

**Maharashtra State Electricity Distribution Co. Ltd.**

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**REF. PR-3 / TARIFF/25287**

**DATE: 07/09/2013**

**COMMERCIAL CIRCULAR No. 209**

**Subject:** Recovery of Additional Energy Charges and Additional FAC - Implementation of MERC Orders thereof.

**Reference:** 1. MERC Order dt. 05/09/2013 in Case No. 95 of 2013.  
2. MERC Order dt. 03/09/2013 in Case No. 28 of 2013.  
3. MERC Order dt. 04/09/2013 in Case No. 44 of 2013.

MERC vide above referred Orders has directed MSEDCL to recover additional charges from the consumers in the form of additional energy charges and additional Fuel adjustment charges.

**1. MERC Order dt. 03/09/2013 in Case No. 28 of 2013.**

The Maharashtra State Power Generation Company Limited (MSPGCL) had filed a Petition under Section 86 of the Electricity Act, 2003 before the Maharashtra Electricity Regulatory Commission (MERC) on 22 May, 2013 for implementation of the Hon'ble ATE Judgments in Appeal No. 34 of 2012 and Appeal No. 47 of 2012. In this petition, MSPGCL has requested to provide directives to MSEDCL to pay the amounts due to MSPGCL as per the rationale submitted in this Petition. MERC had approved the Capital Cost and determined the tariff for Paras Unit# 4 and Parli Unit# 7 for FY 2010-11

MERC vide its order in Appeal No. 34 of 2012 has allowed MSPGCL to recover the total amount of Rs. 106.44 crore (including carrying cost) on account of impact of Hon'ble ATE Judgment in Appeal No. 34 of 2012 from MSEDCL in 6 equal monthly installments.

MERC vide above order has also allowed MSPGCL to recover the total amount of Rs. 628.90 Crs (including carrying cost) on account of impact of Hon'ble ATE Judgment in Appeal No. 47 of 2012 from MSEDCL in 6 equal monthly installments.

Particulars	Approved Amount (Rs. Crs)
Impact of Hon'ble ATE Judgment in Appeal No. 34 of 2012	106.44
Impact of Hon'ble ATE Judgment in Appeal No. 47 of 2012	628.90
<b>Total</b>	<b>735.34</b>

(\*The Fixed Charges is to be recovered through AEC 3)

**2. MERC Order dt. 04/09/2013 in Case No. 44 of 2013.**

**Case No.44 of 2013 (Capital Cost and Tariff of Khaperkheda Unit # 5 for FY 2012-13)**

MSPGCL submitted a Petition before MERC on 22 March, 2013 for determination of Capital Cost and Tariff of its Khaperkheda Thermal Power Station Unit # 5 for FY 2012-13. After having heard the suggestions and objections of the public, responses of MSPGCL, issues raised during the Public hearing, and all other relevant material, MERC has determined the Capital Cost and Tariff of Khaperkheda Unit # 5 for FY 2012-13 vide its order dated 4<sup>th</sup> September 2013 in Case no. 44 of 2013.

In this Order (case no. 44 of 2013), the annual fixed charges approved by MERC for Khaperkheda Unit # 5 for FY 2012-13 works out to Rs. 596.12 Crs. Considering the stabilisation period of 180 days and post stabilisation period of 170 days, MERC has approved the Variable Charge as shown below.

Particulars	Approved
Annual Fixed Charges (Rs. Crore)	596.12
Variable Charge (Rs./kWh)	
Stabilisation Period	3.21
Post Stabilisation Period	2.78

(\*The Fixed Charges is to be recovered through AEC 4)

MERC observed that MSPGCL has capitalised the amount of fuel costs less revenue, on account of infirm generation of power. However, as fuel cost is a revenue expense, whether incurred during infirm generation or firm generation, the same needs to be recovered directly for the power supplied during the period instead of capitalising it as a part of Capital Cost. Accordingly, MERC has allowed MSPGCL to recover the under-recovered fuel cost, i.e. Rs. 28.05 Crore for infirm power supplied to MSEDCL in three monthly installments after the issue of this Order and MSEDCL can recover this cost through FAC mechanism.

As FY 2012-13 is already completed, MERC has allowed MSPGCL to recover the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-a-vis the Provisional Tariff charged by MSPGCL in 6 equal monthly installments from October 2013 onwards. MERC shall carry out the truing up for FY 2012-13 in accordance with MERC Tariff Regulations, 2005.

MERC has allowed MSPGCL to recover fixed cost and energy charges as per the tariff approved in this Order from MSEDCL till tariff for FY 2013-14 is approved as a part of MSPGCL's Multi Year Tariff Petition for the second Control Period for FY 2013-14 to FY 2015-16.

The impact of the Order is as follows:

Particulars	Rs. Crs
Under-recovered fuel Cost for infirm power (to be recovered in 3 months through FAC)	28
Difference in revenue due to Provisional and Revised Charges for FY 2012-13	178
Difference in revenue due to Provisional and Revised Charges for FY 2013-14 (till August 2013)	72
Fixed Charges for Khaparkheda 5 for FY 12-13	46
Fixed Charges for Khaparkheda 5 for 5 months for FY 13-14	248
Monthly Fixed Charges of Khaparkheda 5 $-(596.13/12*7)$	348
<b>Total</b>	<b>920</b>

As result of above orders, the impact of variation in all the variable charges are being recovered through FAC.

### 3. MERC Order dt. 05/09/2013 in Case No. 95 of 2013.

Since the issuance of last tariff order for MSEDCL on 16<sup>th</sup> August 2012, Orders have also been passed by MERC in relation to the matters of tariff of MSPGCL and intra-state transmission system in Maharashtra.

- A. Order dated 8<sup>th</sup> February, 2013, in Case No. 77 of 2012, in the matter of review of MERC Order dated 21 June, 2012 in Case No. 6 of 2012 for final True up of FY 2010-11, approval of ARR and Tariff for FY 2011-12 and FY 2012-13 for MSPGCL.
- B. Order in Case No. 56 of 2013 dated 13<sup>th</sup> May, 2013 approving the transmission tariff for InSTS for the second control period in Maharashtra.

The MERC has directed vide Order dt. 05/09/2013 in case No. 95 of 2013, MSEDCL to recover Additional Charges -a) AEC-1 Rs. 2037.78 Crs. in 6 equal installments & b) AEC -2 Rs. 235.39 Crs. on monthly basis till issue of MYT Tariff Order from the consumers, in the form of Additional Energy Charges details of which are given under.

**a) AEC-1 Rs. 2037.78 Crs**

Particular	Amount (Rs. Crore)
Lump sum additional amount approved after review of truing up of MSPGCL's generating stations for FY 2010-11	143.12
Impact of approved provisional fixed cost of Khaperkheda Unit 5 (up to March 13)	524.86
Impact of approved provisional fixed cost of Bhusawal Unit 4	407.15
Impact of transmission tariff payable from April 2013 to August 2013	962.65
<b>Total</b>	<b>2037.78</b>

**b) AEC -2 Rs. 235.39 Crs.**

Furthermore, MSEDCL will have to continue to pay an incremental amount of Rs. 235.39 Crore per month (Rs 42.86 Crore towards Bhusawal Unit No. 4 and Rs. 192.53 Crore towards Transmission Cost) even after August 2013 towards overall power purchase cost. For these entire items tariff for FY 2013-14 has not been approved so far for MSEDCL.

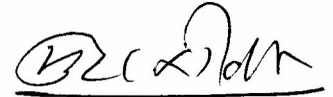
Particular	Amount (Rs. Crore)
Incremental amount towards power purchase cost Bhusawal Unit No. 4	42.86
Incremental amount towards transmission cost	192.53
<b>Total</b>	<b>235.39</b>

In all the above Order, MERC ruled that from the respective Order onwards MSEDCL will recover the variation in energy charge component of the amount billed by MSPGCL to MSEDCL as approved by MERC from the consumers through the FAC mechanism. Further, MERC also allowed MSEDCL to recover the variation in fixed charge component of the amount billed by MSPGCL and amount billed by MSETCL to MSEDCL as approved by MERC from the consumers in proportion to the approved Average Billing Rate of respective consumer categories, under intimation to MERC.

All the above Additional Energy Charges (i.e AEC 1 to 4) are included and combined under the single head i.e. AEC which will be indicated on the energy bill. Table indicating the category-wise Additional Energy Charges (AEC) & Additional Fuel Adjustment Charges (FAC) to be levied to all consumer categories considering all the above orders is provided in Annexure "A".

Additional Energy Charges & Additional Fuel Adjustment Charges are also applicable to Powerloom and Agricultural consumers in addition to Government of Maharashtra's concessional rates.

All field office are requested to due note of above Additional Energy Charges.



**Chief Engineer (Commercial)**

**Copy:** As per mailing list

**Copy s.w.rs.to:**

The Secretary, Maharashtra Electricity Regulatory Commission,  
World Trade Center, Colaba, Mumbai

**Copy s.w.r. to :**

- 1) The Director (Operation) MSEDCL, Mumbai.
- 2) The Director (Finance) MSEDCL, Mumbai.
- 3) The Executive Director (Commercial), MSEDCL, Mumbai.
- 4) The Regional Executive Director-I/II/III, MSEDCL, Kalyan / Pune / Nagpur.

**Copy f.w.c.s. to:**

- 1) All Chief Engineer, O&M Zones, MSEDCL
- 2) The Chief General Manager (IT), MSEDCL, Mumbai.
- 3) The OSD to MD, MSEDCL, Mumbai

**Copy to:**

All Superintending Engineers, O&M Circles, MSEDCL.

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### Additional Energy Charges & Fuel Adjustment Cost

- Ref. 1. MERC Order dt. 05/09/2013 in Case No. 95 of 2013.  
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Sr. No.	Categories	AEC1	AEC2	AEC3	AEC4	Additional FAC
		ps/u	ps/u	ps/u	ps/u	ps/u
	<b>LT Category</b>					
<b>1</b>	<b>Domestic (LT-I)</b>					
A	<b>BPL (0-30 Units)</b>	9.56	7.74	1.28	3.01	2.23
B	<b>Consumption &gt; 30 Units per month</b>					
i	1-100 Units	31.27	25.29	4.19	9.85	9.86
ii	101-300 Units	52.65	42.58	7.05	16.59	17.75
iii	301-500 Units	65.75	53.17	8.81	20.71	23.24
iv	500-1000 Units	71.38	57.72	9.56	22.49	25.76
v	Above 1000 Units	76.36	61.75	10.23	24.06	27.88
<b>2</b>	<b>Non Domestic (LT-2)</b>					
A	<b>0-20 KW</b>					
i	0-200 Units	56.83	45.96	7.61	17.90	17.17
ii	Above 200 units	87.53	70.79	11.73	27.58	24.59
B	<b>&gt;20-50 KW</b>	81.26	65.72	10.89	25.60	24.77
C	<b>&gt;50 KW</b>	101.44	82.03	13.59	31.96	32.01
<b>3</b>	<b>Public Water Works (LT-III)</b>					
A	<b>0-20 KW</b>	22.18	17.94	2.97	6.99	6.90
B	<b>20-40 KW</b>	28.05	22.69	3.76	8.84	9.13
C	<b>40-50 KW</b>	38.02	30.75	5.09	11.98	12.32

Sr. No.	Categories	AEC1	AEC2	AEC3	AEC4	Additional FAC
		ps/u	ps/u	ps/u	ps/u	ps/u
<b>4</b>	<b>Agriculture (LT-IV)</b>					
A	<b>Unmetered Tariff</b>					
i	Zones with Consumption norm < 1318 Hrs/HP/Annum	Rs./HP/M	Rs./HP/M	Rs./HP/M	Rs./HP/M	Rs./HP/M
	A) 0-5 HP	10.53	8.51	1.41	3.32	3.84
	B) Above 5 HP	10.53	8.51	1.41	3.32	3.84
ii	Zones with Consumption norm > 1318 Hrs/HP/Annum	Rs./HP/M	Rs./HP/M	Rs./HP/M	Rs./HP/M	Rs./HP/M
	A) 0-5 HP	22.87	18.50	3.06	7.21	8.35
	B) Above 5 HP	22.87	18.50	3.06	7.21	8.35
B	<b>Metered Tariff (Including Poultry Farms)</b>	18.72	15.14	2.51	5.90	6.16
<b>5</b>	<b>LT Industries (LT-V)</b>					
A	0-20 KW	42.76	34.58	5.73	13.47	14.85
B	Above 20 KW	68.40	55.32	9.16	21.55	20.57
<b>6</b>	<b>Street Light (LT-VI)</b>					
A	Grampanchayat A, B & C Class Municipal Council	35.37	28.60	4.74	11.14	12.09
B	Municipal corporation Area	40.91	33.09	5.48	12.89	14.67
<b>7</b>	<b>Temporary Connection (LT-VII)</b>					
A	Temporary Connection (Religious)	32.39	26.20	4.34	10.21	9.60
B	Temporary Connection (Other Purposes)	125.15	101.21	16.77	39.43	44.22
<b>8</b>	<b>Advertising and Hording (LT-VIII)</b>	187.76	151.84	25.16	59.16	60.95
<b>9</b>	<b>Crematorium &amp; Burial (LT-IX)</b>	29.98	24.25	4.02	9.45	9.89
<b>10</b>	<b>Public Services ( LT X)</b>					
A	<b>0-20 KW</b>					
i	0-200 Units	44.70	36.15	5.99	14.08	15.73
ii	Above 200 units	67.04	54.21	8.98	21.12	23.12
B	<b>&gt;20-50 KW</b>	75.96	61.43	10.18	23.93	22.86
C	<b>&gt;50 KW</b>	80.06	64.74	10.73	25.22	24.18

Sr. No.	Categories	AEC1	AEC2	AEC3	AEC4	Additional FAC
		ps/u	ps/u	ps/u	ps/u	ps/u
	<b>HT Category</b>					
<b>1</b>	<b>HT-I - Industries</b>					
A	HT-I - Cont (Express Feeders)	61.73	49.92	8.27	19.45	20.57
B	HT-I – Non-Cont (Non Express Feeders)	58.35	47.19	7.82	18.39	18.57
C	HT-I - Seasonal Category	71.46	57.79	9.57	22.51	22.86
<b>2</b>	<b>HT-II Commercial</b>					
A	<b>Express Feeder</b>	93.16	75.34	12.48	29.35	30.66
A	<b>Non-Express Feeder</b>	88.17	71.31	11.81	27.78	28.84
<b>3</b>	<b>HT-III Railways</b>	62.77	50.77	8.41	19.78	22.92
<b>4</b>	<b>HT-IV Public Water Works (PWW)</b>					
A	Express Feeders	44.61	36.08	5.98	14.05	14.82
B	Non-Express Feeders	46.06	37.25	6.17	14.51	13.88
<b>5</b>	<b>HT-V Agricultural</b>	24.92	20.15	3.34	7.85	8.45
<b>6</b>	<b>HT-VI Bulk Supply</b>					
A	Residential Complex	43.73	35.36	5.86	13.78	14.14
B	Commercial Complex	44.70	36.15	5.99	14.08	24.09
<b>7</b>	<b>HT-VII Temporary Supply</b>					
A	Religious	26.28	21.26	3.52	8.28	9.60
B	Other	103.04	83.33	13.81	32.47	37.62
<b>8</b>	<b>HT-IX Public services</b>					
A	Express Feeders	75.07	60.71	10.06	23.65	24.09
B	Non-Express Feeders	70.65	57.14	9.47	22.26	22.45