

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 124 of 2016

Dated: 12 January, 2017

**CORAM: Shri Azeez M. Khan, Member
Shri. Deepak Lad, Member**

**In the matter of
MSEDCL's Petition for Amendment / Modification in FAC Regulations of MERC
(MYT) Regulations, 2015**

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Petitioner

Appearance:

For the Petitioner: Shri. Ashok Chavan (Rep.)
Shri. Anil Kalekar (Rep.)

For the Authorised Consumer Representatives: Shri. Prasad Kokil (CMIA)

Daily Order

Heard the representatives of the Petitioner and Authorised Consumer Representative.

1. MSEDCL stated that:

- i. Vide its letter dated 4 July 2016, MSEDCL had requested the Commission to modify the Fuel Adjustment Charge (FAC) mechanism. The Commission, vide its letter dated 26 August, 2016, has rejected MSEDCL's proposal. The present Petition has been filed for modifying the provisions relating to FAC in the MYT Regulations, 2015. While proposing these modifications, MSEDCL has made certain changes to its earlier proposal for addressing the concerns raised by the Commission.
- ii. As per the present practice, MSEDCL calculates FAC for the 'n-2th' month and levies and recovers FAC from the consumers on the actual sales in the 'nth' month, i.e. after a lag of 2 months.
- iii. Industrial consumers are opting for Open Access and day by day sales of MSEDCL are decreasing. The burden of unrecovered FAC from Open Access consumers for the 'n-2th' month is being passed on to other consumers of MSEDCL. This further

increases the energy rate for the remaining consumers of MSEDCL, thereby prompting them to opt for Open Access.

- iv. To avoid such situation, the MYT Regulations, 2015 needs to be modified to allow recovery of FAC in the 'nth' month from the consumers of the 'n-2th' month based on their consumption in the 'n-2th' month. It is further proposed that new consumers will not be subject to FAC for the first two month as they had not contributed for it.

2. Shri. Prasad Kokil stated that CMIA has filed a written submission vide letter dated 7 January, 2017, which may be taken on record.

The Case is reserved for Order.

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**