



महाराष्ट्र विद्युत नियामक आयोग

Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/20142015/00774

Date: 28 July, 2014

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 November and December 2012

Reference:

- MSEDCL's FAC submission of month of November 2012 received vide MSEDCL/PP/FAC/L7/5956 dated 26/2/2013.
- MSEDCL's FAC submission of month of December 2012 received vide MSEDCL/PP/FAC/L7/8742 dated 26/03/2013.
- Final Replies and Clarifications to all the Data Gaps received on 27th June 2013.

Sir,

Upon vetting the FAC calculations for the months of November and December 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), as detailed below:

Month	FAC Amount (Rs. Crores)
November 2012	302.7648
December 2012	273.2055

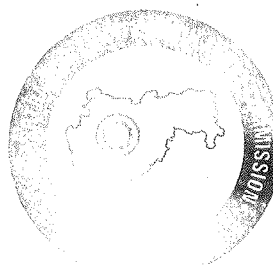
The Commission has notified on 28th February 2011 the Amendment Regulations for recovery of Fuel Adjustment Cost charges from the Consumers in a proportionate manner. Accordingly, the Commission has also approved the category wise and slab wise tabulation for recovery of the said FAC charges by MSEDCL 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 month of November and December 2012 as approved by the Commission is shown in the Table below:-

Table-1

Sr. No.	Particulars	Unit	Nov 2012	Dec 2012
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	590.02	685.30
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	266.51	237.98
4	C/f from Previous month.	Rs Crore	0	0
5	Under/over recovery from 6.6 statement 3.	Rs Crore	36.25	35.21
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	302.7648	273.2055
7	Total FAC allowed to be recovered in the billing month of February 2013 and March 2013 respectively	Rs Crore	302.7648	273.2055
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL
5	FAC rate in the billing month of February 2013 and March 2013 respectively	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,



(Signature)
28.7.14
(Rajendra Ambekar)
Director (Tariff)

Encl: Annexure: Detailed Vetting Report for the month of November and December 2012

Cc as enclosed:

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

ANNEXURE 1
Detailed Vetting Report

Date: 28 July, 2014

Post Facto approval of FAC Charges for the months of Nov and Dec 2012 submitted by MSEDCL

Subject: Post Facto approval of FAC submissions of MSEDCL for November and December 2012

Reference:

- a) MSEDCL's FAC submission of month of November 2012 received vide MSEDCL/PP/FAC/L7/5956 dated 26/2/2013.
- b) MSEDCL's FAC submission of month of December 2012 received vide MSEDCL/PP/FAC/L7/8742 dated 26/03/2013.
- c) Final Replies and Clarifications to all the Data Gaps received on 27th June 2013.

1. FAC submission by MSEDCL:

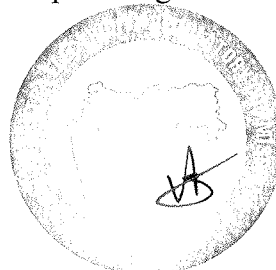
1.1 MSEDCL had submitted the FAC submission for the month of November and December 2012 as referred above. After scrutiny of the said submissions, an initial set of queries was forwarded to MSEDCL on 16th May 2013. Clarifications were received from MSEDCL for the above mentioned queries on 5th June 2013. Additional Clarification sought on 15th June 2013 and final reply's received on 27th June 2013.

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 month 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.



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 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 *November 2012 and December 2012 of Rs. 302.76 Crore and Rs. 273.20 Crore respectively*. The summary of the FAC claim as approved by the Commission is shown in the Table below:-

Table -2

Sr. No.	Particulars	Unit	Nov 12	Dec 12
1	FAC (A) considering cap on Monthly FAC Charge	Rs Crore	590.02	685.30
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	266.51	237.98
4	C/f from Previous month.	Rs Crore	0	0
5	Under/over recovery from 6.6 statement 3.	Rs Crore	36.25	35.21
6	Total FAC to be recovered from consumers 6=(3+4+5)	Rs Crore	302.7648	273.2055
7	Total FAC allowed to be recovered in the billing month of February 2013 and March 2013 respectively	Rs Crore	302.7648	273.2055
8	Carried forward FAC (A) for recovery during future period 8=(6-7)	Rs Crore	NIL	NIL

After the apportionment, the under-recovered FAC amount to be carried forward to the month of Jan 2013 is **Nil**.



Sr. No.	Detail	Unit	Nov 12	Dec 12
1	Actual Fuel Cost	Rs. Crore	799.6039	816.7087
2	Normative Actual Fuel cost	Rs. Crore	765.0671	821.9950
3	Net Generation	MUs	3155.92	3360.59
4	Approved variable cost of generation (Order)	Rs./kWh	2.3744	2.3744
5	Actual average variable cost of generation	Rs./kWh	2.5337	2.4303
6	Average Normative variable cost of generation	Rs./kWh	2.4242	2.4459
7	Change in variable cost of generation = {(3)X[(6)-(4)]}/10	Rs. Crore	15.7003	24.0301

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 Nov and Dec 2012 are given below:

Table-4

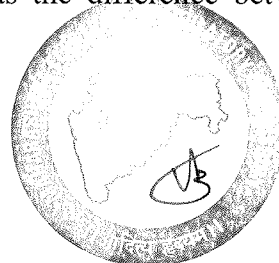
Sr. No.	Details	Unit	Nov 12	Dec 12
1	Net Energy Purchase	MUs	4747.54	4612.51
2	Variable Cost of Energy purchased	Rs. Crore	1215.20	1194.98
3	Average Rate of energy purchased	Rs./kWh	2.56	2.59
4	Approved Rate for Energy purchase (Order)	Rs./kWh	2.75	2.66

c) Unscheduled Interchange (UI) Charges:

MSEDCL has procured 7 MUs through UI at average rate of Rs. 22.18 per kWh; in the month of Nov 2012 at the net cost of Rs. 15.58 crores and (22) MUs at an average cost of Rs. 4.95 per kWh for the month of Dec 2012 at the net cost of Rs. 11.02 crores .

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

MSEDCL has claimed losses in power purchase through grid at (178) MUs in the month of Nov 2012 and (216) MUs in the month of Dec 2012, as the difference between the Scheduled Energy (including UI) and Actual sale.



g) Adjustment factor-

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

Table-5A
Adjustment Factor

Sr. No	Parameter	Unit	Nov 12	Dec 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	318.26	332.30
1.2	Incremental cost in Month j-4 actually recovered in month j-2	Rs Crore	282.01	381.21
1.3	Over-recovery/under-recovery (1.2-1.1)	Rs Crore	36.25	35.21
2.0				
2.1	C/f DUE TO FORMULA ERROR	Rs Crore	7.88	9.75
2.2	C/f of July 12 to be recovered in 6 equal instalment	Rs Crore	268.38	268.38
2.3	Negative FAC of current month adjusted from Total C/f amount of July 12	Rs Crore	70.35	13.23
3.0	Adjustment factor for over-recovery/under-recovery (2.1+2.2+2.3)	Rs Crore	346.62	291.37

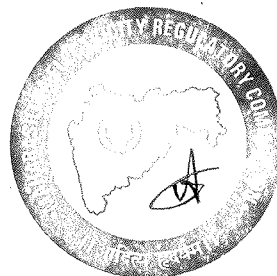
4. Transmission and Distribution Loss:

Transmission Loss:

In the FAC submission, MSEDCL has reported Transmission loss for the month of Nov 12 as (4.58) % and in the month of Dec 12 as 3.61 % as against approved order value of 4.24% for InSTS.

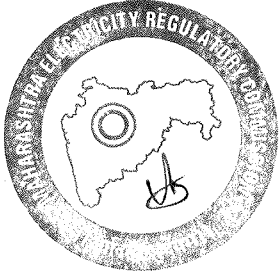
Distribution loss:

For the month of Nov 2012, MSEDCL has reported Distribution Loss of 20.71%. Thereby, the Cumulative Distribution loss up to the month of Nov 2012 is 14.87 % against approved Distribution loss of 15.84%.



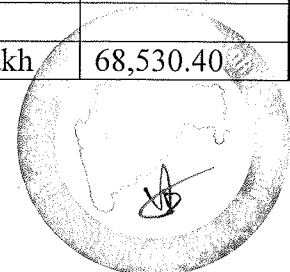
e) Formula error of previous months FAC submission in Form 8.3

This is approved.



	(3)		3,625.15
3.6	Total FAC to be recovered from consumers 4=(1+2+3)	Rs Lakh	30,276.48
3.7	Total FAC allowed to be recovered in the billing month of February 2013 based on current month category-wise and slab-wise sales- 5	Rs Lakh	30,276.48
3.8	Carried forward FAC (A) for recovery during future period (4-5)	Rs Lakh	-

Table 8.1			
Title Summary of FAC (A) and FAC_{kWh} December-2012			
Sr. No.	Parameter	Unit	Value
(A)	(B)	(C)	(D)
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	(1,323.64)
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	29,136.81
1.7	FAC (A) = C + I + B	Rs Lakh	27,813.18
2.0	Calculation of FAC_{kWh}		
2.1	Sale within License Area	MU	7,318.01
2.2	Excess T&D Loss	MU	-
2.3	FAC Charge (FAC _{kWh}) without considering cap on monthly FAC Charge	Paise/kWh	38.01
2.4	Cap on monthly FAC Charge	Paise/kWh	93.65
2.5	FAC Charge (FAC_{kWh}) considering cap on monthly FAC Charge	Rs/kWh	0.9365
3.0	FAC (A)		
3.1	FAC (A) considering cap on Monthly FAC	Rs Lakh	68,530.40



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, 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 permissible vide the Commission's Order. Clarification was requested and received vide its EMail 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 installment 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)"

Further, MSEDCL has divided the carry forward amount of Rs. 1610.26 crores into 6 equal installments and to levy Rs. 268.38 crores every month. The status of recovery of Rs.1610.26 crores is as tabulated below-

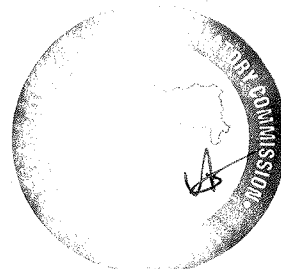


Table 5C

Sr. No.	Details	Unit	Nov 12	Dec 12
1	Sales in licensed area	MUs	6229.08	7318.01
2	FAC(A) =C+I+B	Rs Lakh	27626.51	27813.18
3	FAC (A) disallowed corresponding to excess T&D loss	Rs Lakh	-	-
4	FAC kWh	Rs/kWh	0.4435	0.3801
5	FAC (A) charged as per 8.3 category wise and slab wise 1	Rs Lakh	26651.33	23798.86
6	C/f from Previous month.	Rs Lakh	-	-
7	Under/over recovery from 6.6 statement 3.	Rs Lakh	3625.15	3521.68
8	Total FAC to be charged in current month 8=(5+6+7)	Rs Lakh	30276.48	27320.55
9	Total FAC	Rs/kWh	0.4860	0.3733
10	FAC rate based on category wise and slab wise 5.	Rs Lakh	30276.48	27320.55
11	FAC to be charged (Avg)	Rs/kWh	0.4860	0.3733
12	Carried forward FAC (A) for recovery during future period 12=(8-10)	Rs Lakh	0.00	0.00

Table-6 A – November 2012



Sr. No.	Categories	Approved energy charges	FAC To be Charged In The Billing Month
A	LT Category	Paisa/KWH	Paisa/KWH
5	LT Industries (LT-V)		
A	0-20 KW	506.00	83.50
B	Above 20 KW	701.00	69.72
	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	412.00	32.60
B	Municipal corporation Area	500.00	35.92
7	Temporary Connection (LT-VII)		
A	Temporary Connection (Religious)	327.00	26.08
B	Temporary Connection (Other Purposes)	1507.00	120.17
8	Advertising and Hording (LT-VIII)	2077.00	158.17
9	Crematorium & Burial (LT-IX)	337.00	30.94
10	Public Services (LT X)		
	0-20 KW		
	0-200 Units	536.00	42.74
	Above 200 units	788.00	62.84
	>20-50 KW	779.00	62.12
	>50 KW	824.00	65.71



Table-6A – December 2012

Sr. No.	Categories	Approved Energy charges	FAC To Be Charged In The Billing Month
			Paisa/kWh
A	LT Category	Paisa/kWh	Paisa/kWh
1	Domestic (LT-I)		
A	BPL (0-30 Units)	76.00	7.39
B	Consumption > 30 Units per month		
i	1-100 Units	336.00	29.99
ii	101-300 Units	605.00	58.53
iii	301-500 Units	792.00	103.45
iv	500-1000 Units	878.00	110.91
v	Above 1000 Units	950.00	115.43
2	Non Domestic (LT-2)		
A	0-20 KW		
i	Educational Institute and Hospitals		
a	0-200 Units	585.00	74.42
b	Above 200 units	838.00	77.49
B	>20-50 KW	844.00	59.61
	>50 KW	1091.00	69.22
3	Public Water Works (LT-III)		
a	0-20 KW	235.00	15.86
b	20-40 KW	311.00	18.20
c	40-50 KW	420.00	20.17
4	Agriculture (LT-IV)		
A	Unmetered Tariff		
1	Zones with Consumption norm < 1318 Hrs/HP/Annum		
	A) 0-5 HP	2.15	4.01
	B) Above 5 HP	2.15	4.01
2	Zones with Consumption norm > 1318 Hrs/HP/Annum		
	A) 0-5 HP	2.64	16.59
	B) Above 5 HP	2.64	16.59
B	Metered Tariff (Including Poultry Farms)	210.00	5.66

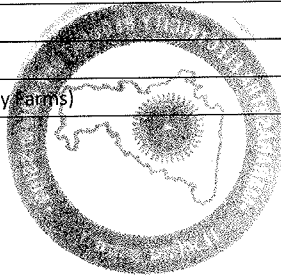


Table 6B – December 2012

Sr. No.	Categories	Approved Energy charges	FAC To Be Charged In The Billing Month
A	HT Category	Paisa/kWh	Paisa/kWh
	HT-I - Industries		
A	HT-I - Cont (Express Feeders)	701.00	59.21
B	HT-I - NonCont (Non Express Feeders)	633.00	43.65
C	HT-I - Seasonal Category	779.00	-70.19
2	HT-II Commercial		
a	Express Feeder		
i)	Educaton Institute and Hospitals	1045.00	140.41
ii)	Other	1045.00	
b	B) Non-Express Feeder		
i)	Educaton Institute and Hospitals	983.00	110.33
ii)	Other	983.00	
3	HT-III Railways	781.00	51.05
4	HT-IV Public Water Works (PWW)		
A	Express Feeders	505.00	35.67
B	Non-Express Feeders	473.00	32.21
5	HT-V Agricultural	288.00	23.33
6	HT-VI Bulk Supply		
A	Residential Complex	482.00	36.62
B	Commertial Complex	821.00	56.10
7	Temporary Supply		
A	Religious	327.00	22.35
B	Other	1282.00	87.61
8	Public services(HT IX)		
	Express Feeders	821.00	56.10
	Non-Express Feeders	765.00	52.28

