



# महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2024-25/6167

Date: 18 March 2025

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 July 2024, August 2024 and September 2024.

**Reference:** 1. MBPPL's FAC submission for the months of July 2024, August 2024 and September 2024 vide email dated 29<sup>th</sup> November 2024.  
2. Data gaps raised vide email dated 23<sup>rd</sup> December 2024  
3. MBPPL's response to data gaps vide email dated 15<sup>th</sup> January 2025.

Sir,


Upon vetting the FAC calculations for the months of July 2024, August 2024 and September 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	July 2024	August 2024	September 2024
Z <sub>FAC</sub> allowed for recovery (Rs. Crore)	-	-	-

The Commission allows the accumulation of FAC fund of Rs. (0.411) Crore, Rs. (0.615) Crore and Rs. (0.457) Crore in the months of July 2024, August 2024 and September 2024, respectively. This balance is after adjusting the negative FAC for the months of July 2024, August 2024 and September 2024 in the opening FAC fund at the beginning of the respective months. The Commission allows the accumulation of FAC amount of Rs. (1.612) Crore which shall form part of FAC Fund and shall be carried forward to next FAC billing cycle with holding cost. 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 July 2024 to September 2024.

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**POST FACTO APPROVAL FOR FAC CHARGES FOR THE MONTHS OF JULY 2024, AUGUST 2024 AND SEPTEMBER 2024**

**Subject:** Post facto approval of Fuel Adjustment Charges (FAC) submissions of MBPPL for the months of July 2024, August 2024 and September 2024.

**Reference:**

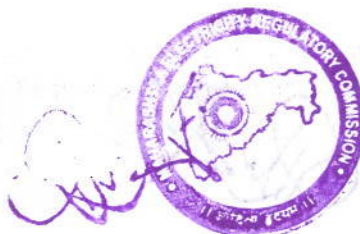
1. MBPPL's FAC submission for the months of July 2024, August 2024 and September 2024 vide email dated 29<sup>th</sup> November 2024.
2. Data gaps raised vide email dated 23<sup>rd</sup> December 2024
3. MBPPL's response to data gaps vide email dated 15<sup>th</sup> January 2025.

**1. FAC submission by MBPPL Undertaking:**

1.1. MBPPL has made FAC submissions for the months of July 2024, August 2024 and September 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 September 2024, October 2024, and November 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 July 2024, August 2024, and September 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.
  - Post-facto approval to the FAC for the month of April 2024, May 2024 and June 2024 vide FAC Vetting Report dated 27 December 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 29<sup>th</sup> November 2024, MBPPL has filed FAC submissions for the months of July 2024, August 2024 and September 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 Commission	Monthly Approved	Actual Sales		
			Jul-24	Aug-24	Sep-24
	(I)	(II=I/12)	(III)	(IV)	(V)
<b>HT Category</b>					
HT-I Industrial	50.78	4.23	3.87	3.85	3.64
HT-II Commercial	-	-	-	-	-
<b>LT Category</b>					
LT-II (A) Commercial (0-20 kW)	0.30	0.03	0.02	0.02	0.02
LT-II (B) Commercial (above 20 kW)	0.34	0.03	0.04	0.03	0.03
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	0.56	0.55	0.52
LT-IV Electric Vehicle (EV) Charging Stations	-	-	0.00	0.00	0.00
<b>Total</b>	<b>59.66</b>	<b>4.97</b>	<b>4.54</b>	<b>4.49</b>	<b>4.25</b>

3.3. It can be observed from the above Table 1 that the actual sales during the months of July 2024, August 2024 and September 2024 are 4.54 MUs, 4.49 MUs and 4.25 MUs, respectively, which is 8.62%, 9.65% and 14.47% lower than the 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 Airoli, 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 July 2024, August 2024 and September 2024. MBBPL purchased 0.2 MUs of Solar power and 7.1 MUs of Non-Solar Power in July 2024 at an average rate of Rs. 5.10/kWh and Rs. 4.06/kWh, respectively. Similarly, MBBPL purchased 0.57 MUs and 4.54 MUs of Solar and Non-Solar Power in August 2024 at an average rate of Rs. 4.96/kWh and Rs. 3.67/kWh, respectively. MBBPL purchased 0.75 MUs and 5.56 MUs of Solar and Non-Solar Power in September 2024 at an average rate of Rs. 5.23/kWh and Rs. 4.04/kWh, respectively.
- 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 July 2024, August 2024 and September 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.
- 4.4. MBPPL has also procured 0.02 MUs, 0.27 MUs and 0.20 MUs of power from the Power Exchange at average rates of Rs. 6.43/kWh, Rs. 6.51/kWh and Rs. 6.26/kWh, during the months of July 2024,

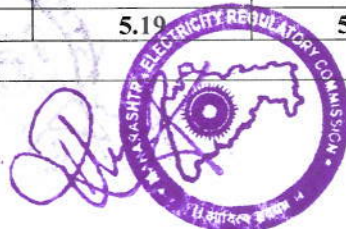


Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

August 2024 and September 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	<b>Not applicable.</b> All the sources of power procurement fall under Section 63 of EA, 2003.																																
4	DSM Pool	MBBPL and has drawn 0.18 MUs from the pool in the month of August 2024. However, MBPPL has injected 1.16 MUs and 0.52 MUs into the DSM pool in the months of July 2024 and September 2024, respectively.																																
5	Sale of Surplus Power	MBBPL has sold surplus power of 0.72 MUs, 0.33 MUs and 0.07 MUs in month of July 2024, August 2024 and September 2024.																																
6	Power Purchase	Actual Power Purchase is <b>5.44 MUs, 5.23 MUs, and 5.92 MUs</b> in months of July 2024, August 2024 and September 2024, respectively, as against approved monthly power purchase of <b>5.19 MUs</b> . 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 Jul 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>0.20</td> <td>3.63%</td> </tr> <tr> <td>RE Non-Solar<sup>#</sup></td> <td>0.60</td> <td>7.10</td> <td>130.45%</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>0.38%</td> </tr> <tr> <td>DSM Pool</td> <td>-</td> <td>(1.16)</td> <td>-21.27%</td> </tr> <tr> <td>Sale of Surplus Power</td> <td>-</td> <td>(0.72)</td> <td>-13.18%</td> </tr> <tr> <td><b>Total</b></td> <td><b>5.19</b></td> <td><b>5.44</b></td> <td><b>100.00%</b></td> </tr> </tbody> </table>	Source Name	Approved (MU)*	Actual Jul 2024 (MU)	Proportion of each Source in Actual Purchase (%)	RE Solar	0.70	0.20	3.63%	RE Non-Solar <sup>#</sup>	0.60	7.10	130.45%	New Source	3.89	-	0.00%	Exchange	-	0.02	0.38%	DSM Pool	-	(1.16)	-21.27%	Sale of Surplus Power	-	(0.72)	-13.18%	<b>Total</b>	<b>5.19</b>	<b>5.44</b>	<b>100.00%</b>
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Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

Sr. No.	Particular	Compliance			
		Source Name	Approved (MU)*	Actual Aug 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.70	0.57	10.89%
		RE Non-Solar <sup>#</sup>	0.60	4.54	86.86%
		New Source	3.89	-	0.00%
		Exchange	-	0.27	5.18%
		DSM Pool	-	0.18	3.47%
		Sale of Surplus Power	-	(0.33)	-6.39%
		<b>Total</b>	<b>5.19</b>	<b>5.23</b>	<b>100.00%</b>
		Source Name	Approved (MU)*	Actual Sep 2024 (MU)	Proportion of each Source in Actual Purchase (%)
		RE Solar	0.70	0.75	12.67%
		RE Non-Solar <sup>#</sup>	0.60	5.56	93.90%
		New Source	3.89	-	0.00%
		Exchange	-	0.20	3.44%
		DSM Pool	-	(0.52)	-8.81%
		Sale of Surplus Power	-	(0.07)	-1.19%
		<b>Total</b>	<b>5.19</b>	<b>5.92</b>	<b>100.00%</b>
		<p><i>*The power purchase quantum/cost approved in MTR Order is on yearly basis, however monthly approved numbers are derived for comparison purpose.</i></p> <p><i>RE procurement is approved at a rate of Rs. 4.90/kWh which is weighted average rate of GDAM for the period of July to December 2022.</i></p> <p><i># KRC Discoms has filed petition in Case No. 168 of 2023 before the Commission for approval of combined short term wind power procurement of up to 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. The procurement has been approved by the Commission vide its order dated 21 June 2024 in Case No 168 of 2023. MBPPL has procured wind (RE) power through bilateral mode of transaction from the month of August 2023 and onwards from Manikaran Power Limited. Since the power purchase agreement between MPL and KRC Discoms was expired on 31st July 2024, KRC Discom and M/s Manikaran Power Limited has mutually extended the contract for period of one year for the period from 01.08.2024 to 31.07.2025. MBBPL has intimated the Commission pertaining to extension of current contract vide letter dated 18.07.2024. The Commission has noted the submission.</i></p>			
8	Power Purchase under Section 63 of Electricity Act, 2003	<p>Monthly power purchase invoices are submitted by MBPPL. Power Purchase rates are verified from the PPA signed by MBPPL with each source of power. Monthly power purchase quantum and rate are verified from the invoices, and it is ensured that same has been considered in the FAC calculation.</p>			

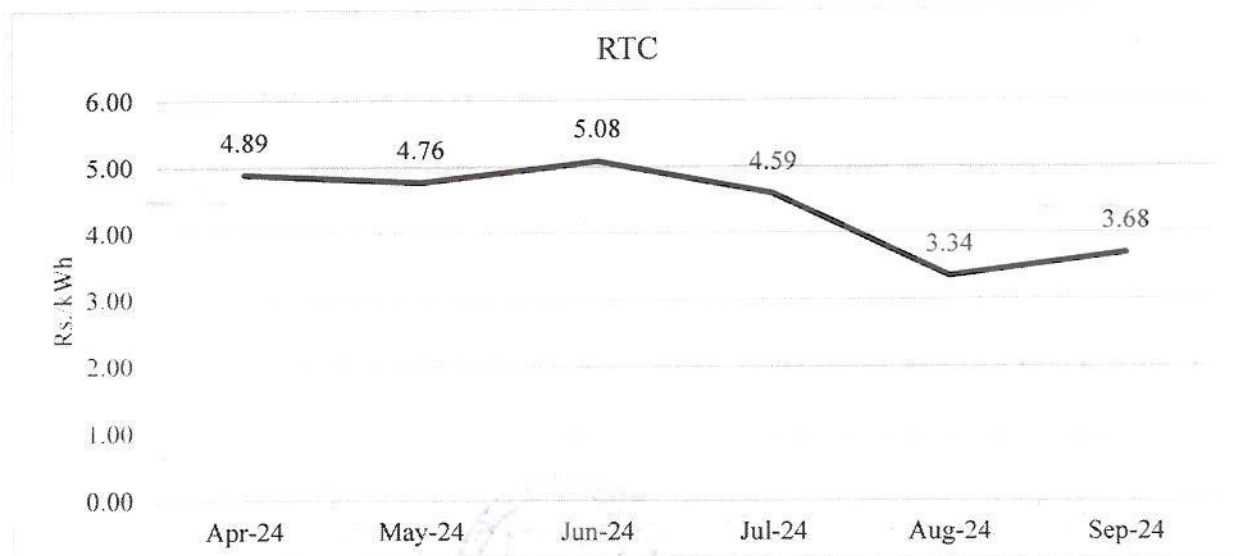
5. Power Purchase Cost:



## Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 5.1. The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the month of July 2024, August 2024 and September 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 July 2024, August 2024 and September 2024 is **Rs. 2.42 Crores**, **Rs. 2.14 Crores** and **Rs. 2.67 Crores**, respectively. which is lower than the monthly approved Power Purchase cost of **Rs. 2.74 Crores**.
- 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 up to 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. Since the power purchase agreement between MPL and KRC Discoms was expired on 31st July 2024, KRC Discom and M/s Manikaran Power Limited has mutually extended the contract for period of one year for the period from 01.08.2024 to 31.07.2025. MBBPL has intimated the Commission pertaining to extension of current contract vide letter dated 18.07.2024. The Commission has noted the submission.
- 5.4. **Power procurement through Exchange and Other Peak Source:** MBPPL has procured 0.02 MUs, 0.27 MUs, and 0.20 MUs of power from TAM / DAM / RTM products available on Power Exchange at average rates of Rs. 6.43/kWh, Rs. 6.51/kWh and Rs. 6.26/kWh during the months of July 2024, August 2024 and September 2024, respectively. The trends observed in the RTM power in IEX in the months of July 2024, August 2024 and September 2024 are shown in the below figure.

**Figure 1: Exchange price trends (RTC)**





Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

- 5.5. **Renewable Sources:** The Commission has approved Rs. 0.64 Crores each for July 2024, August 2024 and September 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 July 2024, August 2024 and September 2024. The RE Solar purchase quantum was 0.20 MUs, 0.57 MUs and 0.75 MUs at a power purchase rate of Rs. 5.10/kWh, Rs. 4.96/kWh and Rs. 5.23/kWh in the months of July 2024, August 2024 and September 2024, respectively. Similarly, the RE Non-Solar purchase quantum was 7.10 MUs, 4.54 MUs, and 5.56 MUs at an average power purchase rate of Rs. 4.06/kWh, Rs. 3.67/kWh, and Rs. 4.04/kWh in the months of July 2024, August 2024 and September 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. This use of provisional wind generator data in FAC computation has resulted in an increase in pool imbalance units, ranging from 10% to 25% of the total power purchase quantum.
- 5.8. The APPC for solar are higher than approved rate of Rs. 4.90 /kWh each for solar in the months of July 2024, August 2024 and September 2024. However, the APPC for non-solar are lower than approved rate of Rs. 4.90 /kWh each for solar in the months of July 2024, August 2024 and September 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 0.18 MUs from DSM pool in the month of August 2024. However, MBBPL has injected 1.16 MUs and 0.52 MUs during the months of July 2024 and September 2024 into the DSM pool. The Commission has also considered the average price of the power in the DSM pool Rs. 2.10 /kWh, Rs. 5.75 /kWh and Rs. 1.48 /kWh as submitted by the Licensee for FAC computation along with the supporting documentation for the months July 2024, August 2024 and September 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.
- 5.11. **Sale of Surplus Power:** The Commission has noted that MBPPL has sold the surplus power of 0.72 MUs, 0.33 MUs and 0.07 MUs at average rate of Rs. 4.59 /kWh, Rs.2.62/kWh and Rs.3.54/kWh during the month of July 2024, August 2024 and September 2024.
- 5.12. **Approved Cost:** The APPC during the period July 2024, August 2024 and September 2024 (Rs. 4.45/kWh, Rs. 4.10/kWh and Rs. 4.50/kWh) is lower than Approved power purchase rate due to purchase of low-cost non-solar power (contracted as well as power exchange).



Approval of FAC Charges for the months of July 2024, August 2024, and September 2024

5.13. The details of the overall cost approved as per MTR Order and the actual cost for the months of July 2024, August 2024 and September 2024 is as shown in the Table 2 Error! 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 (July 2024)	-	-	-	-	-	-	-
	Actual (August 2024)	-	-	-	-	-	-	-
	Actual (September 2024)	-	-	-	-	-	-	-
Exchange	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	0.02	-	-	0.01	6.43	0.01	6.43
	Actual (August 2024)	0.27	-	-	0.18	6.51	0.18	6.51
	Actual (September 2024)	0.20	-	-	0.13	6.26	0.13	6.26
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 (July 2024)	0.20 (RE Solar)	-	-	0.10	5.10	0.10	5.10
		7.10 (RE non-Solar)	-	-	2.88	4.06	2.88	4.06
	Actual (August 2024)	0.57 (RE Solar)	-	-	0.28	4.96	0.28	4.96
		4.54 (RE non-Solar)	-	-	1.67	3.67	1.67	3.67
	Actual (September 2024)	0.75 (RE Solar)	-	-	0.39	5.23	0.39	5.23
		05.56 (RE non-Solar)	-	-	2.25	4.04	2.25	4.04
DSM / Pool	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	(1.16)	-	-	(0.24)	2.10	(0.24)	2.10
	Actual (August 2024)	0.18	-	-	0.10	5.75	0.10	5.75
	Actual (September 2024)	(0.52)	-	-	(0.08)	1.48	(0.08)	1.48
Sale of Surplus power	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	(0.72)	-	-	(0.33)	4.59	(0.33)	4.59
	Actual (August 2024)	(0.33)	-	-	(0.09)	2.62	(0.09)	2.62
	Actual (September 2024)	(0.07)	-	-	(0.02)	3.54	(0.02)	3.54
SLDC Fee	Approved	-	-	-	-	-	-	-
	Actual (July 2024)	-	0.001	-	-	-	0.001	-
	Actual (August 2024)	-	0.001	-	-	-	0.001	-
	Actual (September 2024)	-	0.001	-	-	-	0.001	-
<b>Total</b>	Approved	5.19	-	-	2.74	5.28	2.74	5.28

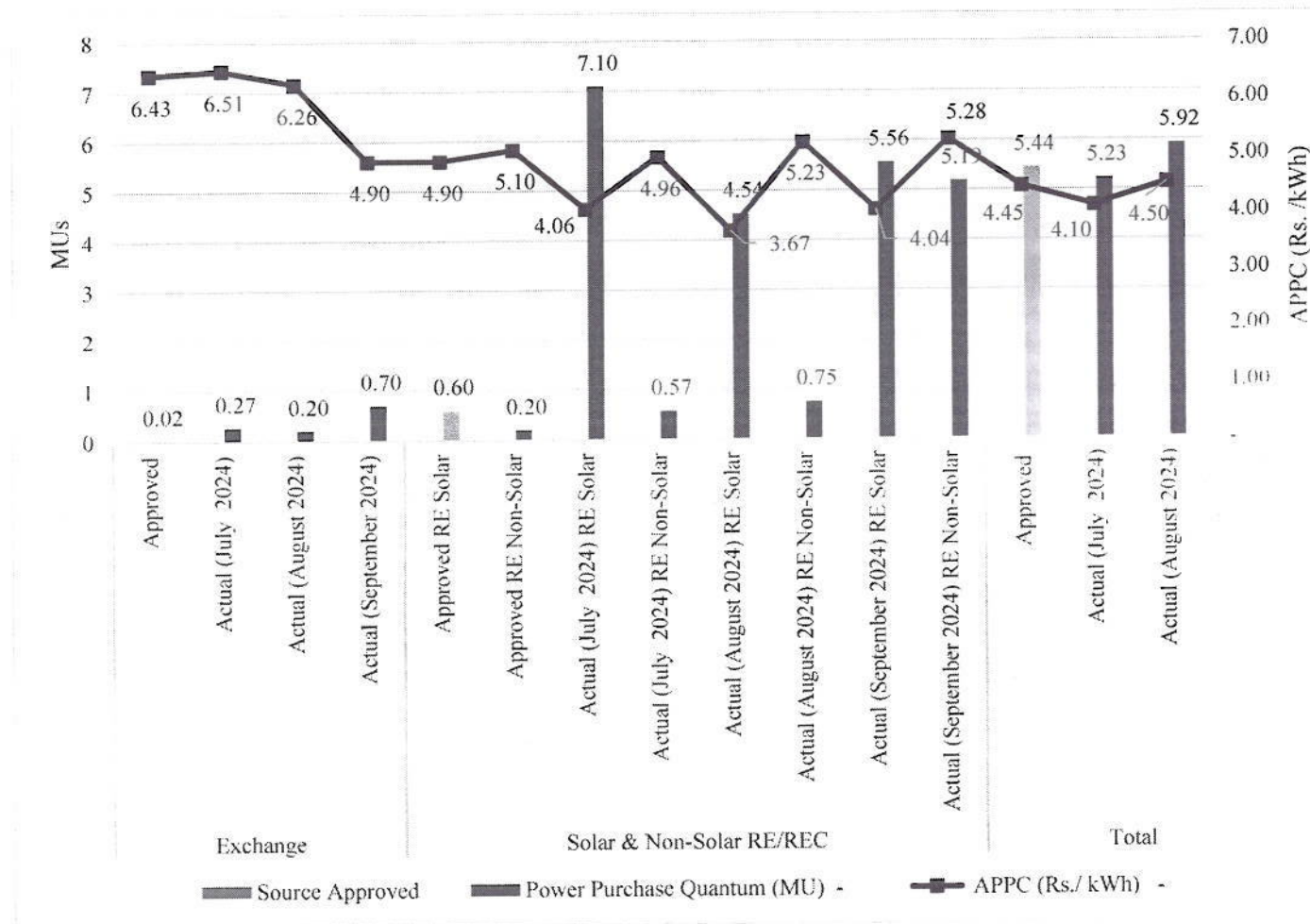


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Source	Months	Power Purchase Quantum (MU)	Fixed Cost (Rs. Crore)	Fixed Cost (Rs./ kWh)	Variable Cost (Rs. Crore)	Variable Cost (Rs./ kWh)	Total Cost (Rs. Crore)	APP C (Rs./ kWh)
	Actual (July 2024)	5.44	0.001	-	2.42	4.45	2.42	4.45
	Actual (August 2024)	5.23	0.001	-	2.14	4.10	2.14	4.10
	Actual (September 2024)	5.92	0.001	-	2.67	4.50	2.67	4.50

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:



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**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	July 2024	4.90 (Solar) 4.90 (non-Solar)	5.10 (S)	Market discovered rate: RE power was purchased during the period from July 2024 to September 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.
				4.06 (NS)	
		August 2024		4.96 (S)	
				3.67 (NS)	
		September 2024		5.23 (S)	
				4.04 (NS)	
2	Exchange	July 2024	-	6.43	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.
		August 2024		6.51	
		September 2024		6.26	
3	DSM / Imbalance Pool	July 2024	-	2.10	DSM rates are based on supporting documents provided by MBPPL.
		August 2024		5.75	
		September 2024		1.48	
4	Total	July 2024	5.02	4.45	Due to the above factors.
		August 2024		4.10	
		September 2024		4.50	

5.16. Considering the above, the Commission allows the average power purchase cost of Rs. 4.45/kWh, Rs. 4.10/kWh, and Rs. 4.50/kWh for the months of July 2024, August 2024 and September 2024, respectively as shown in Table 3 above.

**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 July 2024, August 2024 and September 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.  $Z_{FAC}$  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 July 2024, August 2024 and September 2024, respectively.

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

Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-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	4.45	4.10	4.50
3	Change in average power purchase cost (=2 - 1)	Rs. /kWh	(0.82)	(1.18)	(0.77)
4	Net Power Purchase	MU	5.44	5.23	5.92
5	<b>Change in power purchase cost (=3 x 4/10)</b>	<b>Rs. Crore</b>	<b>(0.45)</b>	<b>(0.61)</b>	<b>(0.46)</b>

**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	Jul-24	Aug-24	Sep-24
1.1	Incremental cost allowed to be recovered in Month (n-4)	Rs. Crore	0.40	-	-
1.2	Incremental cost in Month (n-4) actually recovered in month (n-2)	Rs. Crore	0.36	-	-
1.3	(over-recovery)/under-recovery = (1.2) - (1.1)	Rs. Crore	0.04	-	-
2	Carried forward adjustment for over-recovery/under-recovery attributable to application of ceiling limit for previous month	Rs. Crore	-	-	-
3	Adjustment factor for over-recovery/under-recovery (1.3+2)	Rs. Crore	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. 0.003 Crores** for the month of July 2024, Nil amount for the month of August 2024 and September 2024.

8.2. Holding cost for the month of July 2024 to September 2024 is calculated by considering one-year MCLR + 150 basis points which turns out to be **10.30%, 10.40%, and 10.45%** for July 2024, August 2024 and September 2024 respectively.

8.3. The Commission has computed the holding cost towards the amount under recovered in the month of July to September 2024 which is as shown in Table 6: Carrying/Holding Cost for over/under recovery below:



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

Particulars	Units	Jul-24	Aug-24	Sep-24
Adjustment factor for over-recovery/under-recovery	Rs. Crore	0.04	-	-
Interest rate	%	10.30%	10.40%	10.45%
Carrying cost for over-recovery/under-recovery	Rs. Crore	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 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. (0.411) Crores, Rs. (0.615) Crores and Rs. (0.457) Crore for the months of July 2024, August 2024 and September 2024, respectively. There was Rs. (0.114) Crores FAC fund available at the beginning of July 2024. Further, the Commission has determined negative FAC for the month of July 2024, August 2024 and September 2024, accordingly, the FAC fund of Rs. (1.612) Crore amount has been approved at end of September 2024 month.
- 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 10.30%, 10.40% and 10.45% for July 2024, August 2024 and September 2024, respectively. Considering that the opening FAC fund of Rs. (0.114) Crore, Rs. (0.526) Crore, and Rs. (1.145) Crore in months of July 2024, August 2024 and September 2024, the Commission has calculated holding cost of Rs. (0.001) Crore, Rs. (0.005) Crore and Rs. (0.010) Crore for the months July 2024, August 2024 and September 2024 to be contributed to the FAC Pool.

**10. Disallowance due to excess Distribution Loss**

- 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.”*



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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	Jul-24	Aug-24	Sep-24
1	Net Energy input at Distribution Voltages	MU	5.02	4.61	4.56	4.31
2	Energy sales at Distribution voltages	MU	4.97	4.54	4.49	4.25
3	Distribution Loss (1 - 2)	MU	0.05	0.06	0.06	0.06
4	Distribution Loss as % (3/1)	%	0.97%	1.41%	1.40%	1.31%
5	Annual Sliding Distribution Loss	%	0.97%	1.17%	1.20%	1.22%
6	Excess Distribution Loss = [Annual Sliding Distribution Loss - Distribution loss approved] x Net Energy Input (1)	MU		0.12	0.13	0.15
7	<b>Disallowance of FAC due to excess Distribution Loss</b>	<b>Rs. Crore</b>		-	-	-

10.3. As seen from the above Table 7, the annual sliding distribution loss for the months of July 2024 to September 2024 is 1.16%, 1.18%, and 1.20%, 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 July 2024, August 2024 and September 2024. As the standalone FAC for the month of July 2024, August 2024 and September 2024 is negative and although the month wise annual sliding losses are higher than the approved distribution loss for month of July 2024, August 2024 and September 202, the Commission has considered Nil amount for the disallowance of FAC due to excess distribution loss for the months of July 2024, August 2024 and September 2024.

**11. Summary of Allowable  $Z_{FAC}$**

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

**Table 8: Summary of Allowable  $Z_{FAC}$**

Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-24
1	<b>Calculation of <math>Z_{FAC}</math></b>				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	(0.449)	(0.615)	(0.457)
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	0.000	-	-



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Sr. No.	Particulars	Units	Jul-24	Aug-24	Sep-24
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	0.038	-	-
1.5	$Z_{FAC} = F+C+B$	Rs. Crore	(0.411)	(0.615)	(0.457)
2	<b>Calculation of FAC Charge</b>				
2.1	Energy Sales within the License Area	MU	4.543	4.492	4.252
2.2	Excess Distribution Loss	MU	-	-	-
2.3	$Z_{FAC}$ per kWh	Rs. /kWh	(0.905)	(1.369)	(1.075)
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	(0.905)	(1.369)	(1.075)
3	<b>Recovery of FAC</b>				
3.1	FAC disallowed corresponding to excess Distribution Loss $(((2.1+2.2) \times 2.3)/10)$	Rs. Crore	-	-	-
3.2	Allowable FAC	Rs. Crore	(0.411)	(0.615)	(0.457)
4	<b>Utilization of FAC Fund</b>				
4.1	Opening Balance of FAC Fund	Rs. Crore	(0.114)	(0.526)	(1.145)
4.2(a)	Holding Cost on FAC Fund	Rs. Crore	(0.001)	(0.005)	(0.010)
4.2(b)	Net Opening Balance of FAC Fund	Rs. Crore	(0.115)	(0.530)	(1.155)
4.3	$Z_{FAC}$ for the month (Sr. No. 3.2)	Rs. Crore	(0.411)	(0.615)	(0.457)
4.4	Closing Balance of FAC Fund	Rs. Crore	(0.526)	(1.145)	(1.612)
4.5	$Z_{FAC}$ leivable/refundable to consumer	Rs. Crore	-	-	-
5	<b>Total FAC based on category wise and slab wise allowed to be recovered</b>	Rs. Crore	-	-	-
6	<b>Carried forward FAC for recovery during future period (3.1-3.2-4)</b>	Rs. Crore	-	-	-

11.2. It can be seen from the above Table 8 that the standalone FAC for the month of July 2024, August 2024 and September 2024 is (Rs. 0.411 Crore), (Rs. 0.615 Crore), and (Rs. 0.457 Crore) respectively. Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. (0.905)/kWh, Rs. (1.369) /kWh and Rs. (1.075)/kWh for the months of July 2024, August 2024 and September 2024 respectively as shown above.

11.3. Further, the Regulation 10.9 of MYT Regulations, 2019 specifies as:

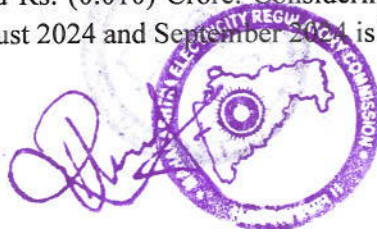
*"Provided that the monthly  $Z_{FAC}$  shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:"*

11.4. The FAC in July 2024, August 2024 and September 2024 is negative and same is adjusted in the FAC fund being maintained by MBPPL.

11.5. Accordingly, considering the negative FAC in month of July 2024, August 2024 and September 2024, the FAC recoverable will be Nil in the month of July 2024, August 2024 and September 2024.

11.6. The rate considered for the calculation of FAC recovery amount is Nil for the month of July 2024, August 2024 and September 2024.

11.7. The opening balance fund of the Rs. (0.115) Crore, Rs. (0.530) and Rs. (1.155) is calculated for the month of July 2024, August 2024 and September 2024, after considering the holding cost of Rs. (0.001) Crore, Rs. (0.005) Crore and Rs. (0.010) Crore. Considering that the Standalone FAC fund for the month of the July 2024, August 2024 and September 2024 is Rs. (0.411) Crore, Rs. (0.615) Crore, and





Rs. (0.457) Crore, closing negative FAC determined by the commission at end of July 2024, August 2024 and September 2024 is Rs. (0.526) Crore, Rs. (1.145) Crore and Rs. (1.612) Crore. The said amount will be accumulated in FAC fund for stabilisation of FAC in future and same will allowed to be recovered in the upcoming future billing month along with holding cost. Accordingly, there is no FAC leviable on the consumer for the months of July 2024, August 2024 and September 2024.

**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.*

*$k$  = Average Billing Rate / ACOS.*

*Average Billing Rate = Average Billing Rate for a particular Tariff category/sub-category/consumption slab under consideration in ‘Rupees per kWh’ as approved by the Commission in the Tariff Order:*

*Provided that the Average Billing Rate for the unmetered consumers shall be based on the estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

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

*Provided that the monthly  $Z_{FAC}$  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. However, considering that the stand-alone FAC for the months of July 2024, August 2024 and September 2024 is negative after the adjustment, there is no requirement for working out the FAC per unit for each category of consumer.



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12.3. Accordingly, per unit ZFAC for the months of July 2024, August 2024, and September 2024 to be levied on the consumers of MBPPL in the billing months of September 2024, October 2024 and November 2024 is Nil.

