

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai – 400 005
Tel. 022 - 22163964/ 65/ 69 Fax No. 022 - 22163976
Email: mercindia@merc.gov.in
Website: www.merc.gov.in

CASE No. 79 of 2020

**Case of Maharashtra State Electricity Distribution Company Limited seeking
clarification on certain issues of the MYT Order dated 30 March 2020 issued under
Case No. 322 of 2019**

Coram

**I. M. Bohari, Member
Mukesh Khullar, Member**

Date: 30 April 2020

CLARIFICATORY ORDER

1. The Commission has issued Multi Year Tariff (MYT) Order dated 30 March 2020 in Case No 322 of 2019 in the matter of Tariff Petition filed by Maharashtra State Electricity Distribution Co. Ltd (MSEDCL) for the 4th Control Period of FY 2020-21 to FY 2024-25. The said MYT Order has been made applicable from 1 April 2020.
2. MSEDCL vide its e-mail dated 20 April 2020 has filed this Petition seeking clarification in respect of certain issues in the MYT Order dated 30 March 2020 in Case No 322 of 2019. MSEDCL has requested the Commission to provide more clarification/ guidance on some points and has sought clarity on few typographical errors which as per MSEDCL have created ambiguity regarding implementation of the said Order.
3. MSEDCL in its Petition has made following main prayers:
 - (a) *To admit the Petition as per the provisions of the Section 61 and 62 of the Electricity Act 2003, Regulation 94, 95 and Regulation 97 to be read with Regulation 96 of the MERC (Conduct of Business) Regulations 2004*
 - (b) *To provide suitable clarifications for the matters in Para 5) Point A) to H) of this Petition as sought by the Petitioner;*
 - (c) *To rectify the errors as per the corrections suggested by the Petitioner in Point. No. 7) of this Petition;*
4. While this Petition was pending, the Commission vide its Corrigendum Order dated 23 April 2020 has corrected typographical errors in the Tariff Order dated 30 March 2020.

Said Order has addressed prayer 'c' in the present Petition of MSEDCL. Hence, for brevity MSEDCL's submission relating to prayer 'c' are not summarised in this Order.

5. Thus, only issues which remain to be addressed in the present Petitions are as follows:

- a. Tariff for Urban Division Consumers
- b. Feeder based Group Metering/billing for AG consumers
- c. kVAh billing (Billing of Rooftop PV, Multipartite & sub-metered consumers)
- d. Bulk consumption rebate
- e. Rebate for Incremental Consumption
- f. Wheeling Charges where EHV or requisite voltage level not available

On all these issues, MSEDCL has sought certain clarification so as to implement the Commission's Order in correct perspective. In normal circumstances, the Commission would have taken a hearing in the matter before issuing this Order. However, considering lockdown imposed by the Government in view of COVID-19 pandemic situation, the Commission has decided to dispose this matter based on submission made in writing. Incidentally, this Petition is filed for seeking clarification so that Tariff Order is implemented correctly, besides there is no respondent in the matter. Further, the Commission observes that as per inherent powers of the Commission as specified under Regulation 93 of the MERC (Conduct of Business) Regulations, 2004 including amendments thereof, it enables commission to deviate from procedure which is at variance with any of the provisions of the Conduct of Business Regulations, if the Commission, in view of the special circumstance of a matter and for reasons to be recorded in writing, deems it necessary or expedient for so dealing with such a matter. Accordingly, the Commission is dispensing with the personal hearing on the petition and is addressing the clarification sought by MSEDCL based on its written submissions in the following paragraphs.

a. Tariff for Urban Division Consumers:

MSEDCL's Submission:

6. MSEDCL states that the Commission in its MYT Order dated 30 March 2020 has ruled on the issue of additional fixed charges to Urban area as follows:

D] Tariff for domestic category:

"8.1.23 During the public hearings, many consumers pointed out the differentiation between Urban and Rural Areas in terms of investment in capex schemes and delays in accruing benefit of higher capitalization scheme in rural areas as compared to urban areas.....

.....Further, SOP Regulations have recognised the distinction in performance standards for Class-I cities, Urban Areas and Rural Areas. As urban areas get comparatively better quality of supply than that in rural area, they need to pay slightly higher charges than rural area. Therefore, to start with, the Commission is introducing Additional Fixed Charge of Rs 10 per connection per month to be

applicable for LT-Domestic category consumers in Urban Divisions of MSEDCL
.....” (Emphasis Added)

7. MSEDCL submits that it has not classified its operational organizational division (Division in short) into urban and rural categories. Further, MERC (SOP) Regulations 2014 has defined the Class I Cities, Urban Areas and Rural Area. As per the said classification, Class-I cities or Urban area have to be considered as Urban area. However, jurisdiction of MSEDCL Division is not as per the jurisdiction of Class-I cities or urban areas. The current jurisdiction of some of the Divisions in some Circles comprises of both rural as well as urban areas.
8. Therefore, clarification is required on the definition/criteria for Urban and Rural Divisions for levying additional fixed charges and if any Urban Division has one or more Rural Sub-Division or vice versa then what will be the consideration for levying additional fixed charge.
9. MSEDCL states that it will be difficult and time consuming to map consumer wise information as per municipal corporations’ area jurisdiction. Hence, it may be impracticable to implement this charge at subdivision level also. The subdivisions include urban as well as rural areas. Hence, MSEDCL suggests that subdivisions, which include, urban towns declared under RAPDRP and IPDS schemes can be considered as urban for application of this additional charge.

Commission’s Analysis and Clarification:

10. The Commission notes that in Tariff Order, it has decided to impose additional fixed charge of Rs. 10 per month on residential consumers in Urban Divisions because urban areas get relatively more capex investment and the same is required to be compensated by these consumers. Although, the Commission has directed to impose such additional charges to consumers in Urban Division, MSEDCL in present Petition has clarified that their Divisions or sub-divisions are not strictly as per geographical boundaries of urban area. Therefore, levying such additional charges in so called Urban Division may lead to levying such charges to rural area which may be part of that Division. Asking MSEDCL to identify consumers in urban area and then levying this additional charge can be an alternative, but as informed by MSEDCL it would-be time-consuming activity and requires more time for implementing commission’s order.
11. MSEDCL has suggested that for implementing this concept of additional demand charge, levy it in only subdivisions which includes urban towns covered under RAPDRP and IPDS scheme. However, on perusal of the list of such towns submitted by MSEDCL it is observed that it includes smaller town such as Pathri in Parbhani Circle, Bramhapuri in Gadchiroli Circle etc. It was never intended to cover such smaller towns for such additional charge, beside the fact that subdivision under which such small towns are covered may include large part of rural area.

12. Therefore, instead of using towns under RAPDRP/IPDS schemes, the Commission is of the opinion that Municipal Corporation area can be reference area for levying such additional charges as generally the investments in these areas is compatibly more which is beneficial to the consumers to this area. As regards MSEDCL's reference about the sub-division in Municipal Corporation area may include some adjacent rural area, the Commission is of the view, that for any subdivision of MSEDCL, all consumers in the subdivision need to be treated similarly/equally. Therefore, consumers located outside Municipal Corporation but covered by same sub-division of MSEDCL, which serves part of the area in Municipal Corporation, get similar investments and services of Urban area. Also with reference to the SoP Regulations, these subdivisions generally have higher capital investments like class I cities and urban areas.
13. Accordingly, the Commission deems it fit to ensure that all the consumers of Urban Division may not be privy to higher investments and as per the principle laid down in the MYT Order it is clarified that instead of all the consumers of urban divisions, only the consumers of those subdivisions serving part of the area of Municipal Corporation, shall be considered for levying additional demand charges as envisaged in MYT Order dated 30 March 2020. Such charges shall be levied on consumers of such sub-division irrespective that such consumer is located within or outside the municipal limits.

b. Feeder based Group Metering/billing for AG consumers

MSEDCL's Submission

14. The Commission in MYT Order has ruled on billing of Ag consumers connected on 502 sampled feeders selected by Ag Working Group for its Study as follows:

L] Agriculture Metering and Billing

"8.1.32 As per Section 55 of the EA, 2003, Licensees are required to supply power to all consumers through correct meters. However, after even more than a decade, as many as 15 lakh out of 42 lakh (around 35%) agricultural consumers are being supplied through un-metered connections. Further, even in case of metered consumers, dismal state of metering and billing (compared to utility records, meters are present only 27% of metered AG consumers) has been highlighted by AG Working Group in its Report. Under the circumstance, an interim innovative approach using Feeder input based AG group metering and billing scheme will have to be adopted in future. Such approach can be easily implemented for 502 sample feeders that were selected for the study by AG Working Group constituted by the Commission, since the AMR/MRI feeder meter data and mapping of consumers/DTCs, indexing of AG/Non-AG consumers and framework for technical loss assessment on these feeders is already in place. Further, the billing based on Feeder input-based Group metering scheme for identified 502 sample feeder shall be subject to ceiling of 3000 hours/HP/annum. Any shortfall/excess in billing in terms of 750 hours/HP/quarter shall be adjusted in subsequent quarters subject to ceiling of 3000 hours/HP/annum on fiscal yearly basis."

15. MSEDCL submits that in order to implement feeder-based billing, it is required to estimate agriculture sale by deducting technical losses from feeder input. However, there is no clarity on the technical losses in the MYT Order. Further, in the feeder-based billing the AG sales shall be estimated even for unmetered consumers. However, there is no clarity on billing of such unmetered consumers.
16. Therefore, MSEDCL has sought clarification regarding quantum of technical losses to be considered and whether such technical losses should be same for all feeders or feeder wise different technical losses are to be considered. It has also sought clarity on whether unmetered consumer is to be billed on HP tariff or per unit tariff based on feeder consumption.
17. In this regard, MSEDCL suggests that initially for implementation of feeder-based billing for 502 sample feeders, the average loss (16%) as worked out by AG working group may be considered. Subsequently MSEDCL will determine actual losses of every feeder based on feeder HT Line length, number & capacity of transformers connected and LT line length. These calculations will be submitted to the Commission for approval and after approval the feeder-wise losses will be used for determination of Ag sale. It has also suggested that all consumers (Metered as well as Unmetered) on these 502 Feeders will be billed on units derived on the basis of feeder-based index. These units will be billed as per AG metered tariff.

Commission's Analysis and Clarification:

18. The Commission in its MYT Order dated 30 March 2020, after taking into consideration the Report Submitted by Working Group for Agricultural Consumption Study, has directed MSEDCL to start feeder input based billing to agricultural consumers connected on 502 feeders which was selected by the Working Group for its study. The Commission has also directed MSEDCL to submit within two month a road map for expanding such feeder input-based billing to all Agricultural Consumers.
19. The Commission has directed MSEDCL to start feeder input-based billing on 502 selected feeders as all the details of these feeders are available. For implementing feeder input-based billing details such as feeder input, technical losses of that feeder, non-agricultural sales and connected load of agriculture connection need to be available.
20. MSEDCL in the present Petition has submitted that it does not have details of technical losses for each feeder and hence has proposed to use common technical loss of 16% for all 502 feeders till such technical losses are computed for each of these feeders. In this regard, the Commission notes that Working Group in its Report has also noted that MSEDCL has not been able to submit technical loss for selected 502 feeder and hence it computed technical losses on its own for 44 feeders whose data availability was sufficient for computing technical losses. Working Group in its Report has mentioned that weighted average technical losses of these 44 feeders works out to 18%. Further,

Agricultural consumptions for FY 2018-19 recommended by the Working Group also corresponds to the technical loss of 18%.

21. Therefore, till the feeder wise actual technical losses are not available, the Commission allows MSEDCL to use 18% as Technical Loss for implementing feeder input based billing to Agriculture consumer connected on 502 selected feeders. Further, this billing method (billed for units consumed arrived based on feeder input) will be applicable to all Agriculture Consumers (metered or un-metered) connected on that feeder.
22. Having, clarified as above, the Commission directs MSEDCL to complete technical loss computation of 502 selected feeders within 3 months and submit the same for approval of the Commission. Further in order to enhance transparency of feeder input based billing, the Commission directs MSEDCL to comply with the following:
 - a. Publish AMR data of these selected 502 feeders for previous month on its website by 7th of every month.
 - b. Publish on its website daily meter reading of these selected 502 feeder at 0000 hrs on weekly basis on each Monday.
 - c. Compute and publish on its website monthly feeder consumption index for each of this selected 502 feeder by 10th of every month.
 - d. Based on such feeder consumption index as per tariff order, generate monthly bill to Agricultural consumer connected on that feeder. However, bill should be issued to consumer on quarterly basis showing monthly consumption for three months based on feeder consumption index for respective month.

c. kVAh billing (Billing of Rooftop PV, Multipartite & sub-metered consumers):

MSEDCL's Submission:

23. The Commission in MYT Order dated 30 March 2020 has allowed kVAh based billing for HT consumers from 1 April 2020 as follows:

"8.10.41 The Commission has taken a note of Petitioner's proposal for adoption of kVAh-based billing for HT consumer categories and initiatives taken by MSEDCL towards it. The same matter was discussed in MTR Order. Accordingly, Commission has decided to approve the proposal of MSEDCL for adoption of kVAh billing for HT consumers from 1 April, 2020."

24. MEDCL submits that in Rooftop RE Installations, the energy exported into the grid must be supplied at power factor near to unity. If such consumer exports the energy at low power factor, then it will record more kVAh for same kWh units. In order to regulate the power factor, there should be provision to disallow units exported below specified power factor which may be fixed by the Commission. There are some multipartite consumers

with HT connection. These consumers are HT as well as LT category. The Commission has allowed kVAh billing only for HT consumers. However, there is no clarity on billing of such multipartite consumers with HT as well as LT Consumers. Similarly, there are sub-metered LT consumers to the principal HT consumers.

25. Accordingly, MSEDCL sought clarity on billing of rooftop net metering consumers, methodology for billing of LT consumers which are part of a multipartite agreement with HT consumers and methodology for billing of sub metered LT consumers to the principal HT consumers.

26. In its submission, MSEDCL has suggested following billing approach for these issues:

- a. **For roof top consumers :** The netting off or settlement of units will be done in terms of kWh units and balance import units will be converted to kVAh using billing power factor of consumer for charging.
- b. **For Open Access Consumers:** All Open Access transaction in 15 min time block will be carried out in kWh units. For computation of charges viz. Energy Charge, Wheeling Charge, Transmission Charge, Cross Subsidy Surcharge, Additional Surcharge, kWh sale will be converted to kVAh considering billing PF of consumer.
- c. **Multipartite Consumers:** In this case the billing of the LT Consumers will be done as per kWh units however principal HT Consumer billing will be on basis of kVAh.

The kVAh of principal Consumers will be as below:

{(kWh units recorded in main Meter on HT side) less (sum of all LT side kWh units)}/billing PF of consumer.

- d. **Sub metered consumers:** same methodology as per multipartite consumer.

Commission's Analysis and Clarifications:

27. The Commission notes that while allowing implementation of kVAh based billing in the MYT Order, the Commission has made following observation and also provided certain guidelines for implementation of kVAh billing as follows:

*“8.10.40 While determining per unit charges in kVAh, the Commission has used category wise PF which could be lower than unity. This makes per unit tariff lower than the tariff which would have been determined in kWh term. **Further, in case of Energy Balance, the utility shall always maintain sale in kWh only. Tax on Sale of Electricity and Electricity duty shall be converted from kVAh to kWh. All the OA transactions will be maintained in kWh sale only, kVAh based sales***

shall be converted in kWh based on the Power Factor for the month provided in the Energy Bills.”

28. Thus, for energy balancing of the Distribution Licensee and OA transactions (adjustment of energy injected by OA generator and consumed by OA consumer in billing month for arriving at over or under drawal) needs to be maintained in kWh terms only. However, charges to be levied for such OA consumers such as Wheeling Charges, Energy Charges, Transmission Charges, Cross-subsidy surcharge, additional Surcharge etc are approved in kVAh terms only. Hence, for the purpose of levying such charges to the OA consumer, applicable kWh consumption shall be converted into kVAh by using billing Power Factor for that month.
29. Regarding Rooftop arrangement, MSEDCL in its submission has not explicitly mentioned that it is seeking such clarification only in respect of rooftop installations of HT consumers. However, as kVAh billing is allowed only for HT consumers, for removing any doubt, the Commission clarifies that these clarifications will be applicable only to the rooftop installations of HT consumers. The Commission notes that in rooftop installations export or import of energy through banking facility is undertaken in kind i.e. energy banking facility is provided against energy injected into the grid. The Commission has already clarified that all energy balancing for utility (energy procurement from generator and sales to consumers) and OA transaction will be maintained in kWh terms only. Transaction of energy under rooftop installation is similar to these transactions. Hence, the Commission clarifies that for any adjustment in kind such as netting off or settlement of units in rooftop installations of HT consumers the same will be done in terms of ‘kWh’ and for levying charges on balance units, ‘kWh’ shall be converted into ‘kVAh’ by using billing Power Factor for that month.
30. Regarding clarification sought for HT consumer having multiple LT connections (under Franchisee Agreement) or sub-metering for specific purpose of use different than main HT connection on LT side, the Commission notes that for LT consumers, kWh based billing is continued till Mid-Term Review Order. Hence, LT consumers need to be billed on kWh basis only. Under these circumstances, the Commission clarifies that residual units in kWh after billing LT consumers on kWh basis need to be converted into kVAh by using billing Power Factor for levying charges applicable for HT consumers.
31. Taking this opportunity, the Commission would like to clarify its observations relating to levying Electricity Duty and Tax on Sales of Electricity for HT consumer. The Commission in MYT Order has ruled that such Tax/Duty shall be converted from kVAh to kWh. Intention behind such direction is that if such taxes/duties are applicable in Rs/kWh terms then kVAh consumption in the month needs to be converted into kWh by using billing Power Factor for levying such taxes/duties to HT consumers. However, if such taxes are applicable on billed amount, no such conversion is required.

d. Bulk consumption rebate

MSEDCL's Submission

32. The Commission in MYT Order dated 30 March 2020 has ruled on Bulk Consumption Rebate as follows:

8.16 Rebate for Bulk Consumption

“ 8.16.2 The Commission observes that out of around 14000 numbers of HT-Industrial consumers, around 0.4% no. of consumers consume > 5 MU/month and contribute around 25% of total consumption of HT-Industrial category. Further, around 3% no. of consumers consume between 1 to 5 MU/month and contribute around 29% of total consumption of HT-Industrial category and around 22% no. of consumers consume between 0.1 to 1 MU/month and contribute around 39% of total consumption of HT-Industrial category. The Commission opines that bulk consumption rebate with a reverse telescopic slab would benefit all such consumers under HT-Industrial consumers with consumption in excess of 1 lakh units per month (0.1 MU per month). Thus, the Commission has decided to introduce “Bulk Consumption” rebate in a reverse telescopic manner for HT-Industrial consumers in following manner:

- a) For monthly consumption (> 1 Lakh units to 1 MU) per month: 2%*
- b) For monthly consumption (> 1 MU to 5 MU) per month: 1.5%*
- c) For monthly consumption (> 5 MU) per month: 1%”*

33. MSEDCL submits that the Commission has introduced the “Bulk Consumption” rebate in a reverse telescopic manner for HT-Industrial consumers. However, there is no clarity on applicability of such rebate to partial open access consumers. Therefore, clarification is required regarding applicability of Bulk Consumption Rebate to partial OA consumers and if yes, up to what extent.

34. MSEDCL in its submission has suggested that such Bulk Consumption Rebate be made applicable to partial OA consumers also to the extent of consumption from MSEDCL.

Commission’s Analysis and Clarification:

35. The Commission has introduced Bulk Consumption Rebate for consumer consuming above 1 lakh units in a month. In the opinion of the Commission, if partial OA consumer consumes more than 1 lakh units from MSEDCL, it should also be eligible for such rebate. Hence, the Commission clarifies that partial OA consumers shall also be eligible for Bulk Consumption Rebate to the extent of electricity consumption from MSEDCL.

e. kVAh billing (Display of power factor on energy bill)

MSEDCL’s Submission:

36. The Commission in MYT Order dated 30 March 2020 has directed MSEDCL as follows:

*“ 8.10.38 Several stakeholders have also raised concerns in term of kVAh based billing per se, if the same get implemented. The Commission has also taken a note of the concerns raised and is of the view that, in the present billing system, Consumer, based on the incentive/penalty levied in the monthly bill was kept informed of Power Factor (PF) maintained by it during the month. The Consumer was therefore in the position to take corrective action in case penalty was levied due to poor PF based on the information from the monthly Bill. However, with implementation of kVAh billing, any adverse impact due to poor PF will be recorded in increased consumption in kVAh and Consumer will not be aware of actual PF for the month unless it is being recorded and monitored separately. For smooth transition to new billing system and to keep Consumer aware at all times, **the Commission directs MSEDCL to display PF (computed by considering leading and lagging RkVAh) recorded during the month in the bill of all the Consumer categories till further directions.** Further, such PF can be used for converting kVAh into kWh for arriving at payment to be made towards taxes / duties imposed by the GoM, if applicable. “*

37. MSEDCL submits that in the kVAh compatible energy meters installed by it, the measurement of kVAh is based on kVARh lag and lead hence these meters record the power factor based on lag and lead consumption of kVARh. The power factor which is recorded by meter can directly be produced on the electricity bill hence there is no need of computation of power factor externally. Therefore, clarification is required relating to use power factor recorded in meter or computed power factor for displaying on consumer bill.
38. MSEDCL in its submission has suggested that as meter is programmed for computation of kVAh as per formula approved by the Commission, there is no requirement for computation of PF externally. MSEDCL can use the power factor recorded by energy meter for displaying on consumer bill.

Commission's Analysis and Clarification:

39. The Commission notes the MSEDCL submission and clarifies that as meter is programmed for computation of kVAh (based on lag and lead consumption of kVARh) as per formula approved by the Commission, there is no requirement for computation of PF externally. MSEDCL may use the power factor recorded by energy meter for displaying on consumer's bill.

f. Rebate for Incremental Consumption

MSEDCL's Submission:

40. The Commission in MYT Order dated 30 March 2020 has ruled on the issue of rebate from incremental consumption as follows:

8.15 Rebate for Incremental Consumption

“8.15.12.....

-
- *The rebate shall be given to eligible consumers including partial open access consumers falling under above consumer categories to the extent of procurement from MSEDCL.*

-
- *“The 3-year average monthly consumption by consumer from FY 2017-18 to FY 2019-20 shall be considered as baseline consumption (or monthly threshold consumption) for determination of incremental consumption by such eligible consumers.”*

- *“In case of a consumer registered into system for duration lower than 3 years, such consumer shall be eligible for availing incremental rebate from the next billing cycle upon completion of 3-year period and average monthly consumption for past three years shall be considered as its baseline consumption (or monthly threshold consumption) in such cases for determination of their incremental consumption for the purpose of rebate*

- ...
- *The rebate shall be over and above the existing rebates subject to the fact that the consumer’s total variable charges should not be less than Rs.4/ kVAh after accounting for all applicable rebates.*
 - *The rebates would also be applicable to Open Access consumers, subject to conditions outlined above. .”*

41. MSEDCL submits that the Commission has allowed the rebate for incremental consumption for partial open access consumers to the extent of procurement from MSEDCL. However, there is no clarity on computation of average, monthly consumption. Further, clarity is required in case the consumer is temporarily or permanently disconnected for consideration of period of consumption of past 3 years. Also, with the implementation of kVAh billing, now onwards consumption will be recorded in kVAh terms whereas prior to this order the consumption was recorded in kWh. The kVAh consumption available for prior period is as per lag only method. However, now kVAh is recorded based on lag + lead method. Therefore, comparison of consumption in kVAh units with that of kWh units will be inappropriate.

42. Accordingly, MSEDCL has sought clarification on the following aspects:

- a) Whether to consider OA/offset units for computation of average monthly consumption for determining eligibility of rebate in case of partial OA and Rooftop RE Consumers?
- b) Whether to consider period from date of Permanent Disconnection (PD) to Live or its date of connection in case of PD to live connection?
- c) Also, clarification is required in case of Temporary Disconnection during the period of last 3 years for calculation of average consumption
- d) Please clarify, whether the comparison of consumption shall be done on kWh basis for eligibility of rebate.

- e) Please clarify the charges to be considered for computation of effective rate so that same shall be not below Rs. 4/ kVAh

43. MSEDCL in its submission has also suggested following approach which can be adopted for addressing above issues:

- a. The rebate shall be available to the Open Access Consumers also. However, the OA consumers may flip flop and try to gain maximum benefits by manipulating the consumption from OA and MSEDCL. To avoid such gaming, MSEDCL proposes that the Rebate will be given up to the extent of MSEDCL units only.

For the months in which consumer opt for Open Access or Rooftop Photo voltaic (RTPV) then total units excluding Open Access units or adjusted solar units respectively will be considered for computation of baseline monthly average consumption. However, Rebate will be given up to the extent of MSEDCL units only.

e.g. Earlier baseline Open Access : 50Units, MSEDCL : 50 Units, Total : 100 Units

Case I - Now if Open Access: 40 Units, MSEDCL: 65 Units Total: 105 Units, then Incremental consumption benefit will be given for 15 Units

Case II - If Open Access: 65 Units, MSEDCL: 40 Units Total: 105 Units, then No Incremental consumption benefit will be given

- b. Permanently Disconnected to live Consumers will be treated as fresh connection from the date of reconnection for this purpose.
- c. Temporary Disconnection period with zero consumption for entire month will be excluded in computation of baseline consumption.
- d. As MSEDCL doesn't have data of kVAh units for past three years as per revised formula hence for this purpose, comparison of units will be based on kWh units.
- e. For computation of effective rate, total variable charges and all rebates viz. Energy Charge, Time of Day (TOD) Energy Charge, Wheeling Charge, FAC, Bulk Consumption Rebate, Load Factor Incentive, Prompt Payment Discount will be considered. Demand Charge, Demand Penalty and Electricity Duty and Taxes will be excluded.

Commission's Analysis and Clarification

44. The Commission has noted MSEDCL submission and clarifies as follows in respect of incremental consumption rebate:

45. The Commission in its MYT Order has already stipulated that incremental consumption rebate shall be applicable to partial OA consumers to the extent of consumption from MSEDCL.
46. Once consumer is Permanently Disconnected, for reconnecting such consumer, process followed for releasing new connection is adopted. Hence, in case PD connection is reconnected, it shall be treated as new consumer and its consumption prior to PD shall not be used for computing baseline consumption.
47. Similarly, Temporary Disconnected (TD) consumer having zero consumption during such period of disconnection, would get unintended advantage of lower baseline consumption for availing incremental consumption rebate if period of TD is considered for computing baseline consumption. Hence, the Commission clarifies that period of TD shall be excluded from computation of baseline consumption.
48. The Commission recognised practical difficulty of non-availability of data of energy consumption in kVAh units, for establishing baseline consumption including non-availability of past period Power Factor based on revised formula approved by the Commission. Hence, in order to enable implementation of incremental consumption rebate the Commission directs that till the MTR Order, such rebate shall be allowed based on consumption in kWh terms.
49. The Commission in its MYT Order has already stipulated that such incremental consumption rebate shall be over and above the existing rebates subject to condition that the consumer's total variable charges should not be less than Rs.4/ kVAh after accounting for all applicable rebates. For avoiding any doubts, the Commission clarifies that for computation of net variable charge, all variable charges and rebates such as Energy Charge, TOD Energy Charge, Wheeling Charge, FAC, Bulk Consumption Rebate, Load Factor Incentive, Prompt Payment Discount shall be considered. Demand Charge, Demand Penalty and Electricity Duty and Taxes shall be excluded while arriving at net variable charge.

g. Wheeling Charges where EHV or requisite voltage level not available

MSEDCL's Submission;

50. The Commission in MYT Order dated 30 March 2020 has ruled on levy of Wheeling Charges in case of non-availability of requisite voltage level as follows:

"2.4.10 The Commission is aware of the fact that all the EHV/HT levels (i.e. EHV, 11 KV, 22 KV and 33 KV) are not available in all the areas of MSEDCL.

..... Thus, the Commission rules that in such cases only (non-availability of EHV or requisite voltage level), the wheeling charges to the consumer shall be applicable as per the Billing Demand recorded. To avoid misuse of this concession,

the applicability shall be subject to MSEDCL internally certifying the non-availability of the requisite voltage level and further that the billing demand shall be as per the requisite voltage level is met by the consumer for at least 9 months in a financial year.”


51. MSEDCL submits that there is no clarity as to how the billing demand shall be considered if the consumer is billed for less than 9 billing cycles in a financial year. MSEDCL in its submission has suggested that in such cases the billing demand shall be as per the requisite voltage level which is met by the consumer for minimum of 9 months or actual number of billing cycles available in a financial year reduced by 25% to the nearest integer. (e.g. 5 months will be treated as 4 months).

Commission's Ruling and Clarification

52. The Commission in MYT Order has allowed the consumer to get benefit of lower wheeling charges of higher voltage level in case of non-availability of requisite voltage level in that area. However, in order to avoid misuse of this provision the Commission has stipulated condition of maintaining billing demand as per requisite voltage level or at least 9 months in year i.e. 75% of time in a year.
53. Now MSEDCL has sought clarification in case actual billing is less than a year. In that case, the Commission clarifies that consumer needs to maintain billing demand as per requisite voltage level for 75% of bills actually raised during the Financial Year.
54. With the above Rulings and Clarifications, Case No. 79 of 2020 filed by Maharashtra State Electricity Distribution Co. Ltd. stands disposed of.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I. M. Bohari)
Member


(Abhijit Deshpande)
Secretary

