

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 40 of 2017

Dated: 25 April, 2017

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

**In the matter of
Petition of Chamber of Marathwada Industries & Agriculture for non compliance of
post facto approval of FAC Orders of the MERC for the months from April 2016 to
October 2016.**

Chamber of Marathwada Industries & Agriculture (CMIA)Petitioner
Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Respondent

Appearance:

For the Petitioner: Shri. Raghunath Kaparathi (Rep)
For the Respondent: Shri. Ashish Singh (Adv)

Daily Order

1. Heard the representative of the Petitioner and advocate of the Respondent.
2. CMIA stated that:
 - i. In its Fuel Adjustment Charge (FAC) vetting report dated 10 January, 2017, the Commission directed MSEDCL to recalculate FAC for the period of April to October, 2016 based on power purchase approved in Tariff Order dated 3 November, 2016 and to refund the over-recovered amount for this period in the next FAC billing cycle. Subsequent to this Order, the next billing month was January, 2017. However, MSEDCL has not refunded any FAC during the month of January, 2017 and also in February, 2017. On 1 March, 2017, the Commission in its prior approval to FAC for the month of November, 2017 has recalculated FAC for the months of April to October, 2016 and directed MSEDCL to refund the resultant over-recovered amount in seven equal installments along with carrying cost starting from March, 2017. However, MSEDCL has not refunded the first installment of such over-recovered FAC amount in the billing month of March, 2017. Thus, there is clear non-compliance of the Commission's directions by MSEDCL.

- ii. Details of power purchase quantum and its corresponding cost approved in the prior FAC approval dated 1 March 2017 is different from that available on MSEDCL's website. Average Power Purchase Cost for the month of November, 2017 approved by the Commission is Rs. 3.44/kWh, whereas MSEDCL's website is showing it as Rs. 3.20/kWh. This discrepancy needs to be corrected.
- iii. In Case No. 81 of 2016 which has been reserved for Orders, CMIA has demonstrated that MSEDCL is providing wrong data in the FAC vetting process. This practice of MSEDCL still continuing.
- iv. There is variation in the net power purchase quantum for the period of April to October, 2016 submitted during the post facto approval process (60162 MU) and during the recalculation process (62849 MU). Similarly, energy sales submitted during the post facto approval process (64227.75 MU) is different from sales of 57258 MU submitted during the recalculation process. Such variation in figures needs to be verified.
- v. Transmission and Distribution (T&D) loss would be higher than the Distribution Loss. However, if T&D loss is calculated based on data submitted by MSEDCL it works out to lower than the Distribution Loss. In the month of July, 2016, T&D Loss is negative. This shows that MSEDCL is manipulating data.
- vi. Figures of actual power purchase, sales and FAC levied and collected in post facto approval of FAC proposal should not vary during filing of true-up and Tariff Petition.
- vii. While recalculating FAC for the period of April to October, 2016, the Commission by mistake has not considered the refund amount of Rs. 79.80 crore for the month of July, 2016. The Commission is requested to correct this mistake and direct MSEDCL to refund this amount to consumers along with holding cost.
- viii. In the month of December, 2016, power purchase expenses have been reduced by Rs. 0.169/kWh. Hence, MSEDCL is required to refund the FAC amount of December, 2016 in billing month of March 2017.
- ix. MSEDCL has to refund the following to consumers in the billing month of April, 2017:
 - a. 1st and 2nd installment of recalculated FAC for the period of April to October, 2016.
 - b. 1st and 2nd installment of FAC refund for the month of July, 2016 along with holding cost.
 - c. Refund of FAC on lesser power purchase cost (between post facto approval and details available on MSEDCL website) for the month of November, 2016 with holding cost.
 - d. FAC refund for the month of December, 2016
 - e. Levy/refund of FAC for the month of January, 2017.

3. MSEDCL submitted that this non-compliance Petition is linked with the review Petition filed by MSEDCL in Case No. 46 of 2017 wherein MSEDCL has requested review of the Commission's direction of refunding the recalculated FAC. On the request of MSEDCL, the Commission allowed 1 week time for filing its Reply, with copy to CMIA and other Intuitional CRs. CMIA shall file its Rejoinder, if any, within a week with copy to MSEDCL.

After filing of the above submissions, the Secretariat of the Commission will communicate the next date of hearing.

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

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