



Maharashtra State Electricity Distribution Co. Ltd.
(A Govt. of Maharashtra Undertaking) CIN: U40109MH20005SGC153645
PLOT No. G-9, PRAKASHGAD, Prof. ANANT KANEKAR MARG, BANDRA (East), MUMBAI-400051
PHONE No. 26474753 (P)/26474211 (O) / FAX No. 26472366
Email: cecomm@mahadiscom.in / Website: www.mahadiscom.in

No. CE (Comm.)/Tariff/No.1398

Date:15.01.2019

COMMERCIAL CIRCULAR No. 312

Subject: Revised guidelines for billing in view of various MERC Orders.

Ref: 1) MERC Mid-Term Review Order dt. 12.09.2018 in Case No. 195 of 2017.
2) Commercial Circular No. 311 Dated 01.10.2018.
3) MERC Order dt.24.12.2018 in Case No. 321 of 2018.
4) MERC Orders dt 02.01.2019 in Case No.329,332,338,344 & 347 of 2018.
5) MERC Order dt.01.01.2019 in Case No. 60 of 2018.

The MERC has issued Order dt. 12/09/2018 in Case No. 195 of 2017 (Mid-Term Review Petition in respect of the revision in Electricity Tariff w.e.f 1st September 2018) for the control period 2018-19 (from Sep 2018) and 2019-20. The necessary directives were already issued to the field offices vide Commercial Circular No.311 dated 01.10.2018.

Now, MERC has subsequently issued order dated 24.12.2018 in Case No.321 of 2018 regarding review of certain aspects of Mid Term Review Order dated 12 September, 2018 in Case No. 195 of 2017.

Further, MERC has issued orders in respect of various consumers petitions seeking clarification about the methodology to be followed for determination of Power Factor (lag or lead) and requirement of time in respect of Case No . 329,332,338,344 & 347 of 2018

In view of all above directives of MERC, the necessary guidelines are hereby issued for implementation of same.

a) Load Factor Incentive formula Amendment

The formula for Load Factor Incentive given in MTR order is as below,

$$\text{Load Factor} = \frac{\text{Consumption during the month in MU}}{\text{Maximum Consumption Possible during the month in MU}}$$

Where,

Maximum Consumption possible = Contract Demand (kVA) x Actual Power Factor x (total no. of hours during the month, less planned load shedding hours)*

**-Interruption/non-supply to the extent of 60 hours in a 30 day month.*

The Commission has revised the formula for 'Maximum Consumption possible' in the impugned MTR Order as follows:

$$\text{Maximum Consumption possible} = \text{Contract Demand (kVA)} \times \text{Unity Power Factor} \\ \times (\text{total no. of hours during the month, less planned load shedding hours*})$$

This revision in formula shall be applicable from 1 January, 2019.

b) Linking of 0.25% incentive towards online payment with prompt payment

The Commission in its Order dated 24.12.2018 in Case No. 321 of 2018. noted that 'Discount for digital payment' has been articulated identical to the already existing 'Prompt Payment Discount'. Hence, rules applicable for 'Prompt Payment Discount' would also become applicable to 'Discount for digital payment'

In view of above, the discount for online payment for LT category shall be made applicable only if the consumer makes full payment within due date and has no previous arrears.

This revision shall be applicable from 1 January, 2019.

c) Cheque bouncing Charges:

The Commission has revised the cheque bouncing charges approved in MTR Order dated 12 September, 2018 as follows:

Category	Cheque bouncing charges as per MTR Order dated 12 September, 2018	Revised cheque bouncing charges as per Order dated 24.12.2018
Administrative Charges for Cheque Bouncing	Rs. 1500/- or Bank charges whichever is higher	Rs. 750/- or Bank charges whichever is higher

Above charges shall be effective from date of applicability of MTR Order i.e. 1 September, 2018.

d) MERC Orders dt 02.01.2019 (Case No.329, 332,338,344 & 347 of 2018) in respect of Power Factor

i) Power Factor applicability

There is no change in percentage of P F rebate /P F penalty stipulated in the MTR order dated 12 September, 2018. Also, the effective date i.e. 1 September, 2018 for inclusion of 'RkVAh lead' in the computation of average PF remains same. However, in order to support efforts of consumers to take corrective actions, differential amount (difference between PF computed without 'RkVAh Lead' and with 'RkVAh lead') for the period of 1st September, 2018 to 31 March, 2019 will be refunded to the consumers in the following manner;

Eligibility Criteria for Refund

- Consumers shall be eligible for refund only if PF (with RkVAh lead) for consumption of April, 2019 is equal to or above 0.90 (lead or lag). No refund will be given to other consumers.
- This refund shall be in equal monthly installments. Number of installments shall be equal to numbers of months in which 'RkVAh lead' based PF has been billed to consumer.
- First installment to the 'Eligible Consumer' shall be refunded by way of adjustment in the electricity bill for consumption of April, 2019.
- Subsequent installment is refundable only if 'Eligible Consumer' maintains PF equal to or above 0.90 (lead or lag) in the month in which installment is to be refunded. If PF is below 0.90 (lead or lag), instalment for that month shall deems to be laps.

ii) Power factor computation formula:

The Commission in its order ruled that,

Power Factor Computation Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average PF during the billing period shall be applied:

$$\text{Average Power Factor} = \frac{\text{Total (kWh)}}{\text{Total (kVAh)}}$$

Wherein

$$\text{kVAh is} = \sqrt{\sum(\text{kWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$$

(i.e., Square Root of the summation of the squares of kWh and RkVAh)

Average PF can be considered as leading or lagging based on the following test:

If "RkVAh lead" > "RkVAh lag" then "Average P.F." is "Lead P.F."

If "RkVAh lead" = < "RkVAh lag" then "Average P.F." is "Lag P.F."

iii) Power factor Incentive

The commission directed that,

" Whenever the average Power Factor is more than 0.95 (lag or lead) and upto 1, an incentive shall be given on the amount of the monthly electricity bill, excluding Taxes and Duties as specified in MTR order "

The effect and Refund on account of this, if any, shall be given in three equal monthly installments by the way of adjustment through energy bill in the month of February, March & April 2019.

e) Issue of enhancement of the Contract Demand if the consumer exceeds his Contract Demand on more than three occasions during a calendar year,

The Commission invoked its inherent powers in its order dated 1.1.2019 (Case No.60 of 2018) to remove difficulty under Supply Code Regulations, 2005 and ruled that, Distribution Licensee can enhance the Contract Demand of the consumer when the consumers exceeds the contract demand on more than three occasions during a calendar year, irrespective whether the Consumer submits an application for the same or otherwise.

However, before such revision of Contract Demand, Distribution Licensee must give 15 days' notice to such consumer.

The above are the only important guidelines for implementation of the orders; however, you may refer the relevant MERC Orders under reference for details. It is directed that all the provisions and direction of Commission are to be followed strictly and also consumers are to be made aware of the same.


Chief Engineer (Commercial)

Copy: As per mailing list