



महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2023-24/JNPT/0234

Date: 15th April, 2024

Jawaharlal Nehru Port Trust
Administration Building
Sheva, New Mumbai - 400 707

Subject: Post-facto approval of Fuel Adjustment Charges (FAC) submissions of Jawaharlal Nehru Port Trust (JNPT) for the months of October 2023, November 2023, and December 2023.

Reference: 1. JNPT FAC submission for the months of October 2023, November 2023, and December 2023 vide email dated 14 February, 2024.
2. Data gaps raised vide email dated 21 March, 2024.
3. JNPT's response to data gaps vide email dated 27 March, 2024.

Sir,

Upon vetting the FAC calculations for the months of October 2023, November 2023, and December 2023 as mentioned in the above reference, the Commission has accorded approval for charging FAC to its consumers as shown in the table below:

Table 1: Z_{FAC} leviable/refundable to consumer

Month	October 2023	November 2023	December 2023
Z _{FAC} allowed for recovery (Rs. Crore)	Nil	0.043	0.052

The Commission allows Rs. (0.002) Crore for the month of October 2023 and Nil for the months of November 2023 and December 2023 respectively, to be accumulated in the FAC stabilisation fund with holding cost. Further, as directed by the Commission, to maintain transparency in management and use of such FAC Fund, JNPT shall maintain monthly account of such FAC fund and upload it on its website for information of stakeholders. Such details shall also be submitted to the Commission on quarterly basis along with proposal for post facto vetting of FAC.



Yours faithfully,


(Dr. Rajendra G. Ambekar)
Executive Director, MERC

Encl: Annexure A: Detailed Vetting Report for the period of October 2023, November 2023, and December 2023.

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Post Facto Approval for FAC Charges for the months of October 2023, November 2023, and December 2023

ANNEXURE
Detailed Vetting Report
Date: 15th April, 2024

POST-FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF OCTOBER 2023, NOVEMBER 2023, AND DECEMBER 2023

Subject: Post-facto approval of Fuel Adjustment Charges (FAC) submissions of JNPT for the months of October 2023, November 2023, and December 2023.

Reference:

1. JNPT FAC submission for the months of October 2023, November 2023, and December 2023 vide email dated 14 February 2024.
2. Data gaps raised vide email dated 21 March, 2024.
3. JNPT's response to data gaps vide email dated 27 March, 2024.

1. FAC submission by JNPT:

1.1 JNPT has made FAC submissions for the months of October 2023, November 2023, and December 2023 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by JNPT, the Commission has accorded post-facto approval for the FAC amount to be charged in the billing months of December 2023, January 2024, and February 2024.

2. Background

- 2.1 On 31 March, 2023 the Commission has issued Tariff Order in respect of JNPT (Case No. 219 of 2022) for Truing up of FY 2021-22, Provisional Truing up of FY 2022-23 and ARR and Tariff for the Multi-Year Tariff period for FY 2023-24 and FY 2024-25. Revised Tariff has been made applicable from 1 April, 2023.
- 2.2 The Commission had communicated the excel formats and guiding principles for filing of FAC submissions to all Distribution Licensees including SEZs. 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 The summary of the FAC Vetting Report approvals granted by the Commission till date is given below:
- Prior approval to the FAC for the month of April 2023 vide FAC Vetting Report dated 04 July, 2023.
 - Post-facto approval to the FAC for the months of May 2023 and June 2023 vide FAC Vetting Report dated 22 November, 2023
 - Post-facto approval to the FAC for the months of July 2023, August 2023 and September 2023 vide FAC Vetting Report dated 02 February, 2024



Post Facto Approval for FAC Charges for the months of October 2023, November 2023, and December 2023

2.4 As per provisions of MYT Regulations, 2019 a Distribution Licensee is required to obtain post-facto approval of the Commission on a quarterly basis for FAC charges within 60 days of close of each quarter. Accordingly, vide its letter dated 14th February 2024, JNPT has filed FAC submissions for the months of October 2023, November 2023, and December 2023 for post-facto approval. The Commission has scrutinized the submissions provided by JNPT and has also verified the power purchase bills provided along with its submissions.

3. Energy Sales of the Licensee

3.1 In the MYT Order passed by the Commission in Case No. 219 of 2022, the Commission has approved the tariffs so as to maintain zero cross-subsidy across tariff categories.

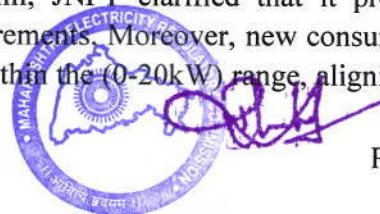
3.2 The net energy sales within licence area as submitted by JNPT in the FAC submission and as approved by the Commission are as shown in the Table 2 below:

Table 2: Energy Sales approved and actual in MUs

Consumer Category	Approved by the Commission	Monthly Approved	Actual Sales (October 2023)	Actual Sales (November 2023)	Actual Sales (December 2023)
	I	II=I/12	III	IV	V
HT Category					
HT- I Industry	3.39	0.28	0.29	0.19	0.24
HT-II Commercial	3.58	0.30	0.13	0.12	0.13
LT Category					
LT-II(A) Commercial	-	-	0.00	0.00	0.00
LT-II (B) Commercial	0.18	0.02	0.02	0.02	0.02
LT-II (C) Commercial	0.47	0.04	0.00	0.00	0.00
LT-V (II) Industrial	0.35	0.03	0.03	0.02	0.02
LT-VII (B) (II) Public Service	0.08	0.01	0.01	0.01	0.01
Total	8.05	0.66	0.48	0.36	0.43

3.3 It can be observed from above Table 2 that the actual sales during the months of October 2023, November 2023, and December 2023 are 0.48 MUs, 0.36 MUs, and 0.43 MUs, respectively, which is **27.41%, 45.54%, and 35.48%** lower than monthly approved energy sales of **0.66 MUs** for the FY 2023-24. A major reduction was observed in the HT-II Commercial and LT-II (C) Commercial categories. Reduction is also observed in HT-I Industry category in the month of November 2023.

3.4 Further, while addressing a Commission query regarding actual sales recorded in the LT-II (A) Commercial category where approved sales are nil, JNPT clarified that it provides new connections to consumers based on their load requirements. Moreover, new consumers within its licensed area typically have load requirements within the (0-20kW) range, aligning with the



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LT II A (0-20kW) category. Consequently, JNPT has facilitated connections within the LT II A (0-20kW) category, resulting in sales within the respective category as per the tariff approved by the Commission.

4. Power Purchase Details

4.1 JNPT is a major port notified under Major Port Trusts Act, 1963. JNPT has been notified as a Developer of SEZ by the Ministry of Commerce and Industry, Government of India on 11 August 2014 vide SEZ notification No. S. O. 2047 (E). The SEZ is being developed over an area of 277.38 Hectares situated in the villages of Savarkahar, Karal, Sonari, and Jaskhar of Uran Taluka, District Raigad of Maharashtra.

4.2 JNPT is a deemed Distribution Licensee for the notified SEZ area under Section 14 of the EA, 2003. The Commission, after following the due regulatory process, vide its Order dated 14 June 2018 in Case No. 47 of 2018 confirmed the status of JNPT as a deemed Distribution Licensee for the notified SEZ area under Section 14 of the EA, 2003. JNPT does not own or operate any generating stations. Accordingly, JNPT is required to procure power from outside sources to fulfil the electricity demand of its consumers.

4.3 Approved Power Purchase sources:

4.3.1 **Power Procurement from Short Term Contracts:** JNPT has envisaged procurement of its power requirement from conventional sources for meeting its Base Load and Peak Load requirement during FY 2023-24 and FY 2024-25.

4.3.2 JNPT in the MYT Petition in Case No. 219 of 2022 had submitted that it will purchase power on short term basis for FY 2023-24 and FY 2024-25 through competitive bidding and it will approach the Commission for adoption of Tariff. JNPT estimated the power purchase rate of Rs. 5.40/kWh for FY 2023-24 and FY 2024-25 based on the latest price discovered by M/s. Laxmipati Balaji Supply Chain Management Ltd. for the period February 2023 to January 2024. The Commission in its MYT Order in Case No. 219 of 2022 has approved the quantum of power purchase and power purchase expense towards the procurement of short-term conventional power at the latest approved rate for similar utility of Rs. 5.40/ kWh for FY 2023-24 and FY 2024-25.

4.3.3 **Power procurement from the Existing PPA:** The Commission has approved power procurement from existing source (i.e., from Manikaran Power Limited) till 30 June 2023 at the rate of Rs. 5.02/kWh.

4.3.4 **Power Procurement from New sources:** As discussed earlier, the rate of power purchase approved by the Commission in the MYT Order in Case No. 219 of 2022 from new short-term source is Rs. 5.40/kWh. The existing PPA with MPL was valid till 30 June 2023. JNPT conducted e-bidding for Short-Term power purchase post expiry of this contract. As a result of the bidding process, MPL turned out to be the lowest bidder. Thus, JNPT executed the PPA with MPL for the period from 1 July 2023 till 30 June 2024 at an agreed rate of Rs. 6.30/kWh (explored through competitive bidding process). Consequently, the Commission, in its Order



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in Case no. 153 of 2023, dated 27 September 2023, has approved this Short-Term power procurement of 1.5 MW (0.6 MW Base load and 0.9 MW Peak load) through MPL till June 2024 at the agreed rate of Rs. 6.30/kWh. Since this is a new contract, the same has been considered under the category “New source/Exchange” in the FAC calculations.

4.3.5 **RE Power procurement:** As regard RPO, JNPT in the MYT Petition in Case No. 219 of 2022 has proposed to meet its RPO through RECs alone and has not proposed procurement of any RE power. The Commission has accordingly approved the procurement of REC to meet the RPO considering the cost of Rs. 1.00/kWh.

4.3.6 The Commission has approved the average rate of Power Purchase of Rs. 5.55/kWh for FY 2023-24 considering all the sources of power including RPO compliance.

4.4 Summary of power purchase of JNPT is as under:

Table 3: Summary of power purchase

Sr. No.	Particular	Compliance
1	Purchase from Approved Sources	Yes. The Commission has approved power procurement from existing source [i.e., from Manikaran Power Limited (MPL) till 30 June 23] and new source in MYT Order dated 31 March 2023 in Case No. 219 of 2022. For October 2023, November 2023, and December 2023, JNPT fulfilled its RTC and Peak power purchase requirement from MPL which was approved by the Commission vide Order No. 153 of 2023 dated 27 September 2023. The additional peak power requirement in November 2023 and December 2023 was met through power procured from power exchange through PTC. The average power purchase cost (APPC) for the month of October 2023, November 2023, and December 2023 is Rs. 6.77/kWh, Rs. 7.23/kWh and Rs. 6.66/kWh which is higher than the approved rate of Rs. 5.55/kWh.
2	Merit Order Dispatch	Yes. JNPT has followed merit order for scheduling of power and preference was given to cheapest power. JNPT procures RTC and peak power from short term approved source i.e., from MPL which is least cost contracted generator. Further, JNPT met its additional peak power requirement through various products from power exchange which is in line with MOD principles.
3	Fuel Utilization Plan	Not applicable. All the sources of power procurement fall under Section 63 of EA, 2003.
4	DSM Pool	JNPT has injected 0.05 MUs, 0.15 MUs, and 0.09 MUs in the months of October 2023, November 2023, and December 2023, respectively, in the DSM pool.
5	Sale of Surplus Power	There was no sale of Surplus power in the months of October 2023, November 2023, and December 2023.



Post Facto Approval for FAC Charges for the months of October 2023, November 2023, and December 2023

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6	Power Purchase	Actual Power Purchase is 0.53 MUs, 0.41 MUs and 0.48 MUs for October 2023, November 2023, and December 2023 respectively, as against approved monthly power purchase of 0.80 MUs due to lower actual sales as compared to approved sales. The actual distribution losses in the months of October 2023, November 2023, and December 2023 are also lower than the approved distribution losses.																																																															
7	Source wise Power Purchase	<table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual October 2023 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>Manikaran Power Limited (till June 2023) (Existing PPA)</td> <td>0.14</td> <td>-</td> <td>0%</td> </tr> <tr> <td>New source / Exchange</td> <td>0.66</td> <td>0.59</td> <td>110%</td> </tr> <tr> <td>Others (DSM pool)</td> <td>-</td> <td>(0.05)</td> <td>-10%</td> </tr> <tr> <td>Total</td> <td>0.80</td> <td>0.53</td> <td>100%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual November 2023 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>Manikaran Power Limited (till June, 2023) (Existing PPA)</td> <td>0.14</td> <td>-</td> <td>0%</td> </tr> <tr> <td>New source / Exchange</td> <td>0.66</td> <td>0.55</td> <td>136%</td> </tr> <tr> <td>Others (DSM pool)</td> <td>-</td> <td>(0.15)</td> <td>-36%</td> </tr> <tr> <td>Total</td> <td>0.80</td> <td>0.41</td> <td>100%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)</th> <th>Actual December 2023 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>Manikaran Power Limited (till June, 2023) (Existing PPA)</td> <td>0.14</td> <td>-</td> <td>0%</td> </tr> <tr> <td>New source / Exchange</td> <td>0.66</td> <td>0.57</td> <td>119%</td> </tr> <tr> <td>Others (DSM pool)</td> <td>-</td> <td>(0.09)</td> <td>-19%</td> </tr> <tr> <td>Total</td> <td>0.80</td> <td>0.48</td> <td>100%</td> </tr> </tbody> </table> <p><i># The PPA with Manikaran Power Ltd. (MPL) which was also approved for power purchase in the MYT Order has expired in June 2023. The quantum approved for power purchase from MPL as an existing source in the MYT Order was mere 1.68 MUs @ Rs. 5.02/kWh, valid till June 2023. Subsequently, JNPT conducted e-bidding for short term power purchase post expiry of this contract. As a result of the bidding process, MPL turned out to be the lowest bidder. Thus, JNPT executed the PPA with MPL for the period from 1 July 2023 till 30 June 2024 at an agreed rate of Rs. 6.30/kWh (explored through competitive bidding process). Consequently, the Commission also in its Order in Case no. 153 of 2023, dated 27 September 2023 approved Short-Term power procurement of 1.5 MW through MPL till June 2024 at the agreed rate of Rs. 6.30/kWh. Since this is a new contract, the same has been considered under the category "New source/Exchange" in the FAC calculations. The monthly approved energy is worked out considering period of 12 months.</i></p>				Source Name	Approved (MU)	Actual October 2023 (MU)	Proportion of each Source in Actual Purchase (%)	Manikaran Power Limited (till June 2023) (Existing PPA)	0.14	-	0%	New source / Exchange	0.66	0.59	110%	Others (DSM pool)	-	(0.05)	-10%	Total	0.80	0.53	100%	Source Name	Approved (MU)	Actual November 2023 (MU)	Proportion of each Source in Actual Purchase (%)	Manikaran Power Limited (till June, 2023) (Existing PPA)	0.14	-	0%	New source / Exchange	0.66	0.55	136%	Others (DSM pool)	-	(0.15)	-36%	Total	0.80	0.41	100%	Source Name	Approved (MU)	Actual December 2023 (MU)	Proportion of each Source in Actual Purchase (%)	Manikaran Power Limited (till June, 2023) (Existing PPA)	0.14	-	0%	New source / Exchange	0.66	0.57	119%	Others (DSM pool)	-	(0.09)	-19%	Total	0.80	0.48	100%
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4.5 The Commission also notes that in the MYT Petition JNPT has submitted that there is no clear visibility of anticipated load of JNPT in FY 2023-24 and FY 2024-25. Accordingly, based on the estimated load, JNPT has submitted that it will purchase power on short term basis for FY 2023-24 and FY 2024-25 through competitive bidding and it shall approach the Commission for the adoption of tariff. JNPT has estimated the power purchase rate of Rs. 5.40/kWh for FY 2023-24 and FY 2024-25 based on the latest price discovered by M/s. Laxmipati Balaji Supply Chain Management Ltd. for the period February 2023 to January 2024. The Commission also notes that JNPT has envisaged procurement of its power requirement from conventional sources for meeting its Base Load and Peak Load requirement during FY 2023-24 and FY 2024-25.

5. Power Purchase Cost:

5.1 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the months of October 2023, November 2023, and December 2023, to verify the claim of JNPT regarding Average Power Purchase Cost (APPC). The Commission has verified the actual as well as approved Net Purchase (MUs), Variable Cost (Rs./kWh), and Power Purchase Cost considered in FAC computation from the invoices and applicable MYT Order respectively.

5.2 The Power Purchase cost incurred during the months of October 2023, November 2023, and December 2023 is **Rs. 0.36 Crores, Rs. 0.29 Crores and Rs. 0.32 Crores**, respectively, which is significantly lower than the total approved monthly Power Purchase cost of **Rs. 0.44 Crores** by the Commission. This is on account of lower power sales and corresponding lower procurement of power. The lower power requirement is also on account of lower distribution losses.

5.3 **Manikaran Power Limited (existing PPA):** The existing PPA with MPL for short term power procurement for 1 MW RTC Power at the rate of Rs. 5.02/kWh expired on 30 June 2023.

5.4 **Power Procurement from Exchange/Other Peak Sources/New sources:** The rate of power purchase approved by the Commission in the MYT Order in Case No. 219 of 2022 from new short-term source is Rs. 5.40/kWh.

5.5 The existing PPA with MPL was valid till 30 June 2023. JNPT conducted e-bidding for Short-Term power purchase post-expiry of this contract. As a result of the bidding process, MPL turned out to be the lowest bidder. Thus, JNPT executed the PPA with MPL for the period from 1 July 2023 till 30 June 2024 at an agreed rate of Rs. 6.30/kWh (explored through competitive bidding process). Consequently, the Commission also in its Order in Case no. 153 of 2023, dated 27 September 2023 has approved Short-Term power procurement of 1.5 MW (0.6 MW Base load and 0.9 MW Peak load) through MPL till June 2024 at the agreed rate of Rs. 6.30/kWh. Since this is a new contract, the same has been considered under the category "New source/Exchange" in the FAC calculations. The Commission notes that JNPT has sourced 0.59 MUs, 0.52 MUs and 0.55 MUs in the months of October 2023, November 2023, and December 2023, as against its base load and peak load requirement from the approved source from the available capacity of contracted source, i.e., MPL.

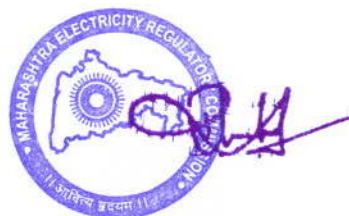


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- 5.6 JNPT procured power from IEX power exchange through PTC India Ltd. in the months of November 2023 and December 2023. JNPT has procured 0.03 MUs and 0.01 MUs of power from this source at an average rate of Rs. 4.45/kWh and Rs. 4.25/kWh during the months of November 2023 and December 2023. However, there is no purchase of power through exchange platform in the month of October 2023.
- 5.7 **Renewable Sources:** In the MYT Petition in Case No. 219 of 2022, considering the small quantum of RE power required, JNPT had proposed to purchase RECs in FY 2023-24 and FY 2024-25 to meet the RPO compliance requirements. Accordingly, JNPT was allowed to meet its RPO by purchasing RECs by the Commission. The amount of Rs. 0.02 Crores per month is allowed to JNPT for purchase of RECs. JNPT has purchased RECs amounting to Rs. 0.02 Crores in the month of October 2023. However, JNPT has not purchased RECs in months of November 2023 and December 2023. By avoiding purchase of REC, JNPT has reduced power purchase cost for November 2023 and December 2023 but created liability for future.
- 5.8 **DSM Pool:** JNPT has injected 0.05 MUs, 0.15 MUs, and 0.09 MUs in months of October 2023, November 2023, and December 2023, respectively into the DSM Pool which is around 10%, 36% and 19% of the overall power procured during the respective months. In November, JNPT procured power from MPL and exchange platform at an average power purchase rate of Rs. 6.30/kWh and Rs. 4.45/kWh, respectively. However, JNPT injected the power into the DSM pool at Rs. 3.40/kWh in November 2023. Therefore, JNPT should optimize the power procurement to ensure that the contribution to the DSM pool is minimised. The Commission has also considered the average price of power in the DSM pool (Rs. 5.12/kWh, Rs. 3.40/kWh, and Rs. 4.18/kWh) as submitted by the Licensee for FAC computation along with the supporting documentation.
- 5.9 The Commission has noted that JNPT has followed Merit Order Dispatch for scheduling of power and all sources are scheduled according to SLDC instructions.
- 5.10 No sale of surplus power was done during the months of October 2023, November 2023, and December 2023.
- 5.11 **Approved Cost:** The details of the overall cost approved and actual for the months of October 2023, November 2023, and December 2023, as per MYT Order are as shown in the Table 4 below:

Table 4: Approved and Actual Power Purchase Cost for JNPT

Source		Power Procured (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./kWh)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
Manikaran Power Limited	Approved	0.14	-	-	0.84	5.01	0.84	5.02
	Actual (October 2023)	-	-	-	-	-	-	-



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Source		Power Procured (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./kWh)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
	Actual (November 2023)	-	-	-	-	-	-	-
	Actual (December 2023)	-	-	-	-	-	-	-
New source / Exchange	Approved	0.66	-	-	4.26	6.48	4.26	5.40
	Actual (October 2023)	0.59	-	-	0.37	6.30	0.37	6.30
	Actual (November 2023)	0.55	-	-	0.34	6.20	0.34	6.20
	Actual (December 2023)	0.57	-	-	0.35	6.25	0.35	6.25
Solar & Non-Solar REC	Approved	-	-	-	0.02	-	0.02	-
	Actual (October 2023)	-	-	-	0.02	-	0.02	-
	Actual (November 2023)	-	-	-	-	-	-	-
	Actual (December 2023)	-	-	-	-	-	-	-
Power Exchange Trading Approval - SLDC Fees	Approved	-	-	-	-	-	-	-
	Actual (October 2023)	-	0.001	-	-	-	0.001	-
	Actual (November 2023)	-	0.001	-	-	-	0.001	-
	Actual (December 2023)	-	0.001	-	-	-	0.001	-
DSM Pool	Approved	-	-	-	-	-	-	-
	Actual (October 2023)	(0.05)	-	-	(0.03)	5.12	(0.03)	5.12
	Actual (November 2023)	(0.15)	-	-	(0.05)	3.40	(0.05)	3.40
	Actual (December 2023)	(0.09)	-	-	(0.04)	4.18	(0.04)	4.18



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Source		Power Procured (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./kWh)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
Total	Approved	0.80	-	-	0.44	5.55	0.44	5.55
	Actual (October 2023)	0.53	0.00	0.01	0.36	6.76	0.36	6.77
	Actual (November 2023)	0.41	0.00	0.02	0.29	7.21	0.29	7.23
	Actual (December 2023)	0.48	0.00	0.02	0.32	6.65	0.32	6.66

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

- 6.1 The Commission has worked out the average power purchase costs for the months of October 2023, November 2023 and December 2023 as shown in Table 4 above. The same has been compared with the average power purchase cost approved by the Commission in MYT Order dated 31st March 2023 in Case no. 219 of 2022 to arrive at the differential per unit rate at which Z_{FAC} is to be passed on to the consumers.
- 6.2 Thus, the following Table 5 shows the Z_{FAC} worked out by the Commission on account of difference in power purchase cost for the months of October 2023, November 2023, and December 2023.

Table 5: FAC on account of Power Purchase Cost

Sr. No.	Particulars	Units	October 2023	November 2023	December 2023
1	Average power purchase cost approved by the Commission	Rs. /kWh	5.55	5.55	5.55
2	Actual average power purchase cost	Rs. /kWh	6.77	7.23	6.66
3	Change in average power purchase cost (=2-1)	Rs. /kWh	1.22	1.68	1.11
4	Net Power Purchase	MU	0.53	0.41	0.48
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	0.07	0.07	0.05

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

- 7.1 The adjustment factor for over recovery / under recovery (B) is as shown in the Table 6 below:



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Table 6: Adjustment for over recovery/under recovery

S. No.	Particulars	Units	Oct-23	Nov-23	Dec-23
1.1	Incremental cost allowed to be recovered in Month n-4	Rs. Crore	-	-	-
1.2	Incremental cost in Month n-4 actually recovered in month n-2	Rs. Crore	-	-	-
1.3	(over-recovery)/under-recovery (=1.2 - 1.1)	Rs. Crore	-	-	-
2	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	-	-	0.02
3	Adjustment factor for over-recovery/under-recovery (1.3+2.0)	Rs. Crore	-	-	0.02

8. Carrying Cost for over recovery/under recovery (C)

8.1 Carrying/Holding Cost for under recovery/over recovery has been granted at the approved interest rate for the eligible amount which works out to nil for the month of October 2023 and November 2023 and Rs. 0.0001 Crores for the month of December 2023.

8.2 Holding cost for the month of October 2022 to December 2022 is calculated by considering MCLR + 150 basis points which turns out to be **10.05%** for each of the months of October 2023 and November 2023, and **10.10%** for December 2023.

8.3 The Commission has computed the holding cost towards the amount under recovered in the month of October 2023 to December 2023 which is as shown in the Table 7 below:

Table 7: Carrying/Holding Cost for over/under recovery

Particulars	Units	Oct-23	Nov-23	Dec-23
Adjustment factor for over-recovery/under-recovery	Rs. Crore	-	-	0.0154
Interest rate	%	10.05%	10.05%	10.10%
Carrying cost for over-recovery/under-recovery	Rs. Crore	-	-	0.0001

9. Disallowance due to excess Distribution Loss

9.1 Regulation 10.8 of MYT Regulations, 2019 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 Z_{FAC} 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 Z_{FAC} 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 annual sliding distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of Z_{FAC} corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total Z_{FAC} recoverable”



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9.2 The following Table 8 provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss:

Table 8: Disallowance of FAC due to Excess Distribution Loss

Sr. No.	Particulars	Units	Monthly Approved	October 2023	November 2023	December 2023
1	Net Energy Input at Distribution Voltages	MU	0.77	0.52	0.39	0.46
2	Energy sales at Distribution voltages	MU	0.67	0.48	0.36	0.43
3	Distribution Loss (1 - 2)	MU	0.10	0.04	0.03	0.03
4	Distribution Loss as % (3/1)	%	13.05%	7.04%	8.14%	7.23%
5	Excess Distribution Loss = [Actual Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	-	-	-
6	Disallowance of FAC due to excess Distribution Loss	Rs. Crore	-	-	-	-

9.3 As seen from the above Table 8, the distribution loss for the months of October 2023, November 2023, and December 2023 is 7.04%, 8.14% and 7.23%, respectively, which is lower than the distribution loss of 13.05% approved in the MYT Order.

9.4 In the response to datagaps, JNPT attributed the reduction in distribution losses to the commissioning of two 50 MVA power transformers, which contributed to a significant distribution loss reduction. Due to current loading conditions, JNPT strategically deactivated one transformer from October to December 2023 to minimize no-load losses. Additionally, JNPT implemented optimized loading strategies for distributed transformers, further reducing the distribution losses.

9.5 As the actual sliding distribution losses in October to December 2023 are lower than the distribution loss of 13.05% approved in the MYT Order, there is no disallowance of FAC due to excess distribution loss in the months of October 2023, November 2023, and December 2023.

10. Summary of Allowable Z_{FAC}

10.1 The summary of the FAC amount as approved by the Commission for the months of October 2023, November 2023, and December 2023 is as shown in the Table 9 below.

Table 9: Summary of Allowable Z_{FAC}

Sr. No.	Particulars	Units	October 2023	November 2023	December 2023
1	Calculation of Z_{FAC}				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	0.065	0.068	0.053



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Sr. No.	Particulars	Units	October 2023	November 2023	December 2023
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	-	0.000
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	-	-	0.015
1.4	Z_{FAC} = F+C+B	Rs. Crore	0.065	0.068	0.068
2	Calculation of Per Unit FAC				
2.1	Energy Sales within the License Area	MU	0.480	0.360	0.426
2.2	Excess Distribution Loss	MU	-	-	-
2.3	Z_{FAC} per kWh [(1.4/2. 10]	Rs./kWh	1.357	1.895	1.601
3	Allowable FAC				
3.1	FAC disallowed corresponding to excess Distribution Loss [(2.2 x 2.3)/10]	Rs. Crore	-	-	-
3.2	FAC allowable [1.4-3.1]	Rs. Crore	0.065	0.068	0.068
4	Utilization of FAC Fund				
4.1	Opening Balance of FAC Fund	Rs. Crore	(0.057)	(0.002)	-
4.2 a	Z_{FAC} for the month (Sr. N. 3.2)	Rs. Crore	0.065	0.068	0.068
4.2 b	Additional recovery @Rs. 0.20/kVAh	Rs. Crore	0.010	0.007	0.009
4.3	Closing Balance of FAC Fund	Rs. Crore	(0.002)	-	-
4.4	Z_{FAC} leviable/refundable to consumer	Rs. Crore	-	0.058	0.060
5	Total FAC based on category wise and slab wise allowed to be recovered in the billing month of December 2023/ January 2024/ February 2024	Rs. Crore	-	0.043	0.052
6	Carried forward FAC for recovery during future period (4.4-5.0)	Rs. Crore	-	0.015	0.007

10.2 It can be seen from the above Table 9 **Error! Reference source not found.** that the standalone FAC for the months of October 2023, November 2023, and December 2023 is Rs. 0.065 Crore, Rs. 0.068 Crore, and Rs. 0.068 Crore respectively.

10.3 Further, in the MYT Order in Case No. 219 of 2022 JNPT was also directed to park the additional recovery of Rs. 0.20/ kVAh allowed by the Commission and subsumed in the energy charges, to be parked in the separate FAC fund and to be utilized to offset any additional power purchase cost over and above allowed to be recovered as part of FAC mechanism to avoid tariff shock to consumers in future.

10.4 This has also generated revenue for the FAC fund of Rs. 0.010 Crore, Rs. 0.007 Crore, and Rs. 0.009 Crore for the months of October 2023, November 2023 and December 2023 which needs to be accumulated in FAC stabilization fund.

10.5 The relevant portion of the MYT Order dated 31 March, 2023 in Case No. 219 of 2022 is as under:

"5.4.78 Distribution Licensee shall undertake computation of monthly FAC as per Regulation



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10 of the MYT Regulations, 2019 except for treatment to be given to negative FAC as follows:

- i. Negative FAC amount shall be carried forward to the next FAC billing cycle with holding cost.
- ii. Such carried forward negative FAC shall be adjusted against FAC amount for the next month and balance negative amount shall be carried forward to subsequent month with holding cost.
- iii. Such carry forward of negative FAC shall be continued till next tariff determination process.
- iv. In case such FAC Fund is yet to be generated or such generated fund is not sufficient to adjust against FAC computed for given month, then Distribution Licensee can levy such amount to the consumers through FAC mechanism.

5.4.79 In order to maintain transparency in management and use of such FAC Fund, Distribution Licensee shall maintain monthly account of such FAC fund and upload it on its website for information of stakeholders. Such details shall also be submitted to the Commission on quarterly basis along with proposal for post facto vetting of FAC.”

10.6 Considering the above, the FAC leviable on the consumers is **nil, Rs. 0.058 Crore and Rs. 0.060 Crore** for the months of October 2023, November 2023, and December 2023.

11. Recovery from Consumers:

11.1 Regulation 10.9 of MERC MYT Regulations, 2019 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

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

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

Where:

$Z_{FAC\ Cat}$ = Z_{FAC} 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:



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ACOS = Average Cost of Supply in 'Rupees per kWh' as approved for recovery by the Commission in the Tariff Order:

Provided that the monthly Z_{FAC} 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 Z_{FAC} 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 opening FAC fund of Rs. 0.057 Crore for October 2023, Rs. 0.002 Crore for November 2023 and nil for December 2023 is adjusted against the FAC leviable for the month and the resultant FAC allowed for recovery based on the category wise and slab-wise sale is nil, Rs. 0.043 Crore and Rs. 0.052 Crore for October 2023, November 2023, and December 2023 from the consumers in billing month of December 2023, January 2024, and February 2024.
- 11.3 The Commission allows JNPT to carry forward an amount of Rs. 0.002 Crore in the month of October 2023 and nil amount in the months of November 2023 and December 2023, to be accumulated in FAC stabilization fund along-with the associated holding cost.