



महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission



Ref. No. MERC/FAC/2025-26/0321

Date: 19 May, 2025

To,
The Chairman and Managing Director
Maharashtra State Electricity Distribution Company Ltd.,
5th Floor, Prakashgad, Plot No. G-9
Bandra (East), Mumbai 400 051

Subject: Prior Approval of Fuel Adjustment Charges (FAC) submission of MSEDCL for the month of January, 2025.

Reference: 1. MSEDCL's FAC submission dated 18 February, 2025 for prior approval of FAC for the month of January, 2025.
2. Data gaps communicated to MSEDCL vide email dated 7 April, 2025.
3. MSEDCL's response to data gaps by email dated 9 April, 2025

Sir,


Upon vetting the FAC calculations for the month of January, 2025 as mentioned in the above reference, the Commission has accorded approval for FAC amount of Rs. (175.48) Crore. The Commission has decided to add the same to the FAC Fund and carry forward the same to the next billing month along with the holding cost. Accordingly, the FAC leviable for the month of January, 2025 is as given below:

| Month | FAC Amount (Rs. Crore) |
|---------------|------------------------|
| January, 2025 | 0 (Zero) |

MSEDCL shall maintain the monthly account of FAC Fund and upload it on its website to maintain transparency of FAC Fund and also for information of all the stakeholders.



Yours faithfully,


(Dr. Rajendra G. Ambekar)
Secretary, MERC

Encl: Annexure A: Detailed Vetting Report for the month of January, 2025.

ANNEXURE A

Detailed Vetting Report

Date: 19 May, 2025

PRIOR APPROVAL FOR FAC CHARGES FOR THE MONTH OF JANUARY, 2025

Subject: Prior Approval of Fuel Adjustment Charges (FAC) submission of MSEDCL for the month of January, 2025.

Reference: MSEDCL's FAC submission dated 18 February, 2025, 9 April, 2025 for prior approval of FAC for the month of January, 2025.

1. FAC submission by MSEDCL:

- 1.1 MSEDCL has submitted FAC submissions for the month of January, 2025 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by MSEDCL against the data gaps issued, the Commission has accorded approval for FAC amount of Rs. (175.48) Crore. The Commission has decided to add the same to the FAC Fund and carry forward the same to the next billing month along with the holding cost.

2. Background

- 2.1 On 31 March, 2023, the Commission has issued Tariff Order for MSEDCL, (Case No.322 of 2019) for True-up of FY 2019-20, FY 2020-21 and FY 2021-22, provisional True-up for FY 2022-23, and Aggregate Revenue Requirement and Revised Tariff for FY 2023-24 and FY 2024-25. Revised Tariff has been made applicable from 1 April, 2023.
- 2.2 In the Tariff Order, the Commission has stipulated methodology of levying FAC as follows:

"7.5.13 Therefore, using its powers for Removing Difficulty under Regulations 106 of the MYT Regulations, 2019, the Commission is making following changes in the FAC mechanism stipulated under Regulation 10 of MYT Regulations, 2019:

Distribution Licensee shall undertake computation of monthly FAC as per Regulation 10 of the MYT Regulations, 2019 except for treatment to be given to negative FAC as follows:

- *Negative FAC amount shall be carried forward to the next FAC billing cycle with holding cost.*
- *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.*



- Such carry forward of negative FAC shall be continued till next tariff determination process.
- 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, upon seeking prior approval from the Commission.

7.5.14 In order to maintain transparency in management and use of such FAC Fund, the Distribution Licensee shall maintain monthly account of such FAC fund and upload it on its website for information of stakeholders.

7.5.15 As the Commission has continued concept of FAC fund as stated above to stabilise the increase in fuel prices and power purchase costs, the Commission has modified the FAC mechanism such that the Distribution Licensees shall submit the FAC computations on a monthly basis for prior approval, irrespective of whether FAC is chargeable in a month or whether some amount is accruing to the Fund on account of negative FAC.

8.5.14 The details of the FAC as per the Regulations, shall be submitted by the 15th of the every month prior to the month on which the FAC is proposed to be levied and the Commission will endeavour to decide on the same within 10 days so that the same can be levied from the 1st of the subsequent month.”

- 2.3 Vide its letter dated 20 April, 2020, the Commission communicated the excel formats along with the checklist to file FAC submissions for prior approval to all Distribution Licensees. The Commission also directed all Distribution Licensees to file FAC submissions by 15th of every month prior to the month for which the FAC is proposed to be levied for prior approval.
- 2.4 Accordingly, MSEDCL has filed FAC submissions for the month of January, 2025 for prior approval. The Commission has scrutinized the submissions provided by MSEDCL and has also verified the fuel and power purchase bills provided along with its submissions.

3. Energy Sales of the Licensee

- 3.1 The net energy sales within licence area as submitted by MSEDCL in the FAC submission and as approved by the Commission are as shown in the table below:

| Consumer Category | Yearly Approved by the Commission (MU) | Monthly Approved (MU) | Actual Sales |
|--------------------|--|-----------------------|--------------------|
| | | | January, 2025 (MU) |
| HT Category | | | |
| Industry (General) | 40,970.86 | 3,591.05 | 3,340.80 |



| Consumer Category | Yearly Approved by the Commission (MU) | Monthly Approved (MU) | Actual Sales |
|-------------------------------------|--|-----------------------|--------------------|
| | | | January, 2025 (MU) |
| Industry (Seasonal) | 171.63 | 30.92 | 36.59 |
| Commercial | 2,085.56 | 174.73 | 149.58 |
| Railways/Metro/Monorail | 115.31 | 9.00 | 12.44 |
| Public Water Works (PWW) | 2,248.88 | 193.17 | 196.53 |
| Agricultural – Pumpsets | 803.74 | 51.53 | 114.23 |
| Agricultural – Others | 278.19 | 20.96 | 20.83 |
| Group Housing Society (Residential) | 235.32 | 17.56 | 18.70 |
| Public Services – Government | 359.02 | 25.86 | 29.66 |
| Public Services – Others | 900.99 | 65.86 | 69.18 |
| Electric Vehicle Charging Stations | 63.69 | 5.80 | 12.29 |
| MSPGCL Auxiliary | 398.52 | 38.43 | 46.95 |
| Sub-total (A) | 48,631.73 | 4,224.87 | 4,047.78 |
| LT Category | | | |
| BPL | 64.73 | 5.46 | 2.55 |
| Residential | 27,688.73 | 1,841.43 | 1,718.69 |
| Non-Residential | 7,273.13 | 584.40 | 540.86 |
| Public Water Works | 967.36 | 80.46 | 84.16 |
| AG Metered (Pump-sets) | 18,813.96 | 1,666.81 | 1,594.32 |
| AG Metered (Others) | 259.21 | 22.00 | 15.92 |
| Industrial | 12,671.55 | 1,141.32 | 1,191.54 |
| Street Lights | 923.14 | 66.13 | 101.89 |
| Public Services | 789.73 | 59.82 | 67.33 |
| Electric Vehicle Charging Stations | 2.55 | 0.32 | 1.87 |
| Sub-total (B) | 69,454.09 | 5,468.13 | 5,319.13 |
| Total – Metered (C = A+B) | 1,18,085.82 | 9,693.00 | 9,366.91 |
| Unmetered Sale (D) | 8,719.33 | 876.65 | 865.86 |
| Grand Total(C+D) | 1,26,805.15 | 10,569.65 | 10,232.77 |

3.2 For the month of January, 2025, it is observed that actual sales of 10,232.77 MU is lower as compared to the approved energy sales of 10,569.65 MU.

3.3 MSEDCL has submitted the data providing actual billing and estimated billing undertaken for the calculation of total energy consumption for the month of January, 2025. As per the data, the billing of about 97.25% of sales is undertaken as per actual meter readings and balance 2.75% is assessed on an estimated basis. 100% of HT billing is undertaken on actual basis and estimation is only for LT category. The figures do not include the agriculture sales which is on estimated basis for the month of January, 2025.



3.4 The number of actual and estimated meter readings undertaken by MSEDCL for the month of January, 2025 except for agriculture consumers are as given below:

| Sr. No. | Particulars | No. of Meters for which <u>actual</u> meter reading is done either manually or through AMR | No. of Meters for which meter reading are <u>estimated</u> . | Total Meters |
|---------|--------------|--|--|--------------|
| 1 | HT | 23859 | 0 | 23859 |
| 2 | LT | 24165684 | 2622759 | 26788443 |
| | Total | 24189543 | 2622759 | 26812302 |

3.5 Further, comparison of sales for April to January for FY 2024-25 as compared to last year is as shown below:

| Particulars | LT - Residential (MU) | LT Others (MU) | HT (MU) | Ag- Unmetered | Total (MU) |
|-------------------------------|-----------------------|----------------|--------------|---------------|---------------|
| Apr-23 | 2100 | 3614 | 4446 | 934 | 11093 |
| Apr-24 | 2397 | 3621 | 4000 | 892 | 10910 |
| May-23 | 2399 | 4356 | 4622 | 898 | 12275 |
| May-24 | 2706 | 3720 | 4118 | 904 | 11449 |
| June-23 | 2728 | 4281 | 4492 | 858 | 12359 |
| June-24 | 2881 | 3639 | 4067 | 869 | 11456 |
| July-23 | 2317 | 3180 | 4483 | 708 | 10688 |
| July-24 | 2390 | 3341 | 3925 | 749 | 10405 |
| August-23 | 2058 | 3249 | 4590 | 743 | 10640 |
| August-24 | 2152 | 3448 | 3895 | 824 | 10320 |
| September-23 | 2110 | 4061 | 4468 | 680 | 11319 |
| September-24 | 2222 | 3406 | 3772 | 788 | 10187 |
| October-23 | 2099 | 3677 | 3984 | 955 | 10715 |
| October-24 | 2213 | 3686 | 3917 | 901 | 10718 |
| November-23 | 2105 | 3485 | 3616 | 903 | 10109 |
| November-24 | 2220 | 3466 | 3615 | 836 | 10137 |
| December-23 | 1805 | 3478 | 3866 | 893 | 10042 |
| December-24 | 1761 | 3456 | 3928 | 807 | 9952 |
| January-24 | 1695 | 3528 | 3942 | 1022 | 10187 |
| January-25 | 1719 | 3600 | 4048 | 866 | 10233 |
| April-23 to January-24 | 21415 | 36909 | 42509 | 8594 | 109427 |
| April-24 to January-25 | 22661 | 35384 | 39284 | 8436 | 105766 |

3.6 The Commission observes that overall sales in January, 2025 is higher as compared to January, 2024 due to higher Sales across all categories except for Ag.



3.7 MSEDCL has considered agriculture sales are estimated based on consumption norms as per Tariff Order and consumption obtained for FY 2024-25 is bifurcated monthly on the basis of monthly input ratio of FY 2022-23 for estimation of monthly sale. The Commission while approving the FAC for the month of December, 2024 has restricted the agriculture sales to approved sales (based on the approved norm of Consumption/HP) as specified in MYT Tariff Order. MSEDCL in response to data gaps raised by the Commission has submitted the load (HP) details of agriculture connections. Further, the Commission has approved monthly sales for the agriculture connections. Accordingly, the Commission has computed the norm of consumption/HP based on the monthly approved agriculture sales and considered the norms based on monthly approved sales for allowing the sales for the month of January, 2025. Any adjustment in sales due to HP variation will be reconciled while actual data is submitted as per actual billing undertaken by MSEDCL. Based on the norms approved by the Commission in the Tariff Order, the agriculture sales - metered and unmetered approved by the Commission are as given below:

| Particulars | Metered | | | Unmetered | | | Total | | |
|---------------------------------|--------------|----------------------|--------------------------|--------------|----------------------|--------------------------|--------------|----------------------|--------------------------|
| | Sale in MU's | Cumulative Load (HP) | Consumption / HP - Units | Sale in MU's | Cumulative Load (HP) | Consumption / HP - Units | Sale in MU's | Cumulative Load (HP) | Consumption / HP - Units |
| MSEDCL - April 24-Jan 25 | 15397 | 155789046 | 99 | 8436 | 86235120 | 98 | 23833 | 242024166 | 98 |
| As Approved - April 24 - Jan 25 | 14756 | 155789046 | 95 | 7993 | 86235120 | 93 | 22748 | 242024166 | 94 |

4. Power Purchase Details

4.1 The Commission has approved following sources in the Tariff Order for power purchase by MSEDCL.

- MSPGCL
- Central Generating Stations i.e., NTPC, TAPP etc.
- IPPs i.e., JSW, Adani Power, Mundra UMPP, Emco, Rattan India and Sai Wardha
- Renewable Energy (Solar and Non-Solar)

In addition to the aforesaid, MSEDCL procures power in short term, though the said source is not approved by the Commission, in case of any shortfall of approved sources or to optimize the power purchase cost. Also, there may be some variation in real time (unscheduled interchange) which will be settled through Balancing and Settlement Mechanism approved by the Commission.

4.2 Summary of Power Purchase from MSEDCL is as follows:



| Sr. No. | Particular | Compliance | | | |
|---------|---|--|------------------|------------------|--|
| 1 | Sources of approved Power Purchase | MSEDCL has purchased power from approved sources. In addition, power is procured on power exchange to optimise the power purchase cost | | | |
| 2 | Merit Order Dispatch | MSEDCL has followed merit order for scheduling of power and preference was given to cheapest power. | | | |
| 3 | Fuel Utilization Plan | Usage of coal is not as per approved Fuel Utilisation Plan (Detailed Explanation given below – Para 5.8 and Para 5.9) | | | |
| 4 | Deviation Quantum | MSEDCL has Overdrawn (94.59 MU) from the actual schedule | | | |
| 5 | Sale of Surplus Power | MSEDCL has sold 11.02 MU on Power Exchange at Rs 9.88/kWh . | | | |
| 6 | Power Purchase | Actual Net Power Purchase is 15131.48 MU as against approved 12361.50 MU. | | | |
| 7 | Source wise Power Purchase | Source Name | Approved (MU) | Actual (MU) | Proportion of each Source in Actual Purchase |
| | | MSPGCL | 4,829.65 | 4,648.55 | 31% |
| | | NTPC | 2,188.94 | 3,515.81 | 23% |
| | | IPP | 1,868.66 | 3,699.19 | 24% |
| | | Renewable | 2,870.96 | 2,057.55 | 14% |
| | | Must Run | 603.29 | 583.41 | 4% |
| | | Short Term | 0.00 | 543.40 | 4% |
| | | Sale of Power | 0.00 | -11.02 | 0% |
| | | DSM | 0.00 | 94.59 | 1% |
| | | Total | 12,361.50 | 15,131.48 | 100% |
| 8 | Power Purchase: a. Section 62 of Electricity Act, 2003 | <p>A. MSPGCL</p> <p>As part of verification of fixed cost claimed by MSEDCL, the same has been verified from the MTR Order in Case No. 226 of 2022 and invoice submitted by MSEDCL.</p> <p>As part of verification of energy charges claimed by MSEDCL, verification of operational parameters, fuel cost, GCV etc. vis-à-vis the MYT Order/Tariff Regulations is carried out and invoice submitted by MSEDCL.</p> <p>B. CGS- NTPC etc</p> <p>Cost and MUs are verified as per invoice</p> | | | |



| Sr. No. | Particular | Compliance |
|---------|---|--|
| | b. Section 63 of Electricity Act, 2003 – IPPs | Cost and MUs verified as per Invoice |
| 9 | RE Purchase | Cost and MUs verified as per summary of renewable purchase details submitted by MSEDCL and invoices of power purchased from SECI, NVVN and other IPPs. |
| 10 | Short Term Power Purchase | MSEDCL has purchased 543.40 MU at Rs 4.27/kWh in Short Term Market. |

4.3 The following table show the variation in average power purchase cost (Rs/kWh) for the month of January, 2025 submitted by MSEDCL as compared to average power purchase cost approved in Tariff Order:

| Particulars | Tariff Order Dated 31.03.2023 Approved for January, 2025 | | | Actual for January, 2025 as submitted by MSEDCL | | | Variation | | |
|---------------------|---|--------------|--------------------------------------|--|--------------|--------------------------------------|-----------|--------------|--------------------------------------|
| | Quantum | PP Cost | Average Power Purchase Cost | Quantum | PP Cost | Average Power Purchase Cost | Quantum | PP Cost | Average Power Purchase Cost |
| | MU | Rs. Crore | Rs/kWh | MU | Rs. Crore | Rs/kWh | MU | Rs. Crore | Rs/kWh |
| MSPGCL – Thermal | 4,623.12 | 2,499.50 | 5.41 | 4,373.77 | 2,462.17 | 5.63 | (249.34) | (37.33) | 0.22 |
| MSPGCL-Hydro | 206.53 | 69.65 | 3.37 | 274.77 | 63.34 | 2.31 | 68.24 | (6.31) | (1.07) |
| NTPC | 2,188.94 | 897.76 | 4.10 | 3,515.81 | 1,346.11 | 3.83 | 1,326.87 | 448.34 | (0.27) |
| 1.JSW | 0.00 | 16.05 | - | 185.95 | 84.21 | 4.53 | 185.95 | 68.16 | - |
| 2.Mundra UMPP | 68.29 | 72.79 | 10.66 | 543.19 | 253.27 | 4.66 | 474.90 | 180.49 | (6.00) |
| 3.Adani Power | 854.42 | 535.41 | 6.27 | 1,824.09 | 919.49 | 5.04 | 969.67 | 384.09 | (1.23) |
| 4.Emco | 116.36 | 46.87 | 4.03 | 148.28 | 59.37 | 4.00 | 31.92 | 12.49 | (0.02) |
| 5.Rattan India | 698.17 | 285.62 | 4.09 | 819.63 | 295.69 | 3.61 | 121.46 | 10.07 | (0.48) |
| 6.Sai Wardha | 131.42 | 63.78 | 4.85 | 178.05 | 73.53 | 4.13 | 46.63 | 9.76 | (0.72) |
| Total IPPs (1 to 6) | 1,868.66 | 1,020.52 | 5.46 | 3,699.19 | 1,685.57 | 4.56 | 1,830.53 | 665.05 | (0.90) |
| 7.Non-Solar | 1,307.07 | 646.91 | 4.95 | 1,223.31 | 642.30 | 5.25 | (83.76) | (4.60) | 0.30 |
| 8.Solar | 1,563.89 | 528.88 | 3.38 | 834.24 | 301.47 | 3.61 | (729.65) | (227.41) | 0.23 |
| Renewable Energy | 2,870.96 | 1,175.79 | 4.10 | 2,057.55 | 943.78 | 4.59 | (813.41) | (232.01) | 0.49 |



| Particulars | Tariff Order Dated 31.03.2023 Approved for January, 2025 | | | Actual for January, 2025 as submitted by MSEDCL | | | Variation | | |
|--|---|-----------------|--------------------------------------|--|-----------------|--------------------------------------|-----------------|-----------------|--------------------------------------|
| | Quantum | PP Cost | Average Power Purchase Cost | Quantum | PP Cost | Average Power Purchase Cost | Quantum | PP Cost | Average Power Purchase Cost |
| | MU | Rs. Crore | Rs/kWh | MU | Rs. Crore | Rs/kWh | MU | Rs. Crore | Rs/kWh |
| including REC (7 to 8) | | | | | | | | | |
| Must Run - KAPP, TAPP, Dodson etc | 603.29 | 191.65 | 3.18 | 583.41 | 225.32 | 3.86 | (19.88) | 33.68 | 0.69 |
| Short Term | 0.00 | 0.00 | - | 543.40 | 231.97 | 4.27 | 543.40 | 231.97 | 4.27 |
| Sale of Power | 0.00 | 0.00 | - | 11.02 | 10.89 | 9.88 | 11.02 | 10.89 | 9.88 |
| DSM | 0.00 | 0.00 | - | 94.59 | 94.79 | 10.02 | 94.59 | 94.79 | 10.02 |
| PGCIL | 0.00 | 336.44 | - | - | 266.13 | - | - | (70.31) | - |
| Total | 12,361.50 | 6,191.31 | 5.01 | 15,131.48 | 7,308.29 | 4.83 | 2,769.98 | 1,116.98 | (0.18) |

4.4 Thus, for the month of January, 2025, total variation in power purchase cost is Rs. 1116.98 Crore, out of which Rs. 1387.36 Crore was on account of higher quantum (2769.98 MU) of power purchase and Rs. (270.38) Crore was on account of lower rate of average power purchase by Rs. 0.18/kWh. FAC mechanism allows only impact of variation in power purchase rate to be passed through as FAC rate over and above approved tariff.

4.5 The detailed explanation in respect of approval of cost of power purchase of each of the source mentioned in the above table is given in subsequent paragraphs.

5. Power Purchase Cost

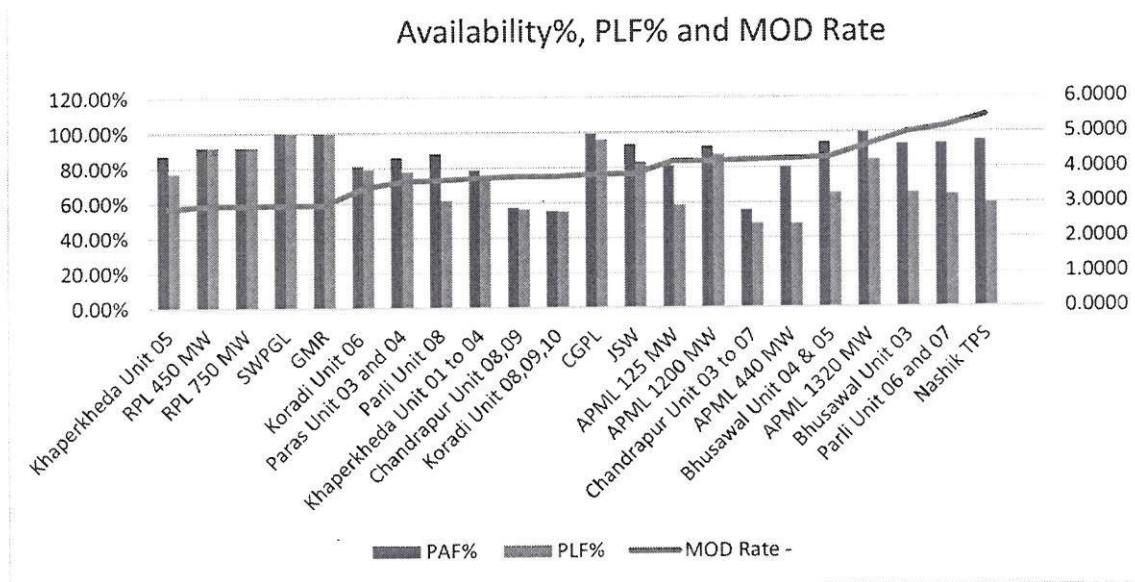
5.1 The Commission has sought detailed bills/invoices for all of the power purchase sources in order to verify the claim of MSEDCL with regards to average power purchase cost for the month of January, 2025. The Commission has verified the Net Purchase, Variable Cost, Fixed Charge and the Power Purchase Cost from the relevant bills/invoices received for all purchasing sources. MSEDCL has purchased power from approved sources as per the Tariff Order.

5.2 It was observed that due to planned/forced outages during the month, the availability of some of the MSPGCL and IPP generating stations was lower than normative availability.

5.3 The Commission notes that CGS stations having lower variable cost were dispatched almost to the extent of availability declared by the generator.



- 5.4 The Commission has also verified the PLF% and MOD rates of all the operational State Generating Stations and IPPs and has found that units having lower rates in MOD had higher PLF. The graph showing the comparison of Variable Cost in MoD Stack and monthly Plant Availability Factor (PAF) and PLF for SGS and IPPs is given below:



SGS/IPP's Stations are considered for comparison and MOD Rate considered is as applicable from 16 January, 2025 to 31 January, 2025.

MSPGCL:

- 5.5 The Commission has observed that MSEDCL has purchased 4524.51 MU from MSPGCL Thermal and Gas Stations. It was observed that MSEDCL has purchased energy from Parli 6-7, Parli 8 and Uran generating stations of MSPGCL even though not included in MoD stack approved by the Commission in the Tariff Order to meet the demand due to outage of CGS units (TAPS) and also lower generation from RE sources than approved by the Commission.
- 5.6 The total overall generation was lower than approved during the month. The monthly fixed cost was payable in line with MYT Regulations, 2019 considering the availability of the Plant. The Commission has verified that the fixed cost for all the Thermal/Gas Units as well as Hydro Units has been considered as per invoice raised by MSPGCL for January, 2025. The comparison of Actual and Approved Fixed and Variable Cost of MSPGCL Thermal/Gas units as shown in the table below shows the impact of fixed cost due to lower actual generation.

| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|------------------|----------------------------|----------|-----------|-----------|----------|----------|--------------------------|----------|-----------|-----------|----------|----------|------------|----------|----------|----------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./k Wh | Rs. Crore | Rs. Crore | Rs./k Wh | Rs./k Wh | MU | Rs./k Wh | Rs. Crore | Rs. Crore | Rs./k Wh | Rs./k Wh | MU | Rs./k Wh | Rs./k Wh | Rs./k Wh |
| MSPGCL – Thermal | 4,623.12 | 3.76 | 1,738.30 | 761.20 | 1.65 | 5.41 | 4,373.77 | 4.01 | 1,753.33 | 708.85 | 1.62 | 5.63 | (249.34) | 0.25 | (0.03) | 0.22 |



Variable charge inclusive of other charges (Fuel adjustment charges, CIL etc.)

5.7 The Commission has verified that fixed cost for all the Thermal/Gas Units as well as Hydro Units has been considered as per invoice raised by MSPGCL and as submitted by MSEDCL for the said units.

5.8 The Commission in its Order dated 31 March, 2023 in Case No 227 of 2022 has approved coal mix of generating stations as proposed by MSPGCL for FY 2023-24 and FY 2024-25. The said coal mix included coal beneficiation and procurement of imported coal to meet the requirement of coal for maintaining normative availability and accordingly approved the variable/energy charges for the MSPGCL Stations.

5.9 The Commission notes that while approving the FUP, the washed coal and imported coal was required to be used in all the MSPGCL stations except Paras and Parli Stations. However, MSPGCL has finalised tie up for imported coal through competitive bidding from June 2022. The washed coal was used as per FUP except for Bhusawal, Chandrapur 8-9 and imported coal was also used as per FUP except for Koradi 8-10 unit.

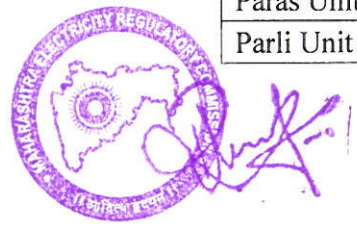
5.10 MSEDCL submitted that CIMFR reports for most of the coal samples for coal supplied in January, 2025 are yet to be received, hence MSPGCL has raised provisional FAC bill considering GCV as per the methodology submitted by MSPGCL in Case No 97 of 2020 as given below:

- a. GCV- As Billed: Consideration of certified loading end GCV data wherever available and where certified data is not available, use mid-point of declared grade GCV.
- b. GCV – As Received: GCV is considered based on the results available at each Station from their respective Station Laboratory.

Accordingly, MSPGCL has raised provisional FAC bill dated 10 February, 2025 considering the aforesaid methodology.

5.11 The comparison of Approved and Actual Energy Charge (including FAC) is as given below:

| Power Station | Approved Energy Charge Rs/kWh | Actual Energy Charge Rs/kWh | Difference Rs/kWh | Difference % |
|--------------------------|-------------------------------|-----------------------------|-------------------|--------------|
| Bhusawal Unit 03 | 4.461 | 5.204 | 0.743 | 16.66% |
| Bhusawal Unit 04 & 05 | 3.746 | 4.427 | 0.681 | 18.18% |
| Khaperkheda Unit 1 to 4 | 4.218 | 3.577 | -0.641 | -15.20% |
| Khaperkheda Unit 05 | 4.019 | 2.894 | -1.125 | -27.99% |
| Nashik TPS | 4.641 | 5.425 | 0.784 | 16.89% |
| Chandrapur Unit 03 to 07 | 4.097 | 4.291 | 0.194 | 4.74% |
| Chandrapur Unit 08,09 | 3.442 | 3.593 | 0.151 | 4.39% |
| Paras Unit 03 and 04 | 3.510 | 3.642 | 0.132 | 3.76% |
| Parli Unit 06 and 07 | 5.096 | 5.088 | -0.008 | -0.16% |



| Power Station | Approved Energy Charge Rs/kWh | Actual Energy Charge Rs/kWh | Difference Rs/kWh | Difference % |
|----------------------|-------------------------------|-----------------------------|-------------------|--------------|
| Parli Unit 08 | 5.052 | 5.098 | 0.046 | 0.91% |
| Koradi Unit 06 | 3.368 | 3.601 | 0.233 | 6.92% |
| Koradi Unit 08,09,10 | 3.119 | 3.238 | 0.119 | 3.82% |
| GTPS Uran | 6.760 | 5.319 | -1.441 | -21.32% |

5.12 The Commission notes that for the month of January, 2025, Energy Charge of all stations have increased except for Khaperkheda, Parli 6 & 7 and Uran as compared to approved Energy Charge. The Commission notes that Energy Charge has been computed by considering GCV Loss (As Billed – As Received) of 650 kCal/kg as approved by the Commission in the Order dated 1 February, 2024 in Case No 132 of 2023.

5.13 MSPGCL has undertaken Case-4 bidding and accordingly entered into contract with Ideal Energy Projects Limited (IEPL) at Rs. 3.507/kWh for supply of 180 MW net sent out in lieu of power from one unit of at Nashik by transfer of corresponding linkage coal quantity to IEPL unit for 36 Months. The power from IEPL started from 16 May, 2024. The Commission has granted approval for the said purchase in its Order dated 27 February, 2024 in Case No 14 of 2024. Accordingly, for the month of January, 2025, IEPL has supplied 115.17 MU at Rs 3.495/kWh. The Commission has accordingly considered the said purchase of 115.17 MU for Rs 40.39 Crore at Rs 3.495/kWh.

5.14 Considering the overall cost of MSPGCL thermal/gas stations, the average power purchase cost is Rs. 5.63/kWh as against Rs. 5.41/kWh approved in the Tariff Order. The average power purchase cost is higher due to higher variable cost by Rs 0.25/kWh, which is offset by lower fixed cost by Rs (0.03)/kWh due to lower fixed cost due to lower Availability.

5.15 Variation in power purchase expenses from MSPGCL can be divided on account of change in quantum and per unit rate as follows:

| Month | Increase in Expenses for power purchase from MSPGCL (Rs. Crore) | | |
|---------------|---|---|---------|
| | On Account of change Quantum of Power Purchase | On Account of change in Per Unit rate of Power Purchase | Total |
| January, 2025 | (134.81) | 97.48 | (37.33) |

5.16 Out of above, variation on account of per unit rate is only considered for FAC computation.

NTPC:

5.17 MSEDCL has purchased total 3515.81 MU of power from NTPC's stations as compared to approved MoD stack of 2188.94 MU during the month of January, 2025.



5.18 The Table below shows the variation in power purchase in terms of per unit variable charge, per unit fixed charge and average power purchase cost for NTPC's generating stations for January, 2025.

| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|-------------|----------------------------|---------|-----------|-----------|---------|---------|--------------------------|---------|-----------|-----------|---------|---------|------------|---------|---------|---------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| NTPC | 2,188.94 | 2.05 | 448.05 | 449.71 | 2.05 | 4.10 | 3,515.81 | 2.48 | 872.32 | 473.78 | 1.35 | 3.83 | 1,326.87 | 0.43 | (0.71) | (0.27) |

Variable charge inclusive of other charges (Fuel adjustment charges, CIL etc.)

5.19 MSEDCL has also claimed Rs 6.89 Crore (for 2 instalments) in view of tariff revision by Hon'ble CERC for NTPC Korba III and Sipat I Stations and recovery allowed in 6 instalments and supplementary invoice raised by NTPC as per the said Order. The Commission has verified that actual quantum of power purchase and cost from the detailed summary bills/invoices submitted by MSEDCL and found to be in order and accordingly considered the same in FAC computation.

5.20 Variation in power purchase expenses from NTPC can be divided into on account of change in quantum and per unit rate as follows:

| Month | Increase in Expenses for power purchase from NTPC (Rs. Crore) | | |
|---------------|---|---|--------|
| | On Account of change Quantum of Power Purchase | On Account of increased Per Unit rate of Power Purchase | Total |
| January, 2025 | 544.20 | (95.86) | 448.34 |

Out of above, variation on account of per unit rate is only considered for FAC computation.

IPPs

5.21 MSEDCL has long term PPA's with IPP's viz: JSW, CGPL Mundra, APL, Emco and Rattan India. The said PPAs are approved by the Commission and power availability from the said sources is considered as per Tariff Order issued by the Commission. Further, MSEDCL has signed PPA with Sai Wardha Power Generation Ltd (SWPGL) for 240 MW as per the Order dated 15 June 2020 in Case No 91 of 2020. SWPGL started delivering 240 MW power to MSEDCL from 5 July 2020.

5.22 During scrutiny of the invoices submitted by MSEDCL it was observed that there were differences in the other charges related to Change in Law as considered in FAC computations. The Commission sought clarifications on the same along with reconciliation and additional bills, if any. MSEDCL submitted the reconciliation and clarified that the aforesaid differences are mainly on account of Change in Law (CIL) claim by IPPs in addition to monthly energy bills during the respective period.



5.23 Change in Law (CIL) events in respect of IPPs are related to imposition of GST compensation cess, change in royalty, custom duty, change in NCDP, shortfall in domestic coal etc. These Change in Law events have been approved by the respective Commission's through various Orders, as the case may be, under the provisions of respective PPAs. MSEDCL has submitted the CIL invoices for the concerned period. Further, while scrutinizing the CIL bills it was observed that the amount shown in CIL bills/invoices were not matching against the respective amount considered in FAC computation. In fact, the amounts considered in FAC calculations were observed to be lesser than that of CIL bills/invoices except for claim related to SHAKTI. Change in Law claims raised by the generators are according to their technical parameters, whereas MSEDCL works out the CIL claim amount based on normative / actual parameters. These parameters include SHR of power plant, Auxiliary consumption, GCV of coal, etc. which have impact of coal consumption. Therefore, there is difference in CIL amount claimed by generator and that worked out by MSEDCL. MSEDCL has submitted the detailed reconciliation of CIL, as summarised in Table below:

| IPP | As per Vendor – Rs Cr | | | As per MSEDCL – Rs Cr | | |
|--------------|-----------------------|---------------|---------------|-----------------------|---------------|---------------|
| | CIL | Shakti | Total | CIL | Shakti | Total |
| JSW | - | - | - | - | - | - |
| CGPL | - | - | - | - | - | - |
| APL 125 MW | 3.31 | 10.61 | 13.92 | 2.11 | 10.39 | 12.50 |
| APL 1320 MW | 35.37 | 136.00 | 171.37 | 32.24 | 138.89 | 171.13 |
| APL 1200 MW | 31.74 | 101.90 | 133.63 | 30.29 | 99.73 | 130.01 |
| APL 440 MW | 7.72 | 24.79 | 32.52 | 6.08 | 24.27 | 30.34 |
| GMR | 7.26 | 5.51 | 12.77 | 7.26 | 5.51 | 12.77 |
| RIPL 450 MW | 15.83 | - | 15.83 | 12.79 | - | 12.79 |
| RIPL 750 MW | 26.38 | - | 26.38 | 21.31 | - | 21.31 |
| Sai Wardha | 7.32 | - | 7.32 | 7.20 | - | 7.20 |
| Total | 134.93 | 278.82 | 413.74 | 119.28 | 278.78 | 398.06 |

5.24 The Commission has considered power purchased from IPPs as per details submitted by MSEDCL. The average power purchase cost from IPPs is Rs. 4.56/kWh as against Rs. 5.46/kWh approved in the Tariff Order.

5.25 The table below shows the variation in power purchase in terms of per unit variable charge, per unit fixed charge and average power purchase cost for IPPs for January, 2025.

| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|----------------|----------------------------|---------|-----------|-----------|---------|---------|--------------------------|---------|-----------|-----------|---------|---------|------------|---------|---------|---------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| 1.JSW | - | - | - | 16.05 | - | - | 185.95 | 3.67 | 68.24 | 15.97 | 0.86 | 4.53 | 185.95 | - | - | - |
| 2.Mundra UMPP | 68.29 | 4.77 | 32.56 | 40.23 | 5.89 | 10.66 | 543.19 | 3.68 | 200.10 | 53.18 | 0.98 | 4.66 | 474.90 | (1.08) | (4.91) | (6.00) |
| 3.Adani Power | 854.42 | 3.97 | 339.07 | 196.34 | 2.30 | 6.27 | 1,824.09 | 3.95 | 721.33 | 198.17 | 1.09 | 5.04 | 969.67 | (0.01) | (1.21) | (1.23) |
| 4.Emco | 116.36 | 2.77 | 32.27 | 14.61 | 1.26 | 4.03 | 148.28 | 2.98 | 44.13 | 15.24 | 1.03 | 4.00 | 31.92 | 0.20 | (0.23) | (0.02) |
| 5.Rattan India | 698.17 | 3.26 | 227.91 | 57.71 | 0.83 | 4.09 | 819.63 | 2.83 | 232.14 | 63.55 | 0.78 | 3.61 | 121.46 | (0.43) | (0.05) | (0.48) |



| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|---------------------|----------------------------|---------|-----------|-----------|---------|---------|--------------------------|---------|-----------|-----------|---------|---------|------------|---------|---------|---------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| 6. Sai Wardha | 131.42 | 3.33 | 43.73 | 20.04 | 1.53 | 4.85 | 178.05 | 2.98 | 53.11 | 20.43 | 1.15 | 4.13 | 46.63 | (0.35) | (0.38) | (0.72) |
| Total IPPs (1 to 6) | 1,868.66 | 3.62 | 675.54 | 344.98 | 1.85 | 5.46 | 3,699.19 | 3.57 | 1,319.04 | 366.53 | 0.99 | 4.56 | 1,830.53 | (0.05) | (0.86) | (0.90) |

Variable charge inclusive of other charges, CIL etc.

5.26 Variation in power purchase expenses from IPPs can be divided into increased on account of change in quantum and per unit rate as follows:

| Month | Increase in Expenses for power purchase from IPP (Rs. Crore) | | |
|---------------|--|---|--------|
| | On Account of change Quantum of Power Purchase | On Account of increased Per Unit rate of Power Purchase | Total |
| January, 2025 | 999.69 | (334.64) | 665.05 |

Out of above, variation on account of increased per unit rate is only considered for FAC computation.

Short Term Power Purchase

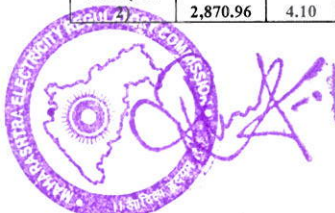
5.27 MSIEDCL has purchased 543.40 MU at average rate of Rs. 4.27/kWh for January, 2025 from Power Exchange. The Commission has considered the said purchase in FAC computation of January, 2025.

Must-Run Sources

5.28 The sources of Must Run Stations include KAPP, TAPP 1&2, TAPP 3&4, SSP, Pench, Dodson I and Dodson II, Renewable Energy and MSPGCL Hydro (including Ghatghar) etc.

5.29 A detailed comparison of approved against actual purchase from Must Run Stations is shown in Table below:

| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|---|----------------------------|---------|-----------|-----------|---------|---------|--------------------------|---------|-----------|-----------|---------|---------|------------|---------|---------|---------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| MSPGCL-Hydro* | 206.53 | - | - | 25.85 | 1.25 | 1.25 | 274.77 | 0.25 | 6.84 | 14.98 | 0.55 | 0.79 | 68.24 | 0.25 | (0.71) | (0.46) |
| MSPGCL-Hydro Lease rent | | | | 43.80 | | | | | | 41.52 | | | | | | |
| 1.Non-Solar | 1,307.07 | 4.95 | 646.91 | - | - | 4.95 | 1,223.31 | 5.22 | 638.06 | 4.25 | 0.03 | 5.25 | (83.76) | 0.27 | 0.03 | 0.30 |
| 2.Solar | 1,563.89 | 3.38 | 528.88 | - | - | 3.38 | 834.24 | 3.61 | 301.47 | - | - | 3.61 | (729.65) | 0.23 | - | 0.23 |
| Renewable Energy including REC (1 to 2) | 2,870.96 | 4.10 | 1,175.79 | - | - | 4.10 | 2,057.55 | 4.57 | 939.53 | 4.25 | 0.02 | 4.59 | (813.41) | 0.47 | 0.02 | 0.49 |



| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|-------------------------------|----------------------------|---------|-----------|-----------|---------|---------|--------------------------|---------|-----------|-----------|---------|---------|------------|---------|---------|---------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| Others-KAPP, TAPP, Dodson etc | 603.29 | 3.14 | 189.62 | 2.02 | 0.03 | 3.18 | 583.41 | 3.83 | 223.30 | 2.02 | 0.03 | 3.86 | (19.88) | 0.68 | 0.00 | 0.69 |

**Variable Cost for Hydro Power is approved in MSPGCL Order whereas total cost is considered under Fixed Cost in the Tariff Order of MSEDCL.*

5.30 As seen from the aforesaid table, MSEDCL has purchased 274.77 MU of Hydro Power as per variable cost approved by the Commission. This being the cheapest source of power helps in reduction of overall average cost of power purchase. The Koyna generation works on the principle of water year (1st June to 30 May) and hence the available water is used for the peak requirement based on the requirement of MSEDCL. It is observed that hydro purchase is higher than 206.53 MU approved by the Commission to meet the demand due to planned/forced outage of thermal units.

5.31 It is observed that Solar and Non-Solar energy purchased in January, 2025 i.e., 2057.55 MU was lower than approved i.e., 2870.96 MU by the Commission in the Tariff Order. The generation is lower mainly due to lower CUF than normative CUF affecting the overall generation from RE sources. MSEDCL has not purchased any RECs in the month of January, 2025. The Commission has considered the renewable purchase as per details submitted by MSEDCL and invoices of power purchased from SECI, NVVN and other IPPs.

ISTS Charges - CTU

5.32 As per Regulation 10 of the MYT Regulations, 2019, any variation in Inter-State Transmission Charges shall be pass through under FAC component of Z-factor charge as an adjustment in Tariff on monthly basis. The ISTS charges paid by MSEDCL to Central Transmission Utility of India Ltd (CTU) are considered under FAC computation. Accordingly, the Commission has considered the amount of Rs. 266.13 Crore towards ISTS charges payable to CTU as against Rs. 336.44 Crore approved in the Tariff Order towards FAC computation as per invoice raised by CTU.

Sale of Power

5.33 MSEDCL has sold 11.02 MU at Rs 9.88/kWh on Power Exchange and earned revenue of Rs 10.89 Crore. The Commission has considered the said sale for January, 2025.

Deviation Quantum and Cost

5.34 MSEDCL has submitted that the deviation quantum (over drawl) of 94.59 MU. As per invoice raised by MSLDC, the quantum is 94.59 MU and corresponding amount payable is Rs. 48.99 Crore. MSEDCL has not claimed ADSM charges as per provision of MYT



Regulations. MSEDCL has considered Rs 35.35 Crore (4 weekly instalments) paid as per details given by SLDC towards apportionment of legacy charges for payment to WRLDC. Further, MSEDCL has also considered Rs. 10.45 Crore towards net deviation and ancillary services pool account deficit recovery as per invoice raised by MSLDC. Accordingly, the Commission has considered the said Deviation quantum and cost in the FAC computation for the month of January, 2025.

Approved Cost of Power Purchase

5.35 In view of the above, the overall cost approved in the Tariff Order and actual for the month of January, 2025 considered by the Commission is as shown below:

| Particulars | Approved for January, 2025 | | | | | | Actual for January, 2025 | | | | | | Variations | | | |
|-----------------------------------|----------------------------|-------------|-----------------|-----------------|-------------|-------------|--------------------------|-------------|-----------------|-----------------|-------------|-------------|-----------------|-------------|---------------|---------------|
| | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | VC | FC | FC | APPC | Quantum | VC | FC | APPC |
| | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs. Crore | Rs. Crore | Rs./kWh | Rs./kWh | MU | Rs./kWh | Rs./kWh | Rs./kWh |
| MSPGC L-Thermal | 4,623.12 | 3.76 | 1,738.30 | 761.20 | 1.65 | 5.41 | 4,373.77 | 4.01 | 1,753.33 | 708.85 | 1.62 | 5.63 | (249.34) | 0.25 | (0.03) | 0.22 |
| MSPGC L-Hydro | 206.53 | - | - | 25.85 | 1.25 | 1.25 | 274.77 | 0.25 | 6.84 | 14.98 | 0.55 | 0.79 | 68.24 | 0.25 | (0.71) | (0.46) |
| MSPGC L-Hydro Lease Rent | - | - | - | 43.80 | - | - | - | - | - | 41.52 | - | - | - | - | - | - |
| NTPC | 2,188.94 | 2.05 | 448.05 | 449.71 | 2.05 | 4.10 | 3,515.81 | 2.48 | 872.32 | 473.78 | 1.35 | 3.83 | 1,326.87 | 0.43 | (0.71) | (0.27) |
| IPPs | 1,868.66 | 3.62 | 675.54 | 344.98 | 1.85 | 5.46 | 3,699.19 | 3.57 | 1,319.04 | 366.53 | 0.99 | 4.56 | 1,830.53 | (0.05) | (0.86) | (0.90) |
| RE including REC | 2,870.96 | 4.10 | 1,175.79 | - | - | 4.10 | 2,057.55 | 4.57 | 939.53 | 4.25 | 0.02 | 4.59 | (813.41) | 0.47 | 0.02 | 0.49 |
| Must Run - KAPP, TAPP, Dodson etc | 603.29 | 3.14 | 189.62 | 2.02 | 0.03 | 3.18 | 583.41 | 3.83 | 223.30 | 2.02 | 0.03 | 3.86 | (19.88) | 0.68 | 0.00 | 0.69 |
| Short Term | - | - | - | - | - | - | 543.40 | 4.27 | 231.97 | - | - | 4.27 | 543.40 | - | - | - |
| Sale of Power | - | - | - | - | - | - | 11.02 | 9.88 | 10.89 | - | - | 9.88 | 11.02 | - | - | - |
| DSM | - | - | - | - | - | - | 94.59 | 10.02 | 94.79 | - | - | 10.02 | 94.59 | - | - | - |
| PGCIL | - | - | - | 336.44 | - | - | - | - | - | 266.13 | - | - | - | - | - | - |
| Total | 12,361.50 | 3.42 | 4,227.31 | 1,964.01 | 1.59 | 5.01 | 15,131.48 | 3.59 | 5,430.23 | 1,878.06 | 1.24 | 4.83 | 2,769.98 | 0.17 | (0.35) | (0.18) |

Variable charge inclusive of other charges (Fuel adjustment charges, CIL etc.)

5.36 The overall power purchase cost is lower than approved by the Commission mainly due to lower rate of power purchase cost from NTPC, IPPs and Short Term.

5.37 Considering the above, the Commission allows the average power purchase cost of Rs. 4.83/kWh for the month of January, 2025 as against Rs. 5.01/kWh approved in the Tariff Order.



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

6.1 The Commission has worked out the average power purchase cost for the month of January, 2025 as shown in above table. The same has been compared with the average power purchase cost approved by the Commission in Tariff Order dated 31 March, 2023 and accordingly arrived at differential per unit rate at which Z_{FAC} is to be passed on to the consumers.

6.2 The following table shows the Z_{FAC} worked out by the Commission on account of difference in fuel and power purchase cost for the month of January, 2025.

| S. No. | Particulars | Units | January, 2025 |
|--------|---|------------------|----------------|
| 1 | Average power purchase cost approved by the Commission | Rs. /kWh | 5.01 |
| 2 | Actual average power purchase cost | Rs. /kWh | 4.83 |
| 3 | Change in average power purchase cost (=2 -1) | Rs. /kWh | -0.18 |
| 4 | Net Power Purchase | MU | 15,131.48 |
| 5 | Change in fuel and power purchase cost (=3 x 4/10) | Rs. Crore | -270.38 |

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

7.1 The adjustment for over recovery/under recovery has to be done for the (n-4) month as per provisions of MYT Regulations, 2019. The Commission has allowed FAC recovery from October 23 onwards. MSEDCL submitted FAC recovery of Rs. 535.80 Crore for the month of January, 2025 as against approved amount of Rs. 629.87 Crore. Thus, the adjustment factor to be considered towards under recovery is Rs. 94.07 Crore while computing the allowable FAC for January, 2025.

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

8.1 The following table shows the interest rate and amount worked as carrying / holding cost for under/ over recovery for the month of January, 2025:

| S. No. | Particulars | Units | January-25 |
|--------|---|------------------|-------------|
| 1 | Adjustment factor for over-recovery/under-recovery | Rs. Crore | 94.07 |
| 2 | Interest rate | % | 10.50% |
| 3 | Holding/Carrying cost for (over-recovery)/under-recovery | Rs. Crore | 0.82 |

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”

9.2 The following table provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss if any.

| S. N | Particulars | Units | Approved in Tariff Order | Actual for January, 2025 | Actual – cumulative up to January, 2025 | Annual Sliding Distribution Loss – February, 24 to January, 25 |
|------|---|-----------|--------------------------|--------------------------|---|--|
| 1 | Net Energy Input at Distribution Voltage | MU | 1,27,913.14 | 13,006.37 | 1,18,659.14 | 1,43,935.13 |
| 2 | MSEDCL Metered Sales (excluding sales at EHV level) | MU | 1,03,900.40 | 8,219.13 | 85,661.95 | 1,02,228.73 |
| 3 | Estimated Consumption of unmetered Sales | MU | 8,719.33 | 865.86 | 7,992.88 | 10,035.93 |
| 4 | Distribution Loss (1-2-3) | MU | 15,293.41 | 3,921.37 | 25,004.31 | 31,670.47 |
| 5 | Distribution Loss as % of net energy input (4/1) | % | 12.00% | 30.15% | 21.07% | 22.00% |
| 6 | Excess Distribution Loss = [Actual Distribution Loss (5) - Distribution loss approved] x Net Energy Input (1) | MU | - | - | - | 1,301.17 |
| 7 | Disallowance of FAC due to excess Distribution Loss | Rs. Crore | - | - | - | - |

9.3 As seen from the above table, the standalone distribution loss for the month of January, 2025 is higher at 30.15% as against approved loss of 12%. The standalone loss for January, 2025 is higher mainly due to estimated Ag sales and sales considered as per billing cycle whereas power purchase is considered for the standalone month. Also, the Commission has restricted the Ag Sales as per norms approved in the Tariff Order leading to higher loss.



- 9.4 The comparison of Distribution Loss for January, 2025 as compared to last year is as given below:

| Particulars | FY 2024-25 | FY 2023-24 |
|---------------------------------|---------------|---------------|
| Approved Loss | 12% | 13% |
| April | 26.42% | 26.38% |
| May | 22.99% | 25.90% |
| June | 8.99% | 21.36% |
| July | 12.24% | 15.04% |
| August | 15.24% | 24.52% |
| September | 15.34% | 22.89% |
| October | 19.77% | 29.61% |
| November | 24.86% | 28.58% |
| December | 29.65% | 24.60% |
| January | 30.15% | 26.71% |
| Cumulative up to January | 21.07% | 24.74% |

- 9.5 Even if Annual Sliding Distribution Loss of 22.00% is higher than approved loss of 12%, the Commission has not worked out disallowance on account of excess Distribution Loss for the month of January, 2025 as FAC amount is negative.

10. Summary of Allowable Z_{FAC}

- 10.1 The summary of the FAC amount as approved by the Commission for the month of January, 2025 is as shown in the Table below:

| S. No. | Particulars | Units | January, 2025-As submitted | January, 2025- As Approved |
|------------|---|-----------|----------------------------|----------------------------|
| 1 | Calculation of ZFAC | | | |
| 1.1 | Change in cost of generation and power purchase attributable to Sales within the License Area (F) | Rs. Crore | (270.38) | (270.38) |
| 1.2 | Carrying cost for over-recovery/under-recovery (C) | Rs. Crore | 0.82 | 0.82 |
| 1.3 | Adjustment factor for over-recovery/under-recovery (B) | Rs. Crore | 94.07 | 94.07 |
| 1.4 | ZFAC = F+C+B | Rs. Crore | (175.48) | (175.48) |
| 2 | Calculation of Per Unit FAC | | | |
| 2.1 | Energy Sales within the License Area | MU | 10,232.77 | 10,232.77 |
| 2.2 | Excess Distribution Loss | MU | 1,301.07 | 1,301.07 |
| 2.3 | ZFAC per kWh | Rs. /kWh | (0.17) | (0.17) |
| 3 | Allowable FAC | | | |



| S. No. | Particulars | Units | January, 2025-As submitted | January, 2025- As Approved |
|----------|---|------------------|----------------------------|----------------------------|
| 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 | (175.48) | (175.48) |
| 4 | Utilization of FAC Fund | | | |
| 4.1 | Opening Balance of FAC Fund | Rs. Crore | - | - |
| 4.2 | Carrying Cost/(Holding Cost) on FAC Fund | Rs. Crore | - | - |
| 4.3 | Z _{FAC} for the month (Sr. N. 3.2) | Rs. Crore | (175.48) | (175.48) |
| 4.4 | Closing Balance of FAC Fund | Rs. Crore | (175.48) | (175.48) |
| 4.5 | Z _{FAC} leviable/(refundable) to consumer | Rs. Crore | - | - |
| 5 | Total FAC based on category wise and slab wise allowed to be recovered | Rs. Crore | - | - |

11. Recovery from Consumers:

- 11.1 Regulation 10.9 of 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 ZFAC per kWh for a particular Tariff category/sub-category/consumption slab shall be computed as per the following formula: —

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

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:

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 Commission allows the FAC amount of Rs. (175.48) Crore for the month of January, 2025. Since the FAC is negative, the Commission has decided to add the said amount to the FAC Fund and to be carried forward to the next billing month along with holding cost.
- 11.3 In a view of above, the per unit Z_{FAC} for the month of January, 2025 to be levied on consumers of MSEDCL in the next billing month is Nil.

