C Class Municipal Council	4.12	31.86	31.86	26.28
B	Municipal corporation Area	5.00	41.07	41.07	32.71
7	Temporary Connection (LT-VII)				
A	Temporary Connection (Religious)	3.27	65.40	65.4	23.43
B	Temporary Connection (Other Purposes)	15.07	301.40	301.4	108.00
8	Advertising and Hording (LT-VIII)	20.77	197.03	197.03	160.09
9	Crematorium & Burial (LT-IX)	3.37	34.59	34.59	29.39
10	Public Services (LT X)				
	0-20 KW				
	0-200 Units	5.36	107.20	107.2	38.41
	Above 200 units	7.88	157.60	157.6	56.47

Sr. No.	Categories	Approved energy charges	FAC To be Charged In The Billing Month August 2012	FAC To be Charged In The Billing Month September 2012	FAC to be charged PAISA/KWH in the Billing Month October 2012
	>20-50 KW	7.79	155.80	155.8	55.82
	>50 KW	8.24	164.80	164.8	59.05

Table 6- B

B	HT CATEGORY	Approved energy charges	FAC To be Charged In The Billing Month August 2012	FAC charged in billing month September 2012	FAC charged in billing month October 2012
	HT-I - Industries				
A	HT-I - Cont (Express Feeders)	7.01	70.10	75.84	59.84
B	HT-I - NonCont (Non Express Feeders)	6.33	63.30	62.93	49.99
C	HT-I - Seasonal Category	7.79	77.90	155.8	74.66
2	HT-II Commercial				
a	Express Feeder				
i)	Educaton Institute and Hospitals	10.45	104.50	94.08	117.20
ii)	Other	10.45	104.50	94.08	
b	B) Non-Express Feeder				
i)	Educaton Institute and Hospitals	9.83	98.30	88.5	90.71
ii)	Other	9.83	98.30	88.5	
	Total HT II Commercial				
3	HT-III Railways	7.81	78.10	71.76	57.47
4	HT-IV Public Water Works (PWW)				
A	Express Feeders	5.05	50.50	37.82	31.59
B	Non-Express Feeders	4.73	47.30	47.59	38.28
	Total HT-IV Public Water Works (PWW)				
5	HT-V Agricultural	2.88	28.80	48.39	53.82
6	HT-VI Bulk Supply				
A	Residential Complex	4.82	48.20	49.18	39.98
B	Commercial Complex	8.21	82.10	164.2	58.83
7	Temporary Supply				
8	religious	3.27	32.70	29.44	23.43
	other	12.82	128.20	115.42	91.87
9	Public services(HT IX)				
	Express Feeders	8.21	82.10	76.65	58.83
	Non-Express Feeders	7.65	76.50	71.17	54.82

PURCHASES**Table 1.1****Approved power purchase quantum and cost for FY 2012-13**

Sr. No.	Source of Power	Quantum of Energy available at generation bus-bar (MUs)Annual	Total Cost (Rs. crore)	Rate per unit of power procured (Rs/kWh)
1	MSPGCL	47,663	14,986	3.14
2	KSTPS	5,400	763	1.41
3	KSTPS III	687	187	2.73
4	VSTP I	3,516	783	2.23
5	VSTP II	2,940	647	2.20
6	VSTP III	2,400	614	2.56
7	VSTP IV	381	159	4.17
8	KAWAS	1,080	442	4.10
9	GANDHAR	1,020	442	4.33
10	KhSTPS-II	720	295	4.09
11	SIPAT TPS	4,983	1,016	2.04
12	Mauda	-	-	-
13	Barh	-	-	-
	NTPC	23,127	5,349	2.31
14	KAPP	760	181	2.37
15	TAPP 1&2	1,280	135	1.06
16	TAPP 3&4	3,293	992	3.01
	NPCIL	5,333	1,308	2.45
17	SSP	990	203	2.05
18	PENCH	72	15	2.05
19	DODSON I	42	9	2.18
20	DODSON II	89	15	1.73
21	RGPPL	5,256	3,053	5.81
22	IPP - JSW	1,934	685	3.54
23	Mundra UMPP	1,738	393	2.26
24	MEDIUM-TERM	3,141	1,288	4.10
25	Adani power	1,143	292	2.55

Variable Charges approved for MSPGCL stations for FY 2012-13 (Rs./ kWh)

Table 1.2

Rs/kWh

Bhusawal	3.34
Chandrapur	2.09
Khaperkheda	2.42
Koradi	2.89
Nasik	3.91
Parli	2.75
Uran	2.06
Paras Unit 3	1.74
Parli Unit 6	2.12
Paras Unit 4	1.74
Parli Unit 7	2.07