



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

No. MERC/FAC/20172018/4225

Date: 22 September 2017

To,  
**The Managing Director,**  
Tata Power Company Ltd.,  
Dharavi Receiving Station,  
New Shalimar Industrial Estate  
Matunga, Mumbai – 400 019

**Subject:** Post facto approval of TPC-D's Fuel Adjustment Charges (FAC) for the period of October, 2016 to March, 2017.

**Reference:** 1. TPC-D's FAC submission vide letter no. 104 dated 22 May, 2017 for post-facto approval of FAC for the period from October, 2016 to December, 2016  
2. TPC-D's FAC submission vide letter no. 135 dated 27 June, 2017 for post-facto approval of FAC for the period from January, 2017 and March, 2017

Sir,


Upon vetting the FAC calculations for the months of October, 2016 to March, 2017 as mentioned in the above reference, the Commission has accorded post facto approval to TPC-D undertaking for charging FAC to its consumers as shown in the table below:

Month		Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Standalone $Z_{FAC}$ (Rs. Crore)	A	(15.24)	8.00	1.95	16.68	19.49	(4.39)
Unrecovered part of recalculated FAC for the period of April to September, 2016* (Rs. Crore)	B	21.76	-	-	-	-	-
Net $Z_{FAC}$ allowed for recovery (Rs. Crore)	C=A+B	6.52	8.00	1.95	16.68	19.49	(4.39)

\*Allowed vide FAC Prior Approval Report dated 16 January, 2017.

The above approval of FAC is subject to final True up of FY 2016-17 under the MERC (Multi Year Tariff) Regulations, 2015.

Yours faithfully,

  
(Dr. Rajendra Ambekar)  
Executive Director, MERC



Page 1 of 14



**Encl:** Annexure A: Detailed Vetting Report for the period of October, 2016 to March, 2017.

**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 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, 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: <a href="mailto:maccia.nsk@gmail.com">maccia.nsk@gmail.com</a>	Chamber of Marathwada Industries and Agriculture, Bajaj Bhavan, P-2, MIDC Area, Station Road, Aurangabad - 431 005



**POST FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF OCTOBER,  
2016 TO MARCH, 2017**

**Subject:** Post facto approval of TPC-D's Fuel Adjustment Charges (FAC) for the period of October, 2016 to March, 2017.

**Reference:** 1. TPC-D's FAC submission vide letter no. 104 dated 22 May, 2017 for post-facto approval of FAC for the period from October, 2016 to December, 2016  
2. TPC-D's FAC submission vide letter no. 135 dated 27 June, 2017 for post-facto approval of FAC for the period from January, 2017 and March, 2017

**1. FAC submission by TPC-D:**

1.1 TPC-D has submitted FAC submissions for the months of October, 2016 to March, 2017 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by TPC-D, the Commission has accorded post facto approval for the FAC amount to be charged in the billing months of February, 2017 to May, 2017.

**2. Background**

2.1 On 21 October, 2016, the Commission has issued Tariff Order for TPC-D, (Case No. 47 of 2016) for True-up of FY 2014-15, provisional True-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 16 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 letters dated 22 May, 2017 and 27 June, 2017, TPC-D has filed FAC submissions for the months of October, 2016 to December, 2017 and January, 2017 to March, 2017 respectively for post facto approval. The Commission has scrutinized the submissions provided by TPC-D 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 TPC-D 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					
			(Oct-16)	(Nov-16)	(Dec-16)	(Jan-17)	(Feb-17)	(Mar-17)
			(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
(I)	(II=I/12)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
<b>LT Category</b>								
LT I(B) - Residential (BPL)	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LT I(A) - Residential	2030.6	169.22	145.94	155.46	137.32	127.96	128.41	132.01
LT II(A) - Commercial upto 20 kW	268.31	22.36	18.02	18.56	17.32	16.36	15.74	15.02
LT II(B) - Commercial 20 to 50 kW	84.51	7.04	6.58	6.51	6.53	6.10	6.22	7.00
LT II(C) - Commercial > 50 kW	356.54	29.71	27.82	26.29	26.08	24.37	23.08	25.70
LT III(A) - Industrial upto 20 kW	69.46	5.79	5.64	4.65	4.67	4.87	4.69	4.23
LT III(B) - Industrial > 20 kW	207.31	17.28	16.01	15.24	15.53	14.65	14.82	15.97
LT V - Advertisement & Hoardings	0.05	0.00	0.00	0.01	0.01	0.01	0.01	0.01
LT VI - Streetlights	0.57	0.05	0.07	0.06	0.07	0.07	0.06	0.07
LT VII(A) - Temporary Religious	0.08	0.01	0.00	0.02	0	0.00	0.00	0.00
LT VII(B) - Temporary Others	19.94	1.66	1.90	1.94	1.82	1.85	-0.36	4.12
LT VIII - Crematoriums & Burial Gr.	0.33	0.03	0.03	0.02	0.03	0.03	0.02	0.02
LT IX(A) - Public Service Govt Hosp. & Educational Institutions	0.15	0.01	0.11	0.1	0.12	0.40	0.27	0.29
LT IX(B) - Public Services Others	14.76	1.23	1.68	1.51	1.57	1.20	1.56	1.55



Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales					
			(Oct-16)	(Nov-16)	(Dec-16)	(Jan-17)	(Feb-17)	(Mar-17)
			(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
(I)	(II=I/12)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
<b>HT Category</b>								
HT I – Industry	859.39	71.62	81.18	68.8	60.95	76.80	65.23	71.28
HT II – Commercial	610.51	50.88	45.18	37	41.76	42.44	35.04	45.66
HT III - Group Housing Society (Resi)	3.56	0.30	0.32	0.28	0.29	0.28	0.26	0.31
HT IV - PWW & Sewage Treatment Plants	67.76	5.65	6.36	5.83	5.95	5.94	5.41	5.94
HT V(A) - Railways 22/33 kV	156.55	13.05	5.40	5.06	5.3	0.00	0.00	0.00
HT V(B) - Railways Metro & Monorail	6.19	0.52	0.62	0.59	0.6	5.56	5.29	6.09
HT VI(A) - Public Service Govt Hosp. & Educational Institutions	45.32	3.78	0.92	0.83	0.89	0.99	0.76	0.93
HT VI(B) - Public Services Others	139	11.58	7.40	6.43	6.91	6.43	6.16	8.20
HT VII - Temporary Supply	9.28	0.77	1.02	1.02	1.09	1.07	1.04	1.19
<b>Total</b>	<b>4950.19</b>	<b>412.52</b>	<b>372.2</b>	<b>356.21</b>	<b>334.81</b>	<b>337.38</b>	<b>313.71</b>	<b>345.59</b>

#### 4. Cost of Power Purchase

4.1 TPC-D purchase majority of its power from TPC-G. Further, TPC-D also procures power from other sources in order to fulfil the demand of its consumers. The following are the list of sources from which TPC-D procures power to meet its demand.

- Purchases from Tata Power Company Ltd. (TPC-G)
- Renewable energy procurement(RPS)
- Bilateral contracts and decrements to the imbalance pool.
- Unscheduled Interchanges (Interstate UI)

4.2 The following tables show the variation in average power purchase cost (Rs/kWh) for the months of October, 2016 to March, 2017 as compared to average power purchase cost approved in Tariff Order dated 21 October, 2016:



Particulars	Tariff Order Dated 21.10.2016			Actual for October, 2016		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
TPC-G	3644.80	1529.32	4.20	346.67	134.49	3.88
RE Sources	369.61	233.57	6.32	17.69	10.51	5.94
Bilateral	1163.27	364.32	3.13	5.88	1.59	2.70
Others	-	-	-	20.62	(1.25)	(0.61)
<b>Total</b>	<b>5177.68</b>	<b>2127.21</b>	<b>4.11</b>	<b>390.86</b>	<b>145.34</b>	<b>3.72</b>

Particulars	Actual for November, 2016			Actual for December, 2016		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
TPC-G	327.61	131.85	4.02	288.42	124.38	4.31
RE Sources	18.56	14.68	7.91	22.21	20.74	9.34
Bilateral	12.96	3.12	2.41	58.30	13.98	2.40
Others	10.91	-3.89	3.57	-18.95	-13.09	6.91
<b>Total</b>	<b>370.04</b>	<b>145.76</b>	<b>3.94</b>	<b>349.98</b>	<b>146.01</b>	<b>4.17</b>

Particulars	Actual for January, 2016			Actual for February, 2016		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
TPC-G	226.03	111.14	4.92	292.36	136.95	4.68
RE Sources	16.38	13.62	8.31	17.55	18.27	10.41
Bilateral	132.65	35.22	2.66	74.60	20.28	2.72
Others	-31.08	-16.70	5.37	-73.95	-28.86	3.90
<b>Total</b>	<b>343.98</b>	<b>143.27</b>	<b>4.17</b>	<b>310.56</b>	<b>146.63</b>	<b>4.72</b>



Particulars	Actual for March, 2017		
	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh
TPC-G	348.76	145.66	4.18
RE Sources	17.36	12.41	7.15
Bilateral	88.85	24.34	2.74
Others	-74.56	-29.77	3.99
<b>Total</b>	<b>380.41</b>	<b>152.64</b>	<b>4.01</b>

4.3 The Commission allows the average power purchase cost of **Rs. 3.72/kWh** for the month of October, 2016, **Rs. 3.94/kWh** for the month of November 2016, **Rs. 4.17/kWh** for the month of December 2016, **Rs. 4.17/kWh** for the month of January 2017, **Rs. 4.72/kWh** for the month of February, 2017 and **Rs. 4.01/kWh** for the month of March, 2017 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 21 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 October, 2016 to March, 2017.

S. No.	Particulars	Units	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
1	Average power purchase cost approved by the Commission	Rs./kWh	4.11	4.11	4.11	4.11	4.11	4.11
2	Actual average power purchase cost	Rs./kWh	3.72	3.94	4.17	4.17	4.72	4.01
3	Change in average power purchase cost (=2 -1)	Rs./kWh	(0.39)	(0.17)	0.06	0.06	0.61	(0.10)
4	Net Power Purchase	MU	390.86	370.04	349.98	343.98	310.56	380.41
5	<b>Change in fuel and power purchase cost (=3 x 4/10)</b>	<b>Rs. Crore</b>	<b>(15.24)</b>	<b>(6.27)</b>	<b>2.23</b>	<b>1.95</b>	<b>19.04</b>	<b>(3.65)</b>





**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	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
1.1	Incremental cost allowed to be recovered in Month n-4	Rs. Crore	0.00	0.00	0.00	0.00	16.53	16.68
1.2	Incremental cost in Month n-4 actually recovered in month n-2	Rs. Crore	0.00	0.65	0.21	0.00	15.99	17.72
1.3	Adjustment factor for over-recovery/under-recovery (1.2 - 1.1)	Rs. Crore	0.00	(0.65)	(0.21)	0.00	0.54	(1.04)
1.4	Recovery of amount refunded in October, 2016 before issuance of MYT Order*	Rs. Crore	0.00	14.79	0.00	14.79	0.00	0.00
1.5	Net Adjustment factor for over-recovery/under-recovery (1.3 + 1.4)	Rs. Crore	0.00	14.44	(0.21)	0.00**	0.54	(1.04)

*\*TPC-D in its FAC submissions stated before issuance of the MYT Tariff Order on 21 October, 2016 it has refunded an amount of Rs. 29.58 Crore through FAC to the consumers in the month of October, 2016. As during prior approval process, recalculation of FAC was undertaken only for April to September, 2016, said amount of Rs. 29.58 crore refunded in month of October, 2016 was not considered for recalculation. TPC-D has recovered this amount in two instalments. The Commission has verified FAC submissions of TPC-D and found that the said refunded amount of Rs. 29.58 Crore was not considered during the prior approval process. Accordingly, the Commission has considered the said amount in this post facto approval. Further, the Commission also allows the amount to be recovered into two instalments, i.e., November 2016 and January 2017 recoverable in billing months of February 2017 and March, 2017 respectively.*

*\*\*The Commission has not considered any carrying cost as TPC-D in its FAC formats has not considered any carrying cost on the amount.*

**7. Carrying Cost for over recovery/under recovery (B)**

7.1 Carrying/ Holding cost for under/ over recovery has been granted at approved interest rate for the eligible amount viz. the difference between the normative actual variable cost of power procurement and approved cost of power procurement for the respective months. The following Table shows the month wise interest rate and amount worked out as Carrying/ Holding cost for under/ over recovery for the months of October, 2016 to March, 2017.



Month	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Adjustment Factor (Rs. Crore)	0.00	14.44	(0.21)	0.00	0.54	(1.04)
Applicable Interest Rate	10.80%	10.80%	10.80%	10.75%	10.75%	10.75%
Carrying/ Holding cost for under/ over recovery (Rs. Crore)	0.00	0.13	(0.00)	0.00	0.00	(0.01)

## 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					
				Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
1	Energy Requirement for TPC-D Consumers at T<math>\diamond</math>D interface	MU	2403.60	1511.27	1711.65	1911.99	2114.16	2293.96	2504.06
2	TPC-D Retail Sales (excluding sales at 110/132 kV level)	MU	2379.08	1490.91	1687.75	1882.67	2082.91	2256.58	2473.23
3	Distribution Loss	MU	24.52	20.37	23.91	29.32	31.25	37.38	30.83



S. No.	Particulars	Units	Approved in Tariff Order	Actual up to					
				Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
	(1 - 2)								
4	Distribution Loss as % of net energy input (3/1)	%	1.02%	1.35%	1.40%	1.53%	1.48%	1.63%	1.23%
5	Excess Distribution Loss = [Actual Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	0.93	0.98	1.31	1.21	1.43	0.56
6	Disallowance of FAC due to excess Distribution Loss	Rs. Cr.	-	0.00	0.00	0.07	0.06	0.09	0.00

8.3 As seen from the above table, cumulative distribution loss for the months of October, 2016 to March, 2017 is higher than the approved distribution loss of 1.02%. As standalone FAC for the month of October, 2016, November, 2016 and March, 2016 is negative, the Commission has not worked out any disallowance on account of excess distribution loss for these months. Accordingly, deductions have been made on account of excess distribution loss for the month of December, 2016 to February, 2017.

**9. Recalculation of FAC based for the period April to September 2016:**

9.1 In its vetting report dated 9 January, 2017 for the month of July to September, 2016, the Commission has directed TPC-D as follows:

*“Since, FAC for the period of April 2016 to September 2016 has been calculated based on the power purchase cost approved for FY 2015-16 in the prevailing Tariff Order dated 26 June, 2015, TPC-D is directed to recalculate FAC for this period after considering the power purchase cost approved for FY 2016-17 in Tariff Order dated 21 October, 2016 in Case No. 47 of 2016. TPC-D shall adjust the resultant FAC amount which remains to be recovered / refunded in next FAC billing process.”*

9.2 In compliance of above, TPC-D vide email dated 12 January, 2017 submitted recomputed FAC for the month of April to September, 2016 after comparing actual power purchase expenses with approved expenses for FY 2016-17 in Tariff Order dated 21 October, 2016.



As per this submission FAC of Rs 10.77 Crore is yet to be recovered from the consumers for this period.

9.3 The Commission has scrutinised submission of TPC-D and found that FAC of Rs 21.76 Crore is yet to be recovered from the consumers for the period of April to September, 2016. The Commission allows TPC-D to adjust this unrecovered amount of Rs 21.76 Crore in the FAC for the month of October, 2016.

9.4 Accordingly, the Commission has considered Rs. 21.76 Crore to be adjusted in FAC of October, 2016.

#### 10. Summary of Allowable Z<sub>FAC</sub>

10.1 The summary of the FAC amount as approved by the Commission for the month of October, 2016 to March, 2017 which is allowed to be recovered in the billing month of January, 2017 to May, 2017 is as shown in the Table below.

S. No.	Particulars	Units	Oct-16	Nov-16	Dec-16	Jan-17	Feb. 17	Mar. 17
<b>1.0</b>	<b>Calculation of ZFAC</b>							
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	(15.24)	(6.27)	2.23	1.95	19.04	(3.66)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	0.00	0.13	0.00	0.00	0.00	(0.01)
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.00	14.44	(0.21)	14.79	0.54	(0.78)
<b>1.4</b>	<b>ZFAC = F+C+B</b>	<b>Rs. Crore</b>						
1.5	Recalculated net FAC amount for April to Sept-2016	Rs. Crore	21.76	-	-	-	-	-
<b>1.6</b>	<b>Net ZFAC</b>	<b>Rs. Crore</b>	<b>6.52</b>	<b>8.00</b>	<b>2.01</b>	<b>16.74</b>	<b>19.59</b>	<b>(4.45)</b>
<b>2.0</b>	<b>Calculation of FAC Charge</b>							
2.1	Energy Sales within the License Area	MU	374.18	349.46	333.54	330.00	295.80	369.20
2.2	Excess Distribution Loss	MU	0.93	0.98	1.31	1.21	1.43	0.56
2.3	ZFAC per kWh	Rs./kWh	0.1743	0.2290	0.0604	0.5072	0.6622	(0.1206)
<b>3.0</b>	<b>Recovery of FAC</b>							
3.1	Allowable FAC [(2.1 x 2.3)/10]	Rs. Crore	6.52	8.00	2.01	16.74	19.59	(4.45)



S. No.	Particulars	Units	Oct-16	Nov-16	Dec-16	Jan-17	Feb. 17	Mar. 17
3.2	FAC disallowed corresponding to excess Distribution Loss [(2.2 x 2.3)/10]	Rs. Crore	0.00	0.00	0.008	0.06	0.09	0.00
4.0	<b>Total FAC based on category wise and slab wise allowed to be recovered</b>	<b>Rs. Crore</b>	<b>6.52</b>	<b>8.00</b>	<b>2.01</b>	<b>16.68</b>	<b>19.49</b>	<b>(4.45)</b>
4.1	Carried forward FAC for recovery during future period (3.1-3.2-4.0)	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00

## 11. Recovery from Consumers:

11.1 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:—*

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

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:*

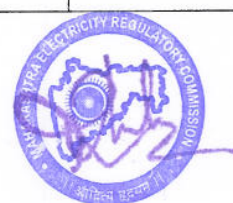
*Provided that the monthly ZFAC shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*



*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....”*

- 11.2 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 an under recovery of  $Z_{FAC}$  in absolute terms on considering category wise per unit FAC worked out and category wise actual sales for the months of October, 2016 to March, 2017.
- 11.3 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.
- 11.4 On account of delay in submission of proposal for prior approval of FAC for the first month of Tariff Order, the Commission vide its prior Vetting of FAC dated 16 January, 2017 has directed TPC-D to levy FAC for October, 2016 in January, 2017 i.e. lag of three months in recovery of FAC.
- 11.5 However, in order to reduce such time lag of three months to two months as envisage in MYT Regulations, 2015, TPC-D has combined FAC for the months of October to December, 2016, and levied it in the billing month of February 2017. Thereafter, FAC for January to March 2017 is levied to the consumers in the month of March to May, 2017 i.e. after two months time lag as per Regulations. As combined levy of FAC was with objective of reducing the time lag from 3 month to 2 months as envisage in Regulations, the same is allowed.
- 11.6 The following table shows per unit  $Z_{FAC}$  to be charged to the consumers of TPC-D for the billing month of February, 2017 to May, 2017.

S. No	Consumer Category	Slabs	ZFAC to be levied in billing month of			
			Feb'17 (Rs./kWh)	Mar'17 (Rs./kWh)	April'17 (Rs./kWh)	May'17 (Rs./kWh)
(A)	<b>LT Category</b>					
1	LT 1 – BPL	0 – 30	0.150	0.150	0.150	(0.035)
2	LT 1 - Residential S1	0 – 100	0.091	0.093	0.148	(0.027)
3	LT 1 - Residential S2	101 – 300	0.250	0.256	0.381	(0.068)
4	LT 1 - Residential S3	301 - 500	0.508	0.519	0.702	(0.126)
5	LT 1 - Residential S4	> 501	0.678	0.694	0.945	(0.170)
6	LT II Commercial (A)	0 - 20 kW	0.563	0.576	0.732	(0.131)
7	LT II Commercial (B)	20–50 kW	0.615	0.629	0.786	(0.141)
8	LT II Commercial (C)	> 50 kW	0.690	0.706	0.904	(0.162)
9	LT III (A) - LT Industries	0 - 20 kW	0.527	0.539	0.693	(0.124)



S. No	Consumer Category	Slabs	ZFAC to be levied in billing month of			
			Feb'17 (Rs./kWh)	Mar'17 (Rs./kWh)	April'17 (Rs./kWh)	May'17 (Rs./kWh)
10	LT III (B) - LT Industries	> 20 kW	0.629	0.644	0.837	(0.150)
11	LT IV - Public Water Works*	all units	0.000	0.000	0.000	0.000
12	LT V - Advt & Hoardings	all units	0.995	1.018	1.261	(0.226)
13	LT VI - Street Lights	all units	0.579	0.592	0.746	(0.134)
14	LT VII (A) - Temporary Supply -Religious	all units	0.416	0.425	0.550	(0.099)
15	LT VII (B) - Temporary Supply -Others	all units	0.734	0.751	0.933	(0.168)
16	LT VIII - Crematorium and Burial Grounds	all units	0.270	0.276	0.395	(0.071)
17	LT IX (A) - Public Service – Govt. Hospitals & Educational Institutes	all units	0.583	0.596	0.752	(0.135)
18	LT IX (B) - Public Service – Others	all units	0.687	0.703	0.882	(0.158)
19	LT X - Agriculture (A) Pumpsets*	all units	0.000	0.000	0.000	0.000
20	LT X - Agriculture (B) Others *	all units	0.000	0.000	0.000	0.000
<b>(B) HT Category</b>						
21	HT - I Industry	all units	0.648	0.663	0.815	(0.146)
22	HT - II Commercial	all units	0.711	0.727	0.906	(0.163)
23	HT - III Group Housing Society (Residential)	all units	0.453	0.463	0.588	(0.106)
24	HT - IV Public Water Works		0.575	0.588	0.738	(0.133)
25	HT-V Railways, Metro & Monorail	all units	0.589	0.603	0.751	(0.135)
26	HT-VI (A) Public Service – Govt. Hospitals & Educational Institutes	all units	0.570	0.583	0.740	(0.133)
27	HT-VI (B) Public Service-Others	all units	0.669	0.685	0.860	(0.155)
28	HT-VII Temporary Supply	all units	0.715	0.732	0.910	(0.163)

\*There are no consumers under these categories. FAC can be calculated once ABR based on actual sales is available.



