



महाराष्ट्र विद्युत नियामक आयोग

Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2024-25/0832

Date: 27 December, 2024

The Managing Director,
Mindspace Business Parks Private Limited,
Plot No- C-30, Block 'G',
Opposite SIDBI,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Subject: Post Facto approval of Fuel Adjustment Charges (FAC) submissions of MBPPL for the months of April 2024, May 2024 and June 2024.

Reference: 1. MBPPL's FAC submission for the months of April 2024, May 2024 and June 2024 vide email dated 29th August 2024.
2. Data gaps raised vide email dated 23rd September 2024.
3. MBPPL's response to queries vide email dated 24th October 2024.

Sir,


Upon vetting the FAC calculations for the months of April 2024, May 2024 and June 2024 as mentioned in the above reference, the Commission has accorded approval for charging FAC to its consumers as shown in the table below:

Month	April 2024	May 2024	June 2024
Z _{FAC} allowed for recovery (Rs. Crore)	0.339	0.397	-

The Commission allows the carry forward FAC of Rs.0.022 Crore, Rs. 0.0005 Crore, and Nil in the months of April 2024, May 2024 and June 2024, respectively. Further, as directed by the Commission, MBPPL shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund and for the information of all the stakeholders.



Yours faithfully,


(Dr. Rajendra G. Ambekar)
Secretary, MERC

Encl: Annexure A: Detailed Vetting Report for the period of April to June 2024.

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POST FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF APRIL 2024, MAY 2024 AND JUNE 2024

Subject: Post facto approval of Fuel Adjustment Charges (FAC) submissions of MBPPL for the months of April 2024, May 2024 and June 2024

Reference: 1. MBPPL's FAC submission for the months of April 2024, May 2024 and June 2024 vide email dated 29th August 2024.
2. Data gaps raised vide email dated 23rd September 2024.
3. MBPPL's response to queries vide email dated 24th October 2024.

1. FAC submission by MBPPL Undertaking:

1.1. MBPPL has made FAC submissions for the months of April 2024, May 2024 and June 2024 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by MBPPL, the Commission has accorded post facto approval for the FAC amount to be charged in the billing months of June 2024, July 2024, and August 2024.

2. Background

2.1. On 31 March 2023 the Commission has issued Tariff Order in respect of MBPPL (Case No. 216 of 2022) for Truing up of Aggregate Revenue Requirement for FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing up for FY 2022-23 and approval of revised estimates of ARR and Tariff for FY 2023-24 and FY 2024-25. Revised Tariff has been made applicable from 1 April 2023.

2.2. Vide its letter dated 20 April 2020, the Commission 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 of the FAC for the month of April 2020 vide FAC Vetting Report dated 31 May 2020.
- Post-facto approval of the FAC for the months of May and June 2020 vide FAC Vetting Report dated 9 October 2020.
- Post-facto approval to the FAC for the months of July 2020, August 2020 and September 2020 vide FAC vetting Report dated 8 December 2020.
- Post-facto approval to the FAC for the months of October 2020, November 2020 and December 2020 vide FAC vetting Report dated 25 March 2021.
- Post-facto approval to the FAC for the month of January to March 2021 vide FAC Vetting Report dated 10 June 2021.



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

- Post-facto approval to the FAC for the month of April 2021, May 2021 and June 2021 vide FAC Vetting Report dated 11 October 2021.
- Post-facto approval to the FAC for the month of July to September 2021 vide FAC Vetting Report dated 5 January 2022.
- Post-facto approval to the FAC for the month of October 2021, November 2021 and December 2021 vide FAC Vetting Report dated 28 June 2023.
- Post-facto approval to the FAC for the month of January 2022, February 2022 and March 2022 vide FAC Vetting Report dated 24 July 2023.
- Post-facto approval to the FAC for the month of April 2022, May 2022 and June 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of July 2022, August 2022 and September 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of October 2022, November 2022 and December 2022 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of January 2023, February 2023 and March 2023 vide FAC Vetting Report dated 02 November 2023.
- Post-facto approval to the FAC for the month of April 2023, May 2023 and June 2023 vide FAC Vetting Report dated 11 January, 2024.
- Post-facto approval to the FAC for the month of July 2023, August 2023 and September 2023 vide FAC Vetting Report dated 11 March 2024.
- Post-facto approval to the FAC for the month of October 2023, November 2023 and December 2023 vide FAC Vetting Report dated 18 June 2024.
- Post-facto approval to the FAC for the month of January 2024, February 2024 and March 2024 vide FAC Vetting Report dated 24 July 2024.

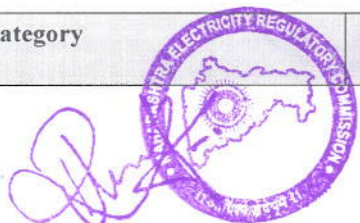
2.4. As per provisions of MYT Regulations, 2019 a Distribution Licensee (SEZ) is required to obtain post-facto approval of the Commission on a quarterly basis for FAC charges within 60 days of close of each quarter. Accordingly, vide its letter dated 29th August 2024, MBPPL has filed FAC submissions for the months of April 2024, May 2024 and June 2024 for post-facto approval. The Commission has scrutinized the submissions provided by MBPPL and has also verified the fuel and power purchase bills provided along with its submissions.

3. Energy Sales of the Licence

- 3.1. In the MTR Order dated 31 March 2023 passed by the Commission in Case No. 216 of 2022, the Commission has approved revised tariffs applicable to MBPPL to maintain zero cross subsidy across tariff categories.
- 3.2. The net energy sales within the Licence area as submitted by MBPPL in the FAC submission and as approved by the Commission are as shown in Table 1 below:

Table 1: Energy Sales approved and Actual in MUs

Consumer Category	Approved by the		Actual Sales
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Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

	Commission	Monthly Approved	Apr-24	May-24	Jun-24
	(I)	(II=I/12)	(III)	(IV)	(V)
HT Category					
HT-I Industrial	50.78	4.23	4.23	4.42	3.97
HT-II Commercial	-	-	-	-	-
LT Category					
LT-II (A) Commercial (0-20 kW)	0.30	0.03	0.02	0.03	0.02
LT-II (B) Commercial (above 20 kW)	0.34	0.03	0.03	0.04	0.04
LT-III (A) Industrial (0-20 kW)	0.43	0.04	0.04	0.04	0.04
LT-III (B) Industrial (above 20 kW)	7.81	0.65	0.59	0.61	0.56
LT-IV Electric Vehicle (EV) Charging Stations	-	-	-	-	-
Total	59.66	4.97	4.92	5.14	4.63

3.3. It can be observed from the above Table I that the actual sales during the months of April 2024, and June 2024 are 4.92 MUs, and 4.63 MUs, respectively, which is 1.02%, and 6.81% lower than the monthly energy sales of 4.97 MU approved by the Commission for the FY 2024-25. However, the actual sales in the month of May 2024 is 5.14 MUs which is 3.36% higher than monthly energy sales of 4.97 MU approved by the Commission for the FY 2024-25. The major variation was observed in the HT-I Industrial, and LT-III (B) Industrial (above 20 kW).

4. Power Purchase Details

- 4.1. MBPPL is a deemed Distribution Licensee notified by the Commission for IT& ITES SEZ located at Airol, Thane. MBPPL does not own or operate any generating stations. Accordingly, MBPPL is required to procure power from outside sources to fulfil the demand of its consumers.
- 4.2. MBPPL has procured RE power through IEX , PXIL and HPX under its various products GDAM/GTAM/GDAM Hydro, and through Manikaran Power Limited during the months of April 2024, May 2024 and June 2024. MBBPL purchased 0.65 MUs of Solar power and 5.06 MUs of Non-Solar Power in April 2024 at an average rate of Rs. 4.41/kWh and Rs. 6.35/kWh, respectively. Similarly, MBBPL purchased 0.56 MUs and 6.72 MUs of Solar and Non-Solar Power in May 2024 at an average rate of Rs. 4.44/kWh and Rs. 5.62/kWh, respectively. MBBPL purchased 0.37 MUs and 6.27 MUs of Solar and Non-Solar Power in June 2024 at an average rate of Rs. 4.84/kWh and Rs. 5.19/kWh, respectively. Additionally, differential cost adjustment for power procured from wind generators and claimed on provisional basis in the month of March 2024 have been made in the month of April 2024 and May 2024 when the actual bills have been received. This adjustment amounts to Rs. 0.25 Crore and Rs. 0.15 Crore in April 2024 and May 2024. Similar adjustment has also been done in the month of June 2024 for the power received and claimed in the month of April 2024 which amounts to Rs. (0.17) Crore.
- 4.3. The Commission notes that MBPPL has also purchased RE power through the power exchanges and Manikaran Power Limited (MPL) to meet the RPO obligations in the months of April 2024 to June 2024. The power purchase has been through the power exchanges where the prices are market-driven and competitively discovered. The Commission in the MTR Order in Case no. 216 of 2022 has approved the RE procurement up to the RPO percentage stipulated in the MERC RPO Regulations 2019 for FY 2023-24 and FY 2024-25 and the tariff of RE sources is considered as Rs. 4.90 per unit which is weighted average rate of GDAM for the period of July to December 2022.



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

4.4. MBPPL has also procured 0.02 MUs, 0.004 MUs and 0.03 MUs of power from the Power Exchange at average rates of Rs. 6.10 /kWh, Rs. 5.17 /kWh and Rs. 7.34 /kWh, during the months of April 2024, May 2024 and June 2024, respectively. MBBPL has fulfilled its total load requirement by procuring power from power exchanges under its various products GDAM/GTAM/GDAM Hydro apart from the contracted power with MPL for green power requirements and TAM, DAM, and RTM for conventional power.

4.5. Summary of power purchase of MBPPL is as under:

Sr. No.	Particular	Compliance																												
1	Purchase from approved sources	Yes. In line with the aforesaid order MBPPL has procured power MPL (wind power), and through various products of power exchange.																												
2	Merit Order Dispatch	Yes. MBPPL procures power on short term basis from bilateral mode of transaction (Wind generator). Further, MBPPL met its peak power requirement through various product from power exchange and MPL 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	MBBPL and has drawn 0.50 MUs from the pool in the month of April 2024. However, MBPPL has injected 0.40 MUs and 0.69 MUs into the DSM pool in the months of May 2024 and June 2024, respectively.																												
5	Sale of Surplus Power	MBBPL has sold surplus power of 0.02 MUs, 0.10 MUs and 0.34 MUs in month of April 2024, May 2024 and June 2024.																												
6	Power Purchase	Actual Power Purchase is 6.21 MUs, 6.79 MUs, and 5.63 MUs in months of April 2024, May 2024 and June 2024, respectively, as against approved monthly power purchase of 5.19 MUs . In the absence of actual power purchase quantum from the wind generators for the respective month, the Commission noted that KRC Discoms has used provisional data from the RE replacement schedule from the MSLDC Scheduling Portal for FAC computation wherever actual invoices were not available. This provisional data has led to an increase in the estimated cost of wind generation, and it has also impacted the pool imbalance quantum.																												
7	Source wise Power Purchase	<table border="1"> <thead> <tr> <th>Source Name</th> <th>Approved (MU)*</th> <th>Actual Apr 2024 (MU)</th> <th>Proportion of each Source in Actual Purchase (%)</th> </tr> </thead> <tbody> <tr> <td>RE Solar</td> <td>0.70</td> <td>0.65</td> <td>10.55%</td> </tr> <tr> <td>RE Non-Solar[#]</td> <td>0.60</td> <td>5.06</td> <td>81.47%</td> </tr> <tr> <td>New Source</td> <td>3.89</td> <td>-</td> <td>0.00%</td> </tr> <tr> <td>Exchange</td> <td>-</td> <td>0.02</td> <td>0.33%</td> </tr> <tr> <td>DSM Pool</td> <td>-</td> <td>0.50</td> <td>7.99%</td> </tr> <tr> <td>Sale of Surplus Power</td> <td>-</td> <td>(0.02)</td> <td>-0.34%</td> </tr> </tbody> </table>	Source Name	Approved (MU)*	Actual Apr 2024 (MU)	Proportion of each Source in Actual Purchase (%)	RE Solar	0.70	0.65	10.55%	RE Non-Solar [#]	0.60	5.06	81.47%	New Source	3.89	-	0.00%	Exchange	-	0.02	0.33%	DSM Pool	-	0.50	7.99%	Sale of Surplus Power	-	(0.02)	-0.34%
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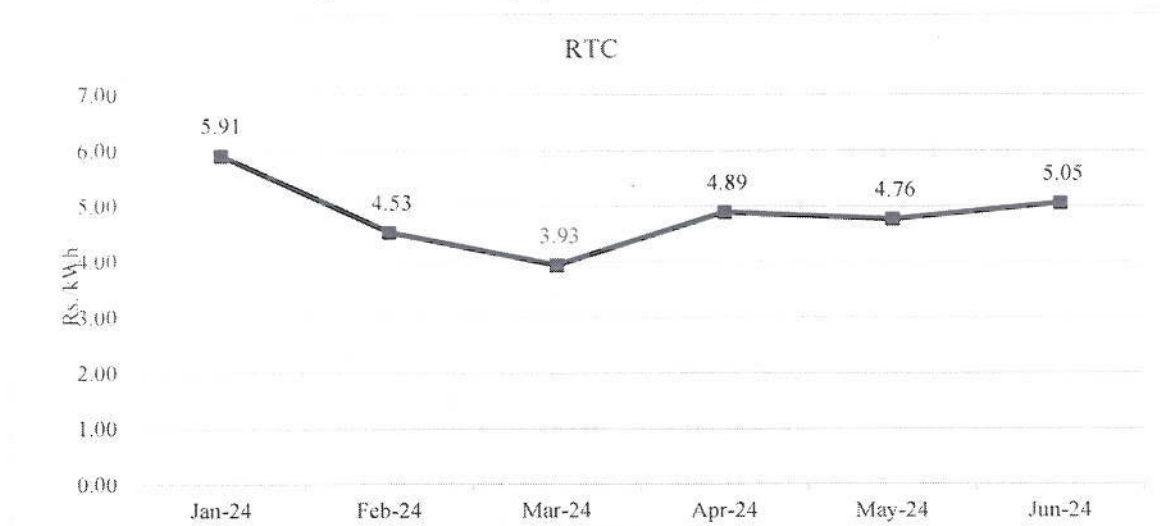
Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

Sr. No.	Particular	Compliance
		from the invoices, and it is ensured that same has been considered in the FAC calculation.

5. Power Purchase Cost:

- 5.1. The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of April 2024, May 2024 and June 2024 to verify the claim of MBPPL 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 MTR Order, respectively.
- 5.2. The Power Purchase Cost incurred in April 2024, May 2024 and June 2024 is **Rs. 3.45 Crores**, **Rs. 4.06 Crores** and **Rs. 2.89 Crores**, respectively, which is significantly higher than the monthly approved Power Purchase cost of **Rs. 2.74 Crores**. The power purchase cost is higher on account of the actual cost of power purchase rate being higher than the approved cost of power purchase rate from exchange.
- 5.3. **Short Term Source:** KRC Discoms (i.e., Mindspace Business Parks Private Limited (MBPPL); Gigaplex Estate Private Limited (GEPL); KRC Infrastructure and Projects Private Limited (KRCIPPL)) has filed petition in Case No. 168 of 2023 before the Commission for approval of combined short term wind power procurement of upto 70 MW from M/s Manikaran Power Limited for the period 01.08.2023 to 31.07.2024 at Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects. MBPPL has procured wind (RE) power through bilateral mode of transaction from the month of August 2023 from Manikaran Power Limited.
- 5.4. **Power procurement through Exchange and Other Peak Source:** MBPPL has procured 0.02 MUs, 0.004 MUs, and 0.03 MUs of power from TAM / DAM / RTM products available on Power Exchange at average rates of Rs. 6.10 /kWh, Rs. 5.17/kWh and Rs. 7.34/kWh during the months of April 2024, May 2024 and June 2024, respectively. The trends observed in the RTM power in IEX in the months of April 2024, May 2024 and June 2024 are shown in the below figure.

Figure 1: Exchange price trends (RTC)



- 5.5. **Renewable Sources:** The Commission has approved Rs. 0.64 Crores each for April 2024, May 2024 and June 2024 for the purchase of RE power to meet the Renewable Purchase Obligation (RPO). MBPPL has purchased RE Solar and RE Non-Solar during the months of April 2024, May 2024 and June 2024. The RE Solar purchase quantum was 0.65 MUs, 0.56 MUs and 0.37 MUs at a power purchase rate of Rs. 4.41/kWh, Rs. 4.44/kWh and Rs. 4.84/kWh in the months of April 2024, May 2024 and June 2024, respectively. Similarly, the RE Non-Solar purchase quantum was 5.06 MUs, 6.72 MUs, and 6.27 MUs at an average power purchase rate of Rs. 6.35/kWh, Rs. 5.62/kWh, and Rs. 5.19/kWh in the months of April 2024, May 2024 and June 2024 respectively.
- 5.6. Accordingly, MBPPL has sourced RE non-Solar power through the bilateral mode of transaction (wind generator - MPL) and Exchange, and RE Solar power from the exchange (GDAM and GTAM), to meet the RPO obligation.
- 5.7. In the reply to data gaps regarding unavailability of invoices pertaining to RE power procurement from MPL in the FAC proposal for quarter 2 of FY 2023-24, MBPPL had submitted that it has not received invoices from the MPL for the month in which the power was procured. Hence, MBPPL had considered wind generator calculation on the provisional basis based on the Renewable Energy (RE) replacement schedule derived from data provided by the Maharashtra State Load Dispatch Centre (MSLDC). Once the actual bills are received, the necessary adjustment between the provisional values and the actual values will be undertaken by MBPPL in the month in which the bills are received. Accordingly, in line with the above approach, a differential cost adjustment for power procured from wind generators and claimed on a provisional basis in the month of March 2024 have been made in the month of April 2024 and May 2024 when the actual bills have been received. This adjustment amounts to Rs. (0.25) Crore and Rs.(0.15) Crore in the month of April 2024 and May 2024 respectively. Similar adjustment has also been done in the month of June 2024 for the power received and claimed in the month of April 2024 which amounts to Rs. (0.17) Crore. Further, the Commission observed that MBPPL utilized provisional data for FAC computation based on the RE replacement schedule when the actual invoice was unavailable. This use of provisional wind generator data in FAC computation has resulted in an increase in pool imbalance units, ranging from 10% to 29% of the total power purchase quantum.
- 5.8. The APPC for solar and non-solar sources are higher than approved rate of Rs. 4.90 /kWh each for solar and non-solar sources in the months of April 2024, May 2024 and June 2024. The Commission notes that the price of power is competitively discovered for power procured through power exchange and MBPPL has provided all the necessary supporting documents for verification of the cost. Accordingly, the Commission approves inclusion of the power purchased from RE sources for recovery through the RE sources for recovery through the FAC mechanism.
- 5.9. **DSM Pool:** MBPPL has drawn 0.50 MUs from DSM pool in the month of April 2024. However, MBBPL has injected 0.40 MUs and 0.69 MUs during the months of May 2024 and June 2024 into the DSM pool. The Commission has also considered the average price of the power in the DSM pool (Rs. 4.24 /kWh, Rs. 1.80 /kWh and Rs. 2.31 /kWh) as submitted by the Licensee for FAC computation along with the supporting documentation for the months April 2024, May 2024 and June 2024, respectively.
- 5.10. The Commission has noted that MBPPL has followed Merit Order Dispatch for scheduling of power and all sources are scheduled according to SLDC instructions.

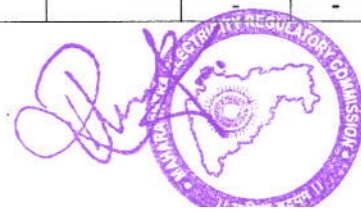


Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

- 5.11. **Sale of Surplus Power:** The Commission has noted that MBPPL has sold the surplus power of 0.02 MUs, 0.10 MUs and 0.34 MUs at average rate of Rs. 9.19 /kWh, Rs.4.88/kWh and Rs.4.45/kWh during the month of April 2024, May 2024 and June 2024.
- 5.12. **Approved Cost:** The APPC during the period April 2024 to May2024 is higher due to purchase of higher cost Non-solar power (contracted as well as power exchange) and injection of power into the grid at the lower rate.
- 5.13. The details of the overall cost approved as per MTR Order and the actual cost for the months of April 2024, May 2024 and June 2024 is as shown in the Table 2Error! Reference source not found. below:

Table 2: Approved and Actual Power Purchase Cost for MBPPL

Source	Months	Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./ kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./ kWh)	Total Cost (Rs. Crore)	APP C (Rs./ kWh)
New Source	Approved	3.89	-	-	2.10	5.40	2.10	5.40
	Actual (April2024)	-	-	-	-	-	-	-
	Actual (May2024)	-	-	-	-	-	-	-
	Actual (June2024)	-	-	-	-	-	-	-
Exchange	Approved	-	-	-	-	-	-	-
	Actual (April2024)	0.02	-	-	0.01	6.10	0.01	6.10
	Actual (May2024)	0.004	-	-	0.002	5.17	0.002	5.17
	Actual (June2024)	0.03	-	-	0.02	7.34	0.02	7.34
Solar & Non-Solar RE/REC	Approved	0.7 (RE Solar)	-	-	0.34	4.90	0.34	4.90
		0.6 (RE Non Solar)	-	-	0.29	4.90	0.29	4.90
	Actual (April2024)	0.65 (RE Solar)	-	-	0.29	4.41	0.29	4.41
		5.06 (RE Non Solar)	-	-	3.21	6.35	3.21	6.35
	Actual (May2024)	0.56 (RE Solar)	-	-	0.25	4.44	0.25	4.44
		6.72 (RE Non Solar)	-	-	3.78	5.62	3.78	5.62
	Actual (June2024)	0.37 (RE Solar)	-	-	0.18	4.84	0.18	4.84
		6.27 (RE Solar)	-	-	3.25	5.19	3.25	5.19
DSM / Pool	Approved	-	-	-	-	-	-	-
	Actual (April2024)	0.50	-	-	0.21	4.24	0.21	4.24
	Actual (May2024)	(0.40)	-	-	(0.07)	1.80	(0.07)	1.80
	Actual (June2024)	(0.69)	-	-	(0.16)	2.31	(0.16)	2.31
Sale of Surplus power	Approved	-	-	-	-	-	-	-
	Actual (April2024)	(0.02)	-	-	(0.02)	9.19	(0.02)	9.19
	Actual (May2024)	(0.10)	-	-	(0.05)	4.88	(0.05)	4.88
	Actual (June2024)	(0.34)	-	-	(0.15)	4.45	(0.15)	4.45
SLDC Fee	Approved							

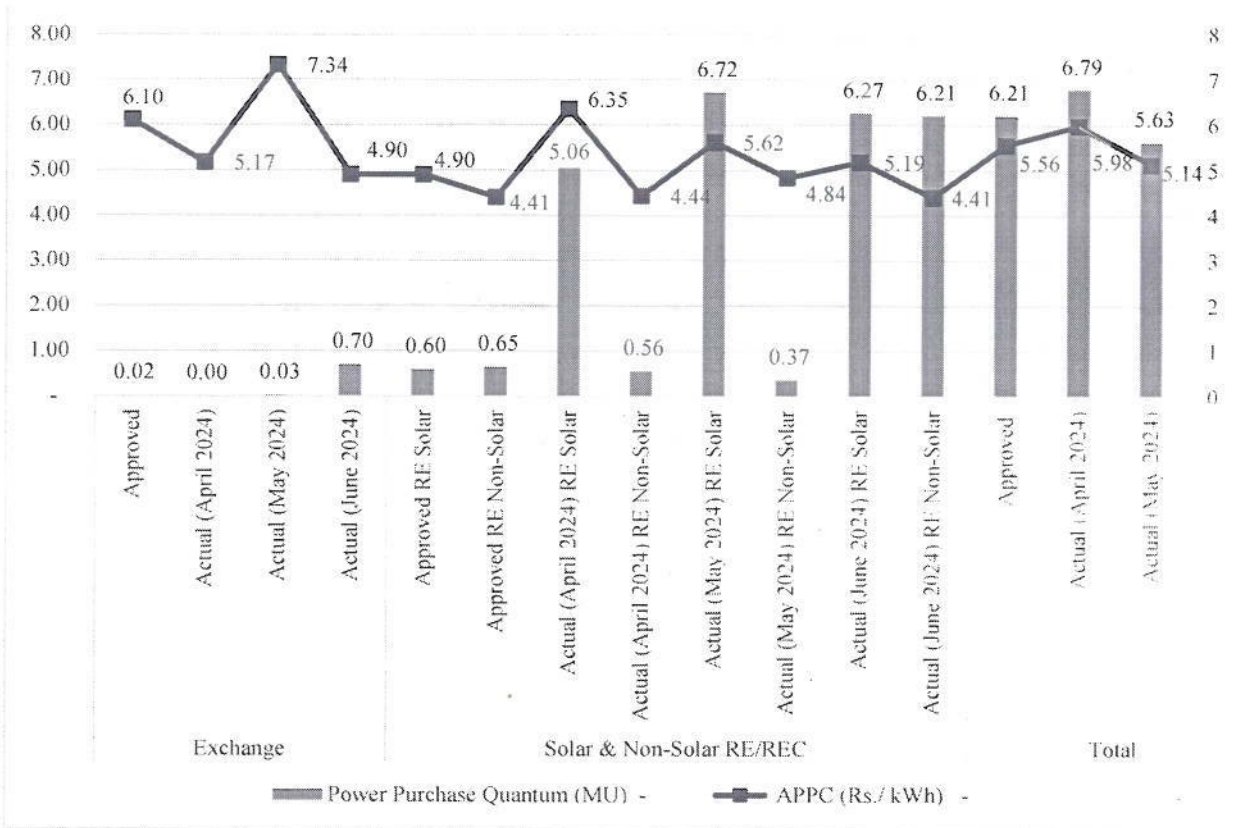


Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

Source	Months	Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./ kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./ kWh)	Total Cost (Rs. Crore)	APP C (Rs./ kWh)
	Actual (April2024)	-	0.001	-	-	-	0.001	-
	Actual (May2024)	-	0.001	-	-	-	0.001	-
	Actual (June2024)	-	0.001	-	-	-	0.001	-
Total	Approved	5.19	-	-	2.74	5.28	2.74	5.28
	Actual (April2024)	6.21	0.001	-	3.45	5.56	3.45	5.56
	Actual (May2024)	6.79	0.001	-	4.06	5.98	4.06	5.98
	Actual (June2024)	5.63	0.001	-	2.89	5.14	2.89	5.14

5.14. The variation in approved and actual quantum of power procured for some of the key sources and the APPC is shown the graph below:

Figure 2: Variation in Power Procurement Quantum and APPC



5.15. Reasons for the rate variation for various sources are as shown below:



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

Table 3: Reasons for Rate Variation for various Sources

Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
1	Solar (S) & non-Solar (NS) RE/REC	April 2024	4.90 (Solar) 4.90 (non-Solar)	4.41 (S)	Market discovered rate: RE power was purchased during the period from April 2024 to June 2024 from Power Exchange (GDAM, and GTAM). Wind power procured from Manikaran Power Limited at average rate of Rs 2.25/kWh for Group I projects and Rs 2.52/kWh for Group II to IV projects. However, due to unavailability of invoices, the quantum and cost are considered on provisional basis. The differential cost is considered in the FAC computation in the month of receipt of such invoices. Accordingly, a differential cost adjustment for power procured from wind generators and claimed on provisional basis in the month of March 2024 have been made in the month of April 2024 and May 2024 when the actual bills have been received. This adjustment amounts to Rs. 0.25 Crore and Rs. 0.15 Crore in April 2024 and May 2024. Similar adjustment has also been done in the month of June 2024 for the power received and claimed in the month of April 2024 which amounts to Rs. (0.17) Crore.
				6.35 (NS)	
		May 2024		4.44 (S)	
				5.62 (NS)	
		June 2024		4.84 (S)	
				5.19 (NS)	
2	Exchange	April 2024	-	6.10	In addition to the contracted power, the peak power requirement was met through the procurement of power from the various products of Power Exchange. The rates are higher than the approved rates, however, they are competitively discovered in the power exchange.
		May 2024		5.17	
		June 2024		7.34	
3	DSM / Imbalance Pool	April 2024	-	4.24	DSM rates are based on supporting documents provided by MBPPL.
		May 2024		1.80	
		June 2024		2.31	
4	Total	April 2024	5.19	5.56	Due to the above factors.



Approval of FAC Charges for the months of April 2024, May 2024, and June 2024

Sr. No.	Source	Month	Approved Rate (Rs. /kWh)	Actual Rate (Rs. /kWh)	Reason for rate variation
		May 2024		5.98	
		June 2024		5.14	

5.16. Considering the above, the Commission allows the average power purchase cost of Rs. 5.56/kWh, Rs. 5.98/kWh, and Rs. 5.14/kWh for the months of April 2024, May 2024 and June 2024, respectively as shown in Table 3 above. The variation in power purchase cost is on the higher side in April 2024 and May 2024 due to the higher cost of Non-solar power.

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 April 2024, May 2024 and June 2024 as shown in Table 2 above. The same has been compared with the average power purchase cost approved by the Commission in MTR Order dated 31 March 2023 in Case no. 216 of 2022 to arrive at a differential per unit rate at which Z_{FAC} is to be passed on to the consumers.

6.2. Thus, the following Table 4 shows the Z_{FAC} worked out by the Commission on account of difference in power purchase cost for the month of April 2024, May 2024, June 2024, respectively.

Table 4: FAC on account of Fuel and Power Purchase Cost

Sr. No.	Particulars	Units	Apr-24	May-24	Jun-24
1	Average power purchase cost approved by the Commission	Rs. /kWh	5.28	5.28	5.28
2	Actual average power purchase cost	Rs. /kWh	5.56	5.98	5.14
3	Change in average power purchase cost (=2 -1)	Rs. /kWh	0.29	0.70	(0.14)
4	Net Power Purchase	MU	6.21	6.79	5.63
5	Change in power purchase cost (=3 x 4/10)	Rs. Crore	0.18	0.48	(0.08)

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 5 below:

Table 5: Adjustment for over recovery/under recovery

S. No.	Particulars	Units	Apr-24	May-24	Jun-24
1.1	Incremental cost allowed to be recovered in Month (n-4)	Rs. Crore	0.46	0.50	0.34
1.2	Incremental cost in Month (n-4) actually recovered in month (n-2)	Rs. Crore	0.54	0.60	0.38
1.3	(over-recovery)/under-recovery = (1.2) - (1.1)	Rs. Crore	(0.08)	(0.10)	(0.04)
2	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	0.26	0.02	0.00



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S. No.	Particulars	Units	Apr-24	May-24	Jun-24
3	Adjustment factor for over-recovery/under-recovery (1.3+2)	Rs. Crore	0.18	(0.08)	(0.04)

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 be **Rs. 0.002 Crores** for the month of April 2024, **Rs. (0.001) Crores** for May 2024 and **Rs. (0.000) Crores** for June 2024.
- 8.2. Holding cost for the month of April 2024 to June 2024 is calculated by considering one-year MCLR + 150 basis points which turns out to be **10.15%, 10.15%, and 10.20%** for April 2024, May 2024 and June 2024 respectively.
- 8.3. The Commission has computed the holding cost towards the amount under recovered in the month of April to June 2024 which is as shown in Table 6: Carrying/Holding Cost for over/under recovery below:

Table 6: Carrying/Holding Cost for over/under recovery

Particulars	Units	Apr-24	May-24	Jun-24
Adjustment factor for over-recovery/under-recovery	Rs. Crore	0.18	(0.08)	(0.04)
Interest rate	%	10.15%	10.15%	10.20%
Carrying cost for over-recovery/under-recovery	Rs. Crore	0.002	(0.001)	(0.0003)

9. Holding Cost for FAC Fund

- 9.1. The Commission in its FAC approval for the month of March 2021 has decided to accumulate the FAC fund arising out of negative monthly FAC up to March 2023 along with the holding cost. The Commission decided to continue with same principle for the FY 2023-24 and FY 2024-25 as well as per decision outlined in the MTR Order in Case No. 216 of 2022. Accordingly, as per said principle laid down by the Commission, MBPPL will carry forward the negative FAC amount and accumulate the same in the FAC Fund along with holding cost, as applicable.
- 9.2. The Commission has determined FAC of Rs. 0.361 Crores, Rs. 0.398 Crores and Rs. (0.114) Crore for the months of April 2024, May 2024 and June 2024, respectively. There was nil FAC fund available at the beginning of April 2024. Further, the Commission has determined positive FAC for the month of April 2024, May 2024 and negative FAC for the month of the June 2024, accordingly, the FAC fund of 0.114 Crore amount has been approved at end of month from June 2024.
- 9.3. The Commission has considered the one-year MCLR rate declared by the SBI from time to time plus 150 basis points which works out to 10.15%, 10.15% and 10.20% for April 2024, May 2024 and June 2024, respectively. Considering that the opening FAC fund approved by the Commission is nil, the Commission has calculated nil holding cost for the months April 2024, May 2024 and June 2024 to be contributed to the FAC Pool.

10. Disallowance due to excess Distribution Loss



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- 10.1. Regulation 10.8 of MYT Regulations, 2019 provides for FAC amount to be reduced in case the actual annual sliding 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.”

- 10.2. The following table provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss:

Table 7: Disallowance of FAC due to excess distribution loss

Sr. No.	Particulars	Units	Monthly Approved in Tariff Order	Apr-24	May-24	Jun-24
1	Net Energy input at Distribution Voltages	MU	5.02	4.98	5.17	4.69
2	Energy sales at Distribution voltages	MU	4.97	4.92	5.14	4.63
3	Distribution Loss (1 - 2)	MU	0.05	0.06	0.03	0.05
4	Distribution Loss as % (3/1)	%	0.97%	1.11%	0.61%	1.14%
5	Annual Sliding Distribution Loss	%		1.18%	1.14%	1.14%
6	Excess Distribution Loss = [Annual Sliding Distribution Loss - Distribution loss approved] x Net Energy Input (1)	MU		0.01	0.01	0.00
7	Disallowance of FAC due to excess Distribution Loss	Rs. Crore		0.001	0.001	0.000

- 10.3. As seen from the above Table 7, the annual sliding distribution loss for the months of April 2024 to June 2024 is 1.18%, 1.14%, and 1.14%, respectively, which is higher than the monthly distribution loss of 0.97% approved in the MTR Order.

- 10.4. The Commission has worked out disallowance of FAC due to excess Distribution Loss based on the annual approved distribution loss and the annual sliding Distribution corresponding to the standalone energy input at distribution voltage for the month of April 2024, May 2024 and June



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2024. As the standalone FAC is positive for the month of April 2024 and May 2024 and since the month wise annual sliding losses are higher than the approved distribution loss, the Commission has considered Rs. 0.001 Crore, Rs. 0.001 Crore amount of disallowance of FAC due to excess distribution loss for the months of April 2024 and May 2024 respectively. However, the standalone FAC for the month of June 2024 is negative and although the month wise annual sliding losses are higher than the approved distribution loss for month of June 2024, the Commission has considered Nil amount for the disallowance of FAC due to excess distribution loss for the months of June 2024. Hence, the same is approved by the Commission.

11. Summary of Allowable Z_{FAC}

11.1. The summary of the FAC amount as approved by the Commission for the month of April 2024, May 2024 and June 2024 which is allowed to be recovered in the billing month of June 2024, July 2024, and August 2024 is as shown in the Table 8 below.

Table 8: Summary of Allowable Z_{FAC}

Sr. No.	Particulars	Units	Apr-24	May-24	Jun-24
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	0.178	0.477	(0.076)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	0.002	(0.001)	(0.000)
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.182	(0.078)	(0.038)
1.5	$Z_{FAC} = F+C+B$	Rs. Crore	0.362	0.398	(0.114)
2	Calculation of FAC Charge				
2.1	Energy Sales within the License Area	MU	4.921	5.139	4.633
2.2	Excess Distribution Loss	MU	0.010	0.009	-
2.3	Z_{FAC} per kWh	Rs. /kWh	0.733	0.774	(0.246)
2.4	Cap at 20% of variable component of tariff	Rs. /kWh	1.755	1.755	1.755
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs. /kWh	0.733	0.774	(0.246)
3	Recovery of FAC				
3.1	FAC disallowed corresponding to excess Distribution Loss $(((2.1+2.2) \times 2.3)/10]$	Rs. Crore	0.001	0.001	-
3.2	Allowable FAC	Rs. Crore	0.361	0.398	(0.114)
4	Utilization of FAC Fund				
4.1	Opening Balance of FAC Fund	Rs. Crore	-	-	-
4.2(a)	Holding Cost on FAC Fund	Rs. Crore	-	-	-
4.2(b)	Net Opening Balance of FAC Fund	Rs. Crore	-	-	-
4.3	Z_{FAC} for the month (Sr. No. 3.2)	Rs. Crore	0.361	0.398	(0.114)
4.4	Closing Balance of FAC Fund	Rs. Crore	-	-	(0.114)
4.5	Z_{FAC} leviable/refundable to consumer	Rs. Crore	0.361	0.398	-
5	Total FAC based on category wise and slab wise allowed to be recovered	Rs. Crore	0.339	0.397	-
6	Carried forward FAC for recovery during future period (3.1-3.2-4)	Rs. Crore	0.022	0.000	-



- 11.2. It can be seen from the above Table 8 that the standalone FAC for the month of April 2024, May 2024 and June 2024 is **Rs. 0.361 Crores, Rs. 0.398 Crores, and (Rs. 0.114 Crores)** respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as **Rs. 0.733/kWh, Rs. 0.774 /kWh and Rs. (0.246)/kWh** for the months of April 2024, May 2024 and June 2024 respectively as shown above.
- 11.3. Further, the Regulation 10.9 of MYT Regulations, 2019 specifies as:
- “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:”*
- 11.4. The FAC in April 2024 and May 2024 is positive while for June 2024 it is negative and the same are adjusted in the FAC fund being maintained by MBPPL. As the FAC per unit computed in the months of April to June 2024 as shown in Table 8 above is higher than the 20% cap (Rs. 1.755/kWh) specified in MYT Regulations, 2019, hence, there is restriction triggered with regards to such ceiling.
- 11.5. Accordingly, considering the ceiling limit (Rs. 1.755/kWh) at 20%, the FAC recoverable will be lower in April to June 2024. Consequently, due to ceiling limit (Rs. 1.755/kWh), the FAC recoverable has been worked out as **Rs. 0.361 Crores, Rs. 0.398 Crores, and nil** for the month of April 2024, May 2024 and June 2024 respectively.
- 11.6. The rate considered for the calculation of FAC recovery is in terms of Rs./kVAh. rather than Rs./kWh. Accordingly, the conversion from Rs./kWh to Rs./kVAh is done using the power factor. Due to this rate conversion, a FAC amount of Rs. 0.022 Crores (i.e., Rs. 0.361 Crores minus Rs. 0.339 Crores) for the month of April 2024, Rs. 0.0005 Crores (i.e., Rs. 0.398 Crores minus Rs. 0.397 Crores) for the month of May 2024, and Rs. Nil for the month of June 2024 has remained unrecovered, which will be adjusted and recovered in the FAC of upcoming months.
- 11.7. There was nil FAC fund available at the beginning of April 2024 and no FAC fund was created during the period from April 2024 to June 2024, accordingly, the Commission has also approved nil holding cost on the FAC Fund during the months of April 2024 to June 2024. The Commission has determined positive FAC of Rs. 0.361 crores and Rs. 0.398 crores for the months of April 2024 and May 2024 respectively and negative FAC of Rs.0.114 crores for months of June 2024. Accordingly, the positive FAC determined by the Commission for April 2024, May 2024 and June 2024 is recoverable from the consumers. The recovery during each month will be subject to the cap of 20% of variable component of tariff.

12. Recovery from Consumers:

- 12.1. 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: —

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

Where:

$Z_{FAC} \text{ Cat}$ = Z_{FAC} component for a particular Tariff category/sub-category/consumption slab in ‘Rupees per kWh’ terms;



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$k = \text{Average Billing Rate} / \text{ACOS};$

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 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...."

12.2. The Commission has worked out FAC per unit for each category of consumer based on the formula provided in the above Regulations.

12.3. The following August 2024

12.4. Table 9 Error! Reference source not found. shows per unit Z_{FAC} for the month April 2024, May 2024 and June 2024 to be levied on consumers of MBPPL in the billing month of June 2024, July 2024, August 2024

Table 9: Category wise FAC Revenue for billing month June 2024, July 2024, and August 2024 (Rs. Crore)

Sr. No.	Consumer Category	Slabs	ZFAC computed for the month of April 2023 (Rs. Crore)	ZFAC computed for the month of May 2023 (Rs. Crore)	ZFAC computed for the month of June 2023 (Rs. Crore)
	HT Category				
1	HT- I Industrial	all units	0.291	0.343	-
2	HT-II Commercial	all units	-	-	-
	LT Category				
3	LT-II(A) Commercial (0-20 kW)	all units	-	-	-
4	LT-II (B) Commercial (above 20 kW)	all units	0.002	0.002	-
5	LT-III (A) Industrial (0-20 kW)	all units	0.002	0.003	-
6	LT-III (B) Industrial (above 20 kW)	all units	0.003	0.003	-
7	LT-IV – Electric Vehicle (EV) Charging Stations	all units	0.041	0.046	-



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Sr. No.	Consumer Category	Slabs	ZFAC computed for the month of April 2023 (Rs. Crore)	ZFAC computed for the month of May 2023 (Rs. Crore)	ZFAC computed for the month of June 2023 (Rs. Crore)
	Total FAC Recovery (Rs. Crore)		0.339	0.397	-



