Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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Case No. 100 of 2011, MA No. 4 of 2011 and Case No. 143 of 2011

In the matter of Petition of MSEDCL seeking Final True up for the FY 2009 – 10, Provisional True Up for the FY 2010 -11 and Annual Performance Review for the FY 2010-11

Shri. V. P. Raja, Chairman
Shri. Vijay L. Sonavane, Member

Maharashtra State Electricity Distribution Co Ltd…Petitioner

ORDER

Dated: 31st October, 2011

In accordance with the MERC (Terms and Conditions of Tariff) Regulations, 2005, and upon directions from the Maharashtra Electricity Regulatory Commission (Commission), the Maharashtra State Electricity Distribution Company Limited (MSEDCL), submitted its Petition for Final True up for the FY 2009 – 10, Provisional True Up for the FY 2010 -11 and Annual Performance Review for the FY 2010-11, on July 12, 2011, under affidavit. This petition is numbered as Case No. 100 of 2011.

2. The prayers in Case No. 100 of 2011 are as follows:-

"

1. *To invoke the powers conferred to it under Section 94 of the Electricity Act 2003, to be read with Regulation 4, 99, 100 and 101 of MERC (Multi Year Tariff) Regulations, 2011 and to admit the petition seeking Final True up of FY 2009-10, Provisional True Up for FY 2010-11 and Annual Performance Review of FY 2010-11.*

2. *Pending final dispensation in the matter, to pass an interim order without any delay permitting MSEDCL to recover the deviation in power purchase expenses for FY 2010-11 and assist MSEDCL to financially sustain its activities by way of imposition of an additional charge with immediate effect (Interim Order).*
3. *Pending final dispensation in the matter, to pass an interim order without any delay permitting MSEDCL to recover the deviation in revenue estimation for FY 2010-11 and assist MSEDCL to financially sustain its activities by way of imposition of an additional charge with immediate effect (Interim Order).*
4. *4. To allow MSEDCL to recover the other factors of Revenue such as Load Factor incentives, Power Factor incentive / Penalty, Contract Demand Penalty and any other incentive/penalty provided to the consumers on a monthly basis in line with the FAC principle as the same is an uncontrollable cost.*
5. *To approve the True up for FY 2009-10 as proposed by MSEDCL.*
6. *To approve the Provisional True Up for FY 2010-11 as proposed by MSEDCL.*
7. *To allow to recover the additional charges in case of any variation in the fixed cost of the Central Government Station as approved by CERC in line with the CERC (Terms & Conditions of Tariff) Regulations, 2009.*
8. *To approve the actual capital expenditure for the FY 2009-10, revised capital expenditure plan for FY 2010-11 without limiting or restricting the same to only 50% of DPR Schemes, since MSEDCL has already complied with the directions of the Hon'ble Commission in respect of submission of Cost Benefit Analysis.*
9. *To approve the revision in tariff as proposed for different categories of consumers.*
10. *To restore fixed charges for all categories of consumers as per Tariff order dated 20th October 2006 and rationalise the fixed charges as proposed and may please consider deciding a road map to gradually increase the fixed charges to ensure that the fixed expenditure is fully recovered through fixed charges.*
11. *To approve the increase in the fixed charges of BPL Category from Rs. 3 per connection per month to Rs. 10 per connection per month*
12. *To approve the increase in the TOD rebate to Industrial Consumers from existing level of 85 paise per unit to 250 paise per unit applicable for consumption during night hours (10.00 p.m. to 06.00 a.m. next day).*
13. *To approve cross subsidy surcharge and all such other charges in relation with Open Access granted to consumers in accordance with the provisions of the EA 2003 for the year 2011-12 based on the correct level of cross subsidy for this year.*
14. *To modify the present provision in respect of "Billing Demand" and the Demand recorded during off peak hours to be considered for billing purpose.*

15. *To approve revision regarding load factor incentive for such consumers who exceed contract demand during night hours.*
16. *To approve the proposed energy charge payable by domestic consumers in the tariff slab of zero to hundred units per month equivalent to the landed cost of power purchase.*
17. *To allow to introduce a new consumer sub-category within Low Tension / High Tension non-domestic (Commercial) category as Government owned or 100% Government aided Schools (viz. Zilla Parishad Schools etc.) and Government owned hospitals (viz. District Civil Hospitals, Primary Health Centre etc.)*
18. *To allow to introduce new tariff slabs in LT non-domestic consumer category as (i) Zero to 200 units, (ii) 200 to 500 units, and (iii) above 500 units*
19. *To remove ceiling of 10% on levy of FAC 20. To grant any other relief as the Hon'ble Commission may consider appropriate.*
20. *To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.*
21. *To condone any error/ omission and to give opportunity to rectify the same.*
22. *To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time."*

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A. Background

3. The Petitioner, MSEDCL is a Company formed under the Government of Maharashtra GR No. ELA-1003/P.K.8588/Bhag-2/Urja-5 dated January 24, 2005 with effect from June 6, 2005 according to the provisions envisaged in the Electricity Act, 2003 (EA 2003). The provisional Transfer Scheme was notified under Section 131(5)(g) of the EA 2003 on June 6, 2005, which resulted in the creation of the following four successor Companies and MSEB Residual Company, carved out of the erstwhile Maharashtra State Electricity Board (MSEB), namely,
   - MSEB Holding Company Ltd.,
   - Maharashtra State Power Generation Company Ltd.,
   - Maharashtra State Electricity Transmission Company Ltd., and
   - Maharashtra State Electricity Distribution Company Ltd.

4. MSEDCL is in the business of distribution and retail supply of electricity in the entire State of Maharashtra, except the Mumbai licence areas supplied by Brihan-Mumbai Electric Supply & Transport Undertaking (BEST), Reliance Infrastructure Limited (RInfra), and The Tata Power Company Limited (TPC).

5. On February 4, 2011, the Commission, in exercise of its powers conferred by the EA 2003, notified the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 (hereinafter referred to as the "MYT Regulations, 2011"). These Regulations were to be applicable for determination of tariff in all cases covered under these Regulations from April 1, 2011 and onwards up to FY 2015-16. These Regulations were applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees in Maharashtra. It came into force from April 1, 2011.

6. MSEDCL submitted a Petition in Case No. 24 of 2011 on February 22, 2011 under Section 94 (2) of the EA 2003 and Regulation 85 (a) of the MERC (Conduct of Business) Regulations, 2004, Regulations 4.1, 99 and 100 of the MYT Regulations, 2011 seeking exemption from the implementation of MYT Regulations, 2011. On this Petition filed by MSEDCL, an exemption has been granted to MSEDCL, under Regulation 4.1 of the MYT Regulations, vide the Commission's Order dated 23rd August, 2011 in Case No.24 of 2011, for two years (till March 31, 2013) from the determination of tariff under the MYT Regulations, 2011. Furthermore, an amendment to the MYT Regulations was proposed vide the draft amendment, which was under the process of notification in the Official Gazette. In terms of the proposed amendment, the distribution licensees who have been exempted for certain periods from the determination of tariff under the MYT Regulations, 2011, were enabled to continue to file ARR and Tariff applications under the Terms and Conditions of Tariff Regulations 2005.

7. In terms of Regulation 101.2 of the MYT Regulations,2011 *"..... any proceedings before the Commission pertaining to the period till FY 2011, including review petitions, shall be governed by MERC (Terms and Conditions of Tariff) Regulations, 2005"*. Therefore, in regard to the present Petition for the years before FY 2011-12, (i.e., FY 2009-10 and FY 2010-11 in the present Case, the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005 are applicable.

8. The Commission, during the proceedings of the Case No. 24 of 2011, on August 23, 2011, directed MSEDCL to file its Petition for Final True up for the FY 2009 – 10, Provisional True Up for the FY 2010 -11 and Annual Performance Review for the FY 2010 -11. MSEDCL submitted its Petition (numbered as Case 100 of 2011), under

affidavit on July 12, 2011, wherein it projected a revenue gap of Rs. 5,155 Crore, as under.

Table 1: Revenue Gap as per Petition of MSEDCL dated July 12, 2011

Particular	**Rs Crore**
True up Requirement for FY 2009-10	717
Provisional True up for FY 2010-11	3950
Revenue Gap	**4,667**
Additional Impact of Hon'ble ATE Order dated July 7, 2010, in Appeal No.185 of 2008	487
Total Revenue Gap	**5,155**

9. The Commission scrutinised the Petition of MSEDCL and identified the preliminary data gaps required to be supplemented by MSEDCL before admission of the Petition. The same was communicated to MSEDCL vide MERC letter dated July 28, 2011.

10. Subsequently, the Commission held a Technical Validation Session (TVS) on August 1, 2011. Post TVS, further data gaps were identified in the Petition filed by MSEDCL. The additional data gaps were communicated to MSEDCL by the Commission vide letter dated August 1, 2011.

11. MSEDCL submitted its replies to the preliminary data gaps sent by the Commission on August 2, 2011. Thereafter, second TVS was held on August 17, 2011. After TVS, MSEDCL submitted its replies to the additional data gaps.

12. Further to TVS held on August 17, 2011, a meeting was held between representatives of MSEDCL and staff of Commission at the Commission's office on September 7, 2011. The changes in MSEDCL's Petition and annexures submitted in response to the identified data gaps/ inconsistencies were verified. Thereafter, MSEDCL resubmitted the data formats with the proposed change in numbers. According to the revised submissions of MSEDCL, the following changes had taken place.

Table 2: Impact on MSEDCL's Revenue Gap due to revision of expenses

Particular	**Net Impact on Gap (Rs Crore)**

Power Purchase Expenses for FY 2010-11	11.01
Cost of Power Procured for Implementation of ZLS in FY 2009-10	-22.30
Revenue generated on account of ZLS in FY 2009-10	49.00
Cost of Power Procured for Implementation of ZLS in FY 2010-11	-77.50
Revenue generated on account of ZLS in FY 2010-11	-12.00
Return on Equity for FY 2010-11	-7.61
Other Expenses for FY 2009-10	1.83
Total	**-57.57**

13. Accordingly, MSEDCL's total revenue gap was revised to Rs 5,097 Crore. Summary of the revised revenue gap is presented below in Table 3 as under:

Table 3: Revised Revenue Gap

Particular	Rs Crore
True up requirement for FY 2009-10	745
Provisional True up for FY 2010-11	3,865
Revenue Gap	**4,610**
Additional Impact of Hon'ble ATE Order dated July 7, 2010, in Appeal No.185 of 2008	487
Total Revenue Gap to be recovered	**5,097**

14. In accordance with Section 64 of the EA 2003, the Commission directed MSEDCL to publish its application in the prescribed abridged form and manner to invite suggestions and objections from the consumers on MSEDCL's Petition. MSEDCL issued the public notices in two English (The Times of India and Indian Express) and two Marathi (Lokmat and Sakal) newspapers inviting suggestions and objections from stakeholders on its Petition. The Public Notice was published in these newspapers on September 10, 2011. Further, MSEDCL made available copies of its Petition and Executive Summary (in both English and Marathi version) for inspection / purchase by members of the public at MSEDCL's offices. It was also made available on MSEDCL's website (www.mahadiscom.in) in free downloadable format. The Executive Summary and Public Notice were also made available on the website of the Commission (www.merc.org.in) in downloadable format.

6. Pursuant to the above, public hearings were held as follows:-

Table: Schedule for Public Hearing

Sr. No.	Place/ Venue of Public Hearing	Date of Hearing
1	Amravati Hall No.1,Divisional Commissioner's Office Camp, Amravati, District – Amravati	Friday, 7th Oct, 2011
2	Nagpur Vanamati Hall, V.I.P. Road, Dharampeth, Nagpur, District-Nagpur	Saturday, 8th Oct, 2011
3	Nashik Niyojan Bhavan, Collector Office Campus, Old Agra Road, Nasik	Saturday, 15th Oct, 2011
4	Pune Council Hall, Office of The Divisional Commissioner, Pune District- Pune	Wednesday, 19th Oct, 2011
5	Navi Mumbai, Conference Hall, 7th Floor, CIDCO Bhavan, CBD, Belapur, Navi Mumbai	Sunday, 23rd Oct, 2011
6	Aurangabad Meeting Hall, Office of the Divisional Commissioner, Aurangabad, District- Aurangabad	Tuesday, 25th Oct, 2011

7. MSEDCL has raised concerns over certain excruciating circumstances as follows:-

a) Unforeseen Circumstances on account of water shortage in Chandrapur Thermal Power Station

(i) Maharashtra State Power Generation Co. Ltd. (MSPGCL), in its Petition for True Up for FY 2009-10 and Annual Performance Review for FY 2010-11, has submitted that FY 2010-11 had been an abnormal year since actual rainfall was so low that water storage level in Erai Dam (which supplies water to Chandrapur TPS) fell below the critical level. This led to a force majeure condition at the station. Consequently, the actual availability of the station fell to 56.75% in 2010-11, as compared to the approved availability of 80%.

(ii) The District Collector of Chandrapur issued a directive on March 31, 2010 stating that:

a) the total water available in Erai dam on April 15, 2010 will be reserved for drinking water purpose only so that the drinking water will be available up to July 15, 2010; and

b) no water should be utilized for Generation purpose.

(iii) Therefore, generation from Chandrapur TPS was reduced by 1700 MW in the summer months of April to June 2010, when the power requirement in Maharashtra was particularly high. MSEDCL has submitted that it did not receive the scheduled energy from Chandrapur Thermal Power Station for the financial year 2010-11.

(iv) In its submission MSEDCL indicated that total energy received from MSEDCL was short by 8251 MUs compared to what the Commission approved in its Order dated September 12, 2010. Therefore, MSEDCL had to purchase power from other sources at higher prices, largely from short-term contracts, in order to avoid additional Load Shedding.

(v) Thus MSEDCL had to procure power from other short term sources such as traders, resulting in a sharp increase in power purchase expenses.

b) Working Capital Requirements of MSEDCL

(i) MSEDCL in its written Petition, and also during hearing held on September 28, 2011 mentioned that it was borrowing short term fund and using overdraft facility to purchase additional power. It submitted that the total sanctioned loan amounts have been fully utilized. Banks and Financial Institutions are now reluctant to sanction additional limit, which is affecting the day to day operation of MSEDCL resulting in procurement of additional power.

(ii) The total working capital loan sanctioned and utilised by MSEDCL has increased from Rs. 1,350 Crore in the month of April 2010 to Rs. 3,106.11 Crore as on August 2011. This has led to increase in interest cost during the period.

Table 4: Overdraft and short-term loan availed by MSEDCL

(Rs. Crore)

Month	Short-term loan drawn	Cumulative short-term loan	Cumulative overdraft	Cumulative short-term loan & overdraft
Apr-10	-50.00	1350.00	0.00	1350.00
May-10	200.00	1550.00	251.52	1801.52
Jun-10	200.00	1750.00	0.00	1750.00
Jul-10	150.00	1900.00	431.43	2331.43
Aug-10		1900.00	345.34	2245.34
Sep-10		1900.00	684.72	2584.72
Oct-10		1900.00	569.46	2469.46
Nov-10	-200.00	1700.00	695.22	2395.22
Dec-10		1700.00	633.38	2333.38
Jan-11		1700.00	1057.91	2757.91
Feb-11		1700.00	433.95	2133.95
Mar-11	200.00	1900.00	341.29	2241.29
Apr-11	100.00	2000.00	1174.89	3174.89
May-11		2000.00	1118.70	3118.70
Jun-11		2000.00	1145.75	3145.75
Jul-11	-150.00	1850.00	1161.01	3011.01
Aug-11	150.00	2000.00	1106.11	3106.11
Sep-11		2000.00	883.00	2883.00
Oct-11*		2000.00	1100	3100.00

**Figures of Oct-11 are tentative and taken up to Oct 27, 2011*

(iii) That owing to supply deficit from MSPGCL in the State, MSEDCL had to procure power from other sources at higher cost per unit.

(iv) During the hearings of September 28, and October 14, 2011, MSEDCL submitted that as per the transfer scheme announced and published on June 5, 2005 for unbundling of MSEB by the Government of Maharashtra, the security deposit from consumers of Rs. 1,680 Crore was transferred as a liability to MSEDCL, but liquid assets equivalent to the consumer security deposit was not transferred in the transfer scheme, thus affecting the working capital of the company from the date of un-bundling.

c) Delay in the Regulatory Process

(i) The Commission notified the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 on February 4, 2011. These Regulations came into force from April 1, 2011and were applicable to all the utilities in Maharashtra. Prior to FY 2011-12, the Tariff Regulations, 2005 were applicable.

(ii) However, MSEDCL submitted a Petition under affidavit on February 22, 2011 under Section 94(2) of the EA 2003 and Regulation 85(a) of the MERC (Conduct of Business) Regulations, 2004, Regulations 4.1, 99 and 100 of the MYT Regulations, 2011 in Case No. 24 of 2011, seeking exemption from the implementation of MYT Regulations, 2011 for a minimum period of two years.

(iii) MSEDCL did not file its Business Plan / ARR /tariff Petition under the MYT Regulations, 2011 as it had sought exemption from the said Regulations and also challenged the said Regulations before the Hon'ble High Court of Judicature at Bombay which is pending.

(iv) That crucial time was thus lost.

B. MA No. 4 of 2011 seeking Interim Relief

15. On September 5, 2011, MSEDCL submitted a Miscellaneous Application in Case No. 100 of 2011 for interim financial relief. This Petition was numbered as Miscellaneous Application No. 4 of 2011 in Case No. 100 of 2011.

16. MSEDCL submitted that the Commission has notified the draft amendment to MYT Regulations, 2011, which will authorize the Commission to determine the tariff based on the principles as set out in the MERC (Terms and Conditions of Tariff) Regulations, 2005. MSEDCL submitted that the public hearing process for finalization of revenue gap for the FY 2009-10 and FY 2010-11 in Case No. 100 of 2011 and finalization of the amendment of the MYT Regulations, 2011 would need at least 90-120 days to complete.

17. MSEDCL further submitted that it is currently in a difficult financial situation, whereby the revenue generated by MSEDCL is not sufficient to meet the cost of its power purchase and other operations. MSEDCL has made working capital arrangement with a consortium of banks using an overdraft of Rs 1200 Crore; and has availed of short-term loans to the extent of Rs 2,000 Crore from various banks. MSEDCL has now reached the limits of short-term loans that can be granted by financial institutions. This is also leading to a high interest burden for the Petitioner. MSEDCL is thus currently facing a liquidity crunch, which is adversely affecting its power purchase, developmental activities, capital expenditure, and provision of services to the consumers.

18. MSEDCL expects the demand for power to increase in the next two to three months, when the entire agricultural load becomes operational. MSEDCL submitted that even though it has already made appropriate arrangements to meet this estimated increase in demand, the revenue from the current tariff structure is not sufficient to meet this additional cost of power purchase. In such a situation, MSEDCL submitted that it might have to resort to planned load shedding, because of its inability to procure power, due to the present financial difficulty.

19. MSEDCL further submitted that the estimated revenue gap for the FY 2009-10 and FY 2010-11 is the result of the Commission not approving certain expenditures as per estimated expenditures as projected by MSEDCL. This has resulted in lower tariff for the consumers. MSEDCL submitted that as per the Tariff Policy 2006, the financial burden of prior period should not be borne by future consumers. Therefore, the consumers who have benefited from such lower tariff should compensate for the differential in tariff. MSEDCL submitted that if the recovery of revenue gap were delayed any further, the burden would be passed on to new consumers in FY 2011-12, even though such consumers have not received any benefit of lower tariffs in the past.

20. MSEDCL also submitted that it expects the proposed amendment to MERC (MYT) Regulations, 2011, to come into effect by the end of October 2011. This would enable the utilities in the State to approach the Commission for determination of tariff in accordance with the provisions of MERC (Terms and Conditions of Tariff) Regulations, 2005. Further, the Commission by its Order dated August 23, 2011, in Case No. 24 of 2011 has already approved the request of the Petitioner to exempt it from determination of tariff under the MYT Regulations, 2011, for two years. MSEDCL submitted that in such a scenario, it is expected to approach the

Commission shortly for determination of tariff for the FY 2011-12 in accordance with the provisions of MERC (Terms and Conditions of Tariff) Regulations, 2005, along with the final truing up for the FY 2010-11. By that time, MSEDCL's annual accounts, duly audited, would be ready.

21. MSEDCL submitted that as provided under Section 94(2) of the EA 2003, the Commission is empowered to pass interim order in any proceeding, hearing or matter as the Commission may consider appropriate.

22. In light of the submissions above, MSEDCL submitted that pending finalization of the draft amendment to MYT Regulations and the public hearing process for finalization of revenue gap for the FY 2009-10 and FY 2010-11 vis-à-vis determination of tariff, the Commission may, as an interim relief, allow MSEDCL to recover Rs 4,847 Crore immediately (out of the projected revenue gap of Rs 5,155 Crore), as under, with effect from the billing month of September 2011, by way of a uniform additional charge of 61 paise per unit:

Table 5: Total Financial Impact Claimed by MSEDCL

Particular	**Rs Crore**
Deviation in Power Purchase Expenses for FY 2009-10	178
Deviation in Power Purchase Expenses for FY 2010-11	1,076
Income Tax for FY 2009-10	126
ASC Refund for FY 2010-11	212
Audit Review of Bhiwandi DF	185
Revenue Difference	
Difference in Revenue for sale of power at existing tariff for FY 2010-11	1,074
Revenue from ZLS Power	1,467
Deviation in Capex related expenses	
50% of Depreciation, Interest on Long term Loan and ROE for FY 2009-10	190

Particular	Rs Crore
50% of Depreciation, Interest on Long term Loan and ROE for FY 2010-11	339
Total Financial Impact	**4,847**

23. MSEDCL submitted that the Commission may alternatively consider a proportionate energy charge, similar to the FAC mechanism, or by way of any other suitable method the Commission deems fit. As per MSEDCL, this was necessary to save the electricity sector in Maharashtra from impending financial crises.

24. MSEDCL also submitted that the financial impact of such interim relief could be considered and merged at the time of final Truing Up for the FY 2010-11, and during the time of determination of tariff for the FY 2011-12 once the proposed amendment to MERC (MYT) Regulations, 2011, comes into effect.

25. MSEDCL in its MA No. 4 of 2011 prayed for the following interim relief:

"

a) To admit this Petition under Section 94(2) of the Electricity Act 2003;

b) To pass an interim Order without any delay permitting MSEDCL to recover at least Rs 4,847 Crore and assist MSEDCL to financially sustain its activities by way of an additional charge as proposed in the annexure to this Petition with immediate effect;

c) To pass any Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;

d) To condone any error/omission and to give opportunity to rectify the same;

e) *To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time."*

26. A hearing was held on MSEDCL's Petition for interim financial relief (Miscellaneous Application No. 4 in Case No. 100 of 2011) on September 28, 2011 at the Commission's office. During the hearing, Shri Sharad Dabhade, Director (Operations) and Shri Abhijeet Deshpande, Executive Director (Commercial) appeared on behalf of MSEDCL. Dr. Ashok Pendse and Dr. S. L. Patil, authorised Consumer Representatives u/s 94(3) of the EA 2003 appeared on behalf of Thane Belapur Industries Association (TBIA) were present.

27. MSEDCL made a presentation to explain its prayers as well as the excruciating circumstances necessitating the relief sought there under. MSEDCL submitted that one of the major contributors to its revenue shortfall had been the huge payout towards rebates and incentives amounting to Rs. 1124 Crore as per the approved tariff schedule of the Commission during FY 2010-11. It also submitted that it was difficult to estimate the Power Factor Penalty & Contract Demand Penalty/ Penal Charges, Load Factor Incentive, PF incentive etc. The same was also not considered by the Commission in the tariff Order. MSEDCL further submitted that mismatch between period of approved revenue and the period of applicable tariff led to a shortfall in revenue realization. The revenue approved was for entire financial year 2010-11, whereas MSEDCL could get only 7 months, i.e. from September 2010 to March 2011 for revenue recovery at the revised tariff. In its presentation MSEDCL further submitted that the variation in the approved and the provisional power purchase expenses were mainly due to:

    a) The generation from MSPGCL reduced drastically;
    b) The Chandrapur TPS of MSPGCL was completely shut down due to unavailability of water;
    c) Generation from Parli U3 and Paras U6 was not considered for FY 2010-11;
    d) This resulted into procurement of power from other sources including traders and exchanges at higher rates to meet the demand supply gap;
    e) O&M expenses and lease rent of Rs 299 Crore including net energy charges @ Rs. 7.95 per unit for Ghatghar Hydro power station plant also led to additional power purchase cost from MSPGCL; and
    f) Additional cost of Rs. 100 Crore in RGPPL charges due to the CERC Order dated 18th August 2010 in Petition No. 283/2009.

    MSEDCL submitted that the cause was uncontrollable in nature and MSEDCL had to take care of its Universal Service Obligations and Standard of Performance obligations.

28. Dr. Ashok Pendse submitted that the combined revenue gap of MSPGCL, MSETCL and MSEDCL would lead to nearly 30% increase in retail tariff. He also submitted that as per the Section 62(4) of the EA 2003, such an interim relief was not feasible.

29. During the hearing, the Commission directed MSEDCL to submit the following:
    a) Deviation in cost of power purchased from the approved cost of power in last 5 years;

b) Category wise billing and collection efficiency in last 5 years and receivables due from the consumers on a monthly basis; and

c) Details of overdraft and short terms loan from Banks in last 5 years.

30. Keeping in view the fact that Public Hearings were scheduled for MSEDCL's main Petition (Case No. 100 of 2011), the Commission observed that the consumers, general public and other stakeholders ought to be given an opportunity of being heard on the Miscellaneous Application No.4 of 2011 seeking interim financial relief and unless and until due process is complete no such interim financial relief could be granted.

C. Case No. 143 of 2011 seeking review of oral directions in MA No. 4 of 2011

31. A petition came to be filed by MSEDCL before this Commission on October 4, 2011 wherein (numbered as Case 143 of 2011), MSEDCL submitted as under:

a) The case for interim relief is not based on any new expenditure, but on money already spent for services already consumed, and the expenditures claimed have been verified by the CAG. Therefore, unlike any new expenditure, it is outside the purview of any public debate.

b) Such expenditures, if loaded all of a sudden in the tariff, may result in a tariff shock.

c) The Commission has not properly appreciated the intention with which the Petitioner has sought interim financial relief.

d) The short-term borrowing limits of the Petitioner have been exhausted and it is no longer in a position to purchase power even if the same is available in the market.

e) Regulation 85(a) of the MERC (Conduct of Business) Regulations, 2004 provides that any person aggrieved by a direction, decision or Order of the Commission can apply for review of such direction, decision or Order. Such comparison between the process of law making or amending an existing law and the act of allowing recovery from consumers for what has already been consumed can be considered an error apparent on the face of the record. Therefore, this can be considered as sufficient ground for review of the

impugned oral decision of the Commission during the proceedings held on September 28, 2011.

f) The Petitioner is passing through an extremely difficult financial situation, with the possibility of complete collapse of the company. This is primarily due to the insufficient allowances of legitimate expenses by the Commission over the last few years. This extraordinary financial situation in view of the huge pick-up in demand has necessitated the Petitioner to request for the review of a decision, which has not yet been issued formally by the Commission.

g) If the Petition seeking review of the oral decision given in Miscellaneous Application No. 4 of 2011 for interim relief in Case No. 100 of 2011 is rejected by the Commission, the Petitioner will be forced to restrict its operations in light of the financial resource constraints. Accordingly, MSEDCL has decided:

(i) To immediately stop power procurement that costs more than Rs 4 per unit from October 10, 2011, resulting in load shedding on the eve of the festival of Deepavali. In this case, the Petitioner also seeks appropriate guidance from the Commission regarding the load shedding protocol to be followed when power is available, but sufficient financial resources are not available to support the purchase of requisite power.

(ii) To immediately stop permitting/deferring High Tension consumers from benefits of Load Factor Incentive and Power Factor Incentive, since the same have not been factored into the present tariff structure and no funds are available to support this payment. The same will be passed on the beneficiary High Tension consumers immediately after the Commission approves this expense and permits its recovery through tariff.

32. Based on the submissions in the preceding paragraphs, MSEDCL made the following prayers to the Commission in Case No. 143 of 2011:

a) The Hon'ble Commission may be pleased to admit the present Petition seeking review of the decision dated 28th September 2011 orally pronounced in open court during the proceedings of Miscellaneous Application No. 4 of 2011 conducted on 28th September 2011;

b) The Hon'ble Commission may further be pleased to permit the Review Petitioner to levy & recover, with immediate effect, 61 paise per unit from all consumers as an interim relief, from the billing month of October, 2011;

c) *The Hon'ble Commission may also be pleased to appropriately modify the decision dated 28th September 2011 orally pronounced in open court during the proceedings of Miscellaneous Application No. 4 of 2011 conducted on 28th September 2011;*

d) *In case the prayer at (b) above is not approved, the Hon'ble Commission may please guide & advise the Review Petitioner about the load shedding protocol to be followed in a situation when power is available, but the Review Petitioner is unable to procure the same, due to financial limitations; pending grant of interim relief by the Hon'ble Commission*

e) *The Hon'ble Commission may also be pleased to permit the Review Petitioner to alter/modify/amend the present Petition and may also grant liberty to make additional submissions as may be required.*

33. In its Petition in Case 143 of 2011 MSEDCL submitted, inter alia, as follows:-

"The Review Petitioner submits that the Hon'ble Commission after hearing the Petition for interim relief has pronounced oral verdict that the prayer for the interim relief cannot be granted because the Petition for final true up for FY 2009 – 10 & FY 2010 – 11 is pending. The Review Petitioner submits that the intention of the Petitioner to have appropriate relief at the interim stage has not been properly appreciated. The Review Petitioner also submits that while determining the tariff certain expenditure has to be taken into consideration and the same cannot be rejected or ignored. It is further submitted that such expenses if loaded all of a sudden in the tariff, it may result in to tariff shock. The Review Petitioner submits that had the Hon'ble Commission considered balance of equities as to the need of the Review Petitioner to give better services to the consumers, the interim relief application would not have been rejected by the Hon'ble Commission. The Review Petitioner once again states that the short term borrowing limits of the Review Petitioner has exhausted and therefore a stage has come where the Review Petitioner is not in a position to purchase power even if the same is available in the market and if the Review Petitioner avails loan, the burden of interest takes away the benefit of working capital & finally the end consumer suffers

……

……

The Review Petitioner therefore earnestly submits that such comparison between process of making a law or amending an existing law and the act of allowing

recovery from consumers of what has already been consumed being an error apparent from the face of record can therefore be considered as a sufficient ground for review of the impugned decision (oral) given by the Hon'ble Commission during the proceedings of Miscellaneous Application No. 4 of 2011 conducted on 28th September 2011."

34. The Petition in Case No. 143 of 2011 was heard on October 14, 2011.

D. Decisions in Case No. 143 of 2011 and MA No. 4 of 2011

35. Having heard MSEDCL, the Commission is of the view that interim financial relief as sought by MSEDCL under Miscellaneous Application No. 4 of 2011 in Case 100 of 2011 had been extracted from the truing up sought in the main Petition in Case 100 of 2011. Therefore, Case No. 143 of 2011 and MA No. 4 are integral part of the main Petition in Case No. 100 of 2011. As it would be the consumers who would be bearing the amounts towards recovery of the gap sought to be recovered in MA No. 4 of 2011 in Case No. 100 of 2011 hence the consumers deserve an opportunity to be heard by way of the public hearing process. Therefore, interim relief could be considered only after MA No. 4 of 2011 also follows the public notice / public hearing process. Dr. Ashok Pendse, the consumer representative from Thane Belapur Industries Association, present at the hearing on September 28, 2011, also agreed with the Commission in this regard. The Commission is of the view that MA No. 4 of 2011 seeks to amend the tariff under the Order dated September 12, 2010 as the said order still continues in the absence of any further tariff order. In that sense, the relief under MA No. 4 of 2011 whether it is called an interim application, would be defacto a tariff Order. And a tariff order must follow the procedure under Section 64 i.e., its publication in newspapers, hearing of public, etc. MA No. 4 of 2011 seeks an interim order which virtually would be an order under section 61, 62, 64 and 86 of the Act read with the Tariff Regulations. The items claimed in MA No. 4 of 2011 are properly ascribable to 'tariff'. However, there has been no publication / public notice in relation to the MA No. 4 of 2011 although in the public hearings MSEDCL has explicitly explained the relief it is claiming under its MA No. 4 of 2011. Hence, there would be a legal infirmity if publication in newspapers, hearing of public, is not undertaken in relation to the MA No. 4 of 2011. Having observed the procedure contemplated u/s 64 for the main Petition in Case No. 100 of 2011, it is necessary to follow the very same procedure in MA No. 4 of 2011. Hence, there is no error in the

Commission's oral direction in the hearing of MA No. 4 of 2011 in the hearing on 28th September 2011. No error on the face of record has been made out by MSEDCL.

36. In the circumstances, MSEDCL's Petition in Case 143 of 2011 is dismissed as not maintainable. Consequently, MA No. 4 of 2011 also deserves to be dismissed as the process under Section 64 has not been followed by MSEDCL. Hence, MA No. 4 of 2011 is hereby dismissed.

37. The Commission had determined tariff of MSEDCL consumers in its last tariff Order dated September 12, 2010 and subsequent Review Order dated December 2, 2011. Subsequent to that the Commission has not received any further Petition for tariff determination.

38. However, MSEDCL has now submitted that there is an emergency situation that needs to be addressed even before determination of tariff. Therefore, it is necessary to examine whether the situation warrants such attention of the Commission. From the submissions of MSEDCL, the Commission observed that mainly three factors have been highlighted by MSEDCL for its purported financial difficulty. It has pointed out that it had to bear much higher power purchase cost mainly due to failure of MSPGCL to deliver the required energy from its Chandrapur power station and also due to late applicability of the tariff order for FY 2010-11. Consequently, MSEDCL submitted, it had to resort to short-term borrowings and overdraft from its bank accounts.

39. On the other hand, it is a known fact that debt-ridden power distribution companies have started defaulting on payments for merchant power, triggering supply cuts that could sink many parts of the country into darkness. In 2001-02 the Central Government had bailed out sinking State Electricity Boards with the package after they defaulted on payments to Central Utilities. With such huge dues mounting, power suppliers and traders quite possibly may snap supplies to Discoms. Hence, there is an urgent need for improving financial conditions of Discoms inter alia by pricing electricity at an appropriate level. This is an alarming situation with fresh bank loans drying up. It is publicly known that Discoms are reeling under unmanageable debts. In fact, defaulting Discoms will not even possibly get more loans from Government owned banks and financial institutions. Normally, power deficient Discoms can buy from power exchanges, but coal shortage has pushed up prices in October 2011. Moreover, cash payment is required to buy power through this route.

Hence, there is no point in dragging one's feet in this matter or else Discom would be caught in a bind. On the other hand, overdrawals from the National Grid are deterred with unscheduled interchange charges. As a result, it is quite possible that there may not be any way out for the Discoms but to resort to heavy load shedding. In the case of Maharashtra, though there is no default by Discom on power purchase from the free market. In the above backdrop, the Commission is inclined to believe that MSEDCL is facing crucial shortage of working capital for running its day to day business. MSEDCL submitted that it enjoys A+ credit rating while borrowing money from the banks. If it is faced with a perpetual financial crisis, it may default on repayments and consequently face a downgrade in credit rating leading to increased cost of borrowing.

40. In the present circumstances, the tariff determined under the Order dated September 12, 2010 (along with Review Order dated December 2, 2011) continues to operate till the time new tariffs are determined based on the True Up for FY 2009-10, True Up for FY 2010-11, Annual Performance Review for FY 2010-11 and submission of petition for ARR and Tariff for FY 2011-12.

41. However, the situations explained by MSEDCL are clearly not ordinary within the meaning of sub-section (4) of section 62 of the EA 2003. Hence, the tariff determined under the order dated September 12, 2010 could be amended in extraordinary circumstances. The Commission will take some more time in disposing of Case No. 100 of 2011. This may lead to further financial difficulties of MSEDCL. It may not also be in the interest of consumers of MSEDCL to let MSEDCL wait for financial relief on account of truing up of the expenses till the time the entire Case No. 100 of 2011 is disposed of. Hence, the Commission is considering granting a part of the prayers in Case No. 100 of 2011 only after satisfying itself that there is a genuine need for addressing the problem. Also, not considering the case might lead to other undesired consequences, namely, (i) failure of MSEDCL to properly serve the electricity consumers in a huge state like Maharashtra, (ii) increased burden on the consumers later by way of avoidable interest expenses.

C. Submissions made by consumer representatives and other stakeholders

42. The consumer representatives, namely Thane Belapur Industries Association (TBIA) and Prayas made a few important submissions during the Public Hearing process.

Also, Janta Dal (S), Maharashtra made detailed submission before the Commission during the public hearing process.

43. All the above objectors have pointed out the distress faced by the consumers due to frequent rise in tariff and stressed the need for implementation of MYT in the state. These objectors have submitted their analyses in regard to lack of commitment of MSEDCL to reduce losses. All of them also pointed out the inefficiencies of MSPGCL in improving their generation and other efficiency parameters.

44. Dr. Ashok Pendse of TBIA pointed out that MSEDCL's inefficiency in metering agricultural consumers have actually led to loss of revenue and increased burden on paying consumers. He also said that MSEDCL released about one lakh unmetered agriculture connection in FY 2009-10, again increasing the possibility of revenue loss. He further presented an analysis to show that MSEDCL has loaded about 1890 MUs extra on the unmetered agriculture consumers, thereby showing less loss. However, the cost of the same is actually been borne by the paying consumers.

45. Prayas pointed out that MSEDCL was reluctant to share the burden of efficiency losses and tend to pass on all expenditure as uncontrollable. It said that MSEDCL not meeting the loss level targets in FY 2009-10 may have led to loss of revenue to the tune of Rs. 487 Crore.

46. Janta Dal (S) submitted:
    a. In March 2011 MSEDCL had mentioned gap of Rs. 4166 Crore
    b. As per Order dated September 12, 2010 and March 2, 2010, the Commission had approved Rs.2045 Crore.
    c. Hence the remaining gap should have been Rs. 2121 Crore (4166-2045=2121)
    d. But as per Petition, MSEDCL has mentioned Rs. 4610 Crore gap
    e. Such huge difference in gap has rendered the calculations of gap and tariff useless and people have lost faith
    f. Requested for reasonable tariff for consumers

D. Commission's analysis and views

47. In regard to the suggestions and objections raised by the consumers the Commission had invited the Government of Maharashtra, being owner of the State utilities, namely, MSPGCL, MSETCL and MSEDCL, to attend the Public Hearings in Case 100 of 2011 so that the voices of the electricity consumers are directly heard by them. Therefore, the Commission hopes that the Government, after hearing the consumer grievances and feedbacks, can take appropriate measures to improve the operations and functioning of the State owned organisations.

48. The financial relief sought by MSEDCL are as follows:

Table 6: Revised Financial Impact

(Rs Crore)

Particular	**As Claimed in Petition**	**As per Revised Figures**
Deviation in Power Purchase Expenses for FY 2009-10	178	155
Deviation in Power Purchase Expenses for FY 2010-11	1,076	1,009
Income Tax for FY 2010-11	126	126
ASC Refund for FY 2010-11	212	212
Audit Review of Bhiwandi DF	185	185
Revenue Difference		
Difference in Revenue for sale of power at existing tariff for FY 2010-11	1,074	1,074
Revenue from ZLS Power	1,467	1,455
Deviation in Capex related expenses		
50% of Depreciation, Interest on Long term Loan and ROE for FY 2009-10	190	189
50% of Depreciation, Interest on Long term Loan and ROE for FY 2010-11	339	336
Total Financial Impact	**4,847**	**4,742**

49. After going through MSEDCL's submissions and the materials placed on record, the findings of the Commission are summarized in the following sections. As a matter of general principle, the Commission, after conducting a thorough prudence check, has verified the information submitted by MSEDCL with its audited financial accounts for the FY 2009-10. Since the audited financial accounts of MSEDCL are not available for the FY 2010-11 with the Commission yet, the Commission has approved an amount after analysing the reasons leading to MSEDCL's revenue gap.

I. Power Purchase Cost

As per the revised submission of MSEDCL, the deviation in power purchase expenses of MSEDCL for FY 2009-10 and FY 2010-11 is as under.

Table 7: Deviation in Power Purchase Expenses

(Rs Crore)

Year	Actual	Approved As per Order dated Sep 12, 2010	Deviation/Gap
FY 2009-10	21,528	21,373	155
FY 2010-11	25,222	24,213	1,009
Total Gap			**1,164**

MSEDCL submitted to the Commission the details of actual power purchase quantum and cost by source for both the years, FY 2009-10 and FY 2010-11. The Commission considered the same for evaluating MSEDCL's Petition.

MSEDCL in its Petition for final True Up for the FY 2009-10 and provisional True Up and APR for the FY 2010-11, in Case 100 of 2011, submitted that the actual power purchase expenses incurred in FY 2009-10 were Rs 21,528 Crore, after deducting power purchase cost for ZLS power. The Commission had approved an amount of Rs 21,373 Crore at the time of APR for FY 2009-10, in its Order dated September 12, 2010, in Case 111 of 2009. Therefore, resulting gap in power purchase expense was Rs 155 Crore in FY 2009-10.

The Commission verified the actual power purchase cost for FY 2009-10 with the audited annual accounts of MSEDCL. An analysis of source-wise quantum and rate of power procured by MSEDCL shows there was minimal deviation in power purchase quantum and expenses by MSEDCL compared to Commission's approval for FY 2009-10.

Table 8: MSEDCL's power purchase expense for FY 2009-10

FY 2009-10	MSEDCL Submission in Case 100 of 2011			Approved by Commission in Case 111 of 2009			Deviation (Actual - Approved)		
Source of Power	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**
MAHA GENCO	**46467**	**10754**	**2.31**	**46564**	**10777**	**2.31**	**-97**	**-23**	**0.00**
DODSON I	29	7	2.31	29	7	2.41	0	0	-0.10
DODSON II	44	13	2.91	44	13	2.95	0	0	-0.05
RGPPL	8105	3842	4.74	8105	3741	4.62	0	101	0.12
NCE	3209	1110	3.46	2818	1074	3.81	391	36	-0.35
CPP	289	186	6.43	289	146	5.05	0	40	1.38
IBSM	126	74	5.91	126	72	5.71	0.00	2.48	0.20
Other Sources within the State	**11803**	**5232**	**4.4**	**11412**	**5054**	**4.43**	**391**	**178**	**0.0**
KSTPS	5467	539	0.99	5467	539	0.99	0	0	0.00
VSTP I	3572	578	1.62	3572	578	1.62	0	0	0.00
VSTP II	2882	552	1.91	2882	552	1.92	0	0	0.00
VSTP III	2468	530	2.15	2468	530	2.15	0	0	0.00
KAWAS GAS	1472	456	3.10	1472	456	3.10	0	0	0.00
GANDHAR	1490	474	3.18	1490	474	3.18	0	0	0.00
FSTPP	103	30	2.95	103	30	2.91	0	0	0.04
KhTPS-I	35	11	2.99	35	11	3.14	0	0	-0.15
KhTPS-II	533	135	2.54	533	135	2.53	0	0	0.01
TSTPS	57	12	2.11	57	12	2.11	0	0	0.01
Sipat TPS	2324	406	1.75	2324	406	1.75	0	0	0.00
NTPC	**20404**	**3724**	**1.82**	**20404**	**3724**	**1.83**	**0**	**0**	**0.00**
KAPP	310	67	2.15	310	67	2.16	0	0	-0.01
TAPP 1&2	1136	109	0.96	1136	109	0.96	0	0	0.00
TAPP 3&4	1970	457	2.32	1970	457	2.32	0	0	0.00
NPCIL	**3416**	**633**	**1.85**	**3416**	**633**	**1.85**	**0**	**0**	**0.00**
CGS Stations	**23820**	**4357**	**1.83**	**23820**	**4356**	**1.83**	**0**	**1**	**0.00**
U.I. CHARGES	**549**	**5**	**0.08**	**549**	**6**	**0.11**	**0**	**-1**	**0**
SSP	661	135	2.05	661	135	2.04	0	0	0.01
PENCH	130	27	2.05	130	27	2.08	0	0	-0.03
Trading Company	942	668	7.09	942	668	7.09	0	0	0.00
MSEDCL PP through IEX	0	0	0.00	0	0	0.00	0	0	0.00

FY 2009-10	MSEDCL Submission in Case 100 of 2011			Approved by Commission in Case 111 of 2009			Deviation (Actual - Approved)		
Source of Power	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**
Other Sources from outside the State	**1732**	**830**	**4.79**	**1732**	**830**	**4.79**	**0**	**0**	**0.00**
Total PP from Outside State	**26101**	**5191**	**1.99**	**26101**	**5192**	**1.99**	**0**	**-1**	**0.00**
Power Grid	0	350	0.00	0	350	0.00	0	0	0.00
Reactive Charges	0	-3	-	0	-3	-	0	0	-
WRPC	0	0	-	0	0	-	0	0	-
PSEB (Supplied)	-67	0	-	0	0	-	-67	0	-
PSEB (Received)	67	1	-	0	0	-	67	1	-
Banking	**0**	**2**	**-**	**0**	**2**	**-**	**0**	**0**	**-**
Wheeling	**0**	**2**	**-**	**0**	**2**	**-**	**0**	**0**	**-**
Total Power Purchase	**84371**	**21528**	**2.55**	**84077**	**21373**	**2.54**	**294**	**155**	**0.01**

Out of the total deviation of Rs 155 Crore in FY 2009-10, a deviation of Rs 101 Crore can be attributed to the cost of power procured from Ratnagiri Gas and Power Private Limited (RGPPL). This was due to the impact of the CERC Order dated October 18, 2010 in Petition No. 283 of 2009 before CERC, which led to an increase in fixed cost of power purchased from RGPPL. The rest of the deviation can be primarily attributed to increase in cost of power procured from Non Conventional Energy (NCE) sources and Captive Power Plants (CPP). Accordingly, the Commission admits Rs 155 Crore towards recovery of power purchase expenses for the FY 2009-10.

MSEDCL in its Petition for final True Up for the FY 2009-10 and provisional True Up and APR for the FY 2010-11, in Case 100 of 2011, submitted that the actual power purchase expenses incurred in FY 2010-11 are Rs 25,222 Crore, after deducting power purchase cost for of ZLS power. The Commission had approved an amount of Rs 24,213 Crore at the time of determining ARR for FY 2010-11, in its Order dated September 12, 2010, in Case 111 of 2009, resulting in a gap of Rs 1009 Crore in FY 2010-11.

An analysis of source-wise quantum and cost of power procured by MSEDCL for FY 2010-11 shows that MSEDCL experienced a supply shortfall of 8,251 MUs from MSPGCL compared to the approval of the Commission in its Order dated September

12, 2010. In this regard, MSEDCL submitted that this was mainly on account of the fact that Chandrapur Thermal Power Station of MSPGCL was completely shut down due to non-availability of water. In spite of the reduction in the quantum of power purchased from MSPGCL, average power purchase cost from MSPGCL increased by 49 paise per unit. This can be largely attributed to the fixed charges that MSEDCL had to pay, irrespective of lower energy supply from MSPGCL. Also, MSEDCL submitted that it had to pay O&M expenses and lease rent of Rs 299 Crore to MSPGCL including net energy charges @ Rs. 7.95 per unit for Ghatghar Hydro power station of MSPGCL as per GoM directive. The Commission observed that MSEDCL submitted expenses of Rs. 208 Crore and Rs. 726 Crore respectively under the heads "Any Other Charges" and "Supplementary bills" on account of MSPGCL. On a query, MSEDCL explained, these charges are due to the following:

Table 9: "Any Other Charges" and "Supplementary bills" paid to MSPGCL in FY 2010-11

(Rs. Crore)

Particulars	Amount
Impact of MERC Order in Case no 16 of 2008 dated 5.3.10 for an Amount of Rs. 732.50 Crore in 12 instalment out of which 8 paid in FY 2010-11 (Rs Crore 63.56417*8)	508.51
Impact of MERC Order in Case No 72,74, 75 of 2010 - an amount of Rs 432.50 Crore six equal instalment out of which 3 instalment were paid in FY 2010-11 (Rs Crore 72.0833*3)	216.25
Total of Supplementary Bills	**724.76**
Other Charges	
Ghatghar O&M Exp and Lease Rent Charges For FY 2010-11 Rs 17.32 Crore p.m *12)	208.12
Total Of Other Charges	**208.12**

All the above factors led to higher power purchase cost from MSPGCL by Rs. 212 Crore compared to Commission's approval in the Order dated September 12, 2010.

The Commission noted that as a result, MSEDCL had to procure power from short-term sources not approved by the Commission in its Order. MSEDCL submitted that it purchased 2420 MUs from trading companies at a cost of Rs 1012 Crore at an average price of Rs. 4.18 per unit. MSEDCL had drawn 1108 MUs from the grid

through UI mechanism at a cost of Rs 328 Crore. MSEDCL also procured 952 MUs more from NTPC stations and 536 MUs from NPCIL stations. These have led to escalation in power purchase expenses by Rs. 373 Crore and Rs. 159 Crore respectively. In FY 2010-11 actual variable charges of power from RGPPL has been Rs. 2.09 per unit instead of Rs. 2.88 per unit approved by CERC in its Order dated August 8, 2010. This has led to a reduction in power purchase cost from RGPPL by Rs. 675 Crore. On the overall, MSEDCL has submitted, there was a variation of Rs. 1009 Crore in total power purchase cost though the quantum of power procured has been less by 3077 MU compared to the Commission's approval in its Order of September 12, 2010.

The summary of the actual power purchase quantum and cost as submitted by MSEDCL for FY 2010-11 in Case 100 of 2011 are shown in the Table below:

Table 10: MSEDCL's power purchase expense for FY 2010-11

FY 2010-11	MSEDCL Submission in Case 100 of 2011			Approved by Commission in Case 111 of 2009			Deviation (Actual - Approved)		
Source of Power	Energy sent out (MU)	Total Cost (Rs Crore)	Avg. Cost (Rs/unit)	Energy sent out (MU)	Total Cost (Rs Crore)	Avg. Cost (Rs/unit)	Energy sent out (MU)	Total Cost (Rs Crore)	Avg. Cost (Rs/unit)
MAHA GENCO	**42239**	**11571**	**2.74**	**50490**	**11359**	**2.25**	**-8251**	**212**	**0.49**
DODSON I	28	6	2.16	21	6	3.06	7	0	-0.90
DODSON II	41	15	3.69	43	15	3.55	-2	0	0.15
RGPPL	11707	4480	3.83	11000	5155	4.69	707	-675	-0.86
NCE	3146	1297	4.12	4114	2028	4.93	-968	-732	-0.81
CPP	578	271	4.69	392	172	4.40	186	98	0.29
IPP – JSW	1139	296	2.60	1310	354	2.70	-171	-58	-0.10
IBSM	225	136	6.04	Jan-00	Jan-00	Jan-00	224.68	135.71	6.04
Other Sources within the State	**16863**	**6501**	**3.9**	**16880**	**7731**	**4.6**	**-17**	**-1230**	**-0.7**
KSTPS	5297	662	1.25	5096	587	1.15	200	74	0.10
VSTP I	3595	757	2.11	3395	488	1.44	200	270	0.67
VSTP II	2917	645	2.21	2652	501	1.89	265	145	0.33
VSTP III	2510	618	2.46	2211	520	2.35	299	98	0.11
KAWAS GAS	1162	350	3.01	1345	321	2.39	-183	29	0.63
GANDHAR	1220	403	3.30	1314	573	4.36	-94	-170	-1.06
FSTPP	40	14	3.46	129	35	2.72	-89	-21	0.74
KhTPS-I	17	5	2.94	61	19	3.20	-44	-15	-0.26
KhTPS-II	736	259	3.52	511	149	2.91	225	111	0.62
TSTPS	24	7	2.74	84	13	1.60	-59	-7	1.13
Sipat TPS	2475	452	1.83	2242	593	2.65	233	-142	-0.82
NTPC	**19992**	**4171**	**2.09**	**19040**	**3799**	**2.00**	**952**	**373**	**0.09**

FY 2010-11	MSEDCL Submission in Case 100 of 2011			Approved by Commission in Case 111 of 2009			Deviation (Actual - Approved)		
Source of Power	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**	**Energy sent out (MU)**	**Total Cost (Rs Crore)**	**Avg. Cost (Rs/unit)**
KAPP	430	94	2.18	368	80	2.17	62	14	0.01
TAPP 1&2	1120	107	0.96	1206	115	0.96	-85	-8	0.00
TAPP 3&4	2493	683	2.74	1934	529	2.74	559	153	0.00
NPCIL	**4044**	**884**	**2.19**	**3507**	**725**	**2.07**	**536**	**159**	**0.12**
CGS Stations	**24036**	**5055**	**2.10**	**22548**	**4523**	**2.01**	**1488**	**532**	**0.10**
U.I. CHARGES	**1108**	**328**	**2.96**	**0**	**0**		**1108**	**328**	**3**
SSP	948	194	2.05	635	130	2.05	313	64	0.00
PENCH	100	20	2.00	240	49	2.05	-140	-29	-0.05
Trading Company	2420	1012	4.18	0	0		2420	1012	4.18
MSEDCL PP through IEX	0	0	0.00	0	0		0	0	0.00
Other Sources from outside the State	**3468**	**1226**	**3.54**	**875**	**179**	**2.05**	**2593**	**1047**	**1.49**
Total PP from Outside State	**28612**	**6609**	**2.31**	**23423**	**4703**	**2.01**	**5190**	**1906**	**0.30**
Power Grid	0	537		0	422		0	114	0.00
Reactive Charges	0	-3		0	-2		0	-1	0.00
WRPC	0	0		0	0		0	0	**0.00**
PSEB (Supplied)	-226	1		0	0		-226	1	**0.00**
PSEB (Received)	226	1		0	0		226	1	**0.00**
Banking	**0**	**2**		**0**	**0**		**0**	**2**	**0.00**
Wheeling	**0**	**5**					**0**	**5**	**0.00**
Total Power Purchase	**87715**	**25222**	**2.88**	**90793**	**24213**	**2.67**	**-3077**	**1009**	**0.21**

The overwhelming difference in the total power purchase mix from different sources has been mainly due to the major shortfall in quantum from MSPGCL. However, it is significant to note that MSEDCL's power purchase expense in FY 2010-11 is higher by Rs. 1009 Crore in spite of the fact that it procured 3077 MUs less than the approval in Tariff Order. At this stage, MSEDCL has submitted, MSEDCL's annual accounts are yet to be audited. The Commission is in the process of evaluating MSEDCL's Petition for Truing Up of FY 2009-10, provisional Truing Up for FY 2010-11, and Annual Performance Review of FY 2010-11. Therefore, the Commission is of the view that MSEDCL's power purchase expense for FY 2010-11 needs further examination before allowing MSEDCL's claim of entire variation of Rs. 1009 Crore. Therefore, the Commission approves 80% of the admitted increase in power purchase expenses for FY 2010-11 (refer Table 12 below). The Commission shall take a final view on approval of power purchase expenses for FY 2010-11 based on all available

data, including the audited annual accounts of MSEDCL, at the time of the final Order.

Further, the Commission notes that while approving the monthly FAC amount and charges, it had disallowed certain power purchase expenses to MSEDCL on account of MSEDCL not meeting target efficiency levels. These are as under.

Table 11: FAC Amount Disallowed

FY 2009-10 FAC Amount Disallowed (Rs Crore)		FY 2010-11 FAC Amount Disallowed (Rs Crore)	
Apr-09	3.23	Apr-10	4.09
May-09	3.09	May-10	7.31
Jun-09	1.08	Jun-10	0.00
Jul-09	0.00	Jul-10	0.00
Aug-09	0.52	Aug-10	0.00
Sep-09	-0.10	Sep-10	2.30
Oct-09	1.34	Oct-10	1.61
Nov-09	0.37	Nov-10	0.14
Dec-09	0.34	Dec-10	0.03
Jan-10	1.40	Jan-11	3.35
Feb-10	1.06	Feb-11	4.96
Mar-10	0.00	Mar-11	0.37
Total	**12.33**	**Total**	**24.17**

Accordingly, the Commission approves a total gap of Rs 926 Crore towards power purchase expenses to be recovered by MSEDCL. The computation for the same is summarized as below.

Table 12: Interim Approved Deviation in Power Purchase Expenses

(Rs Crore)

Particular	**MSEDCL**	**Admitted**	**Interim Approved**
Deviation in Power Purchase Expenses for FY 2009-10	155	155	155

Particular	MSEDCL	Admitted	Interim Approved
Less FAC Disallowance for FY 2009-10 on account of excess T&D loss	0	12	12
Net Power Purchase Expenses for FY 2009-10	155	143	143
Deviation in Power Purchase Expenses for FY 2010-11	1,009	1009	808
Less FAC Disallowance for FY 2010-11 on account of excess T&D loss	0	24	24
Net Power Purchase Expenses for FY 2010-11	1,009	985	783
Total Gap	**1,164**	**1,124**	**926**

II. Income Tax for FY 2010-11

MSEDCL has claimed an income tax expense of Rs 126 Crore for FY 2010-11, whereas the Commission had not approved any income tax as part of MSEDCL's ARR in the Tariff Order dated September 12, 2010. The Commission asked MSEDCL to provide documentary evidence of payment of income tax. After verifying the challans of income tax by MSEDCL, the Commission has decided to approve the amount of Rs 126 Crore as deviation in income tax expense for FY 2010-11. However, it should be noted that the amount of Rs 126 Crore paid as actual income tax during the FY 2010-11 pertains to the years of FY 2006-07, FY 2007-08, FY 2008-09 and FY 2009-10, as provided in the table below.

Table 13: Income Tax Paid by MSEDCL

Assessment Year	Amount (Rs Crore)
2006-07	0.02
2007-08	1.52
2008-09	121.20
2009-10	3.26

Assessment Year	Amount (Rs Crore)
Total Income Tax Paid during FY 2010-11	**125.99**

The Commission also notes that the payment of income tax for prior period in FY 2010-11 may carry certain penalty charges and interest to be paid by MSEDCL. However, in the absence of the demand notice, the Commission currently does not have sufficient data to analyse the same. The Commission will take a view on the same at the time of the final Order. Accordingly, the Commission approves the full amount of the income tax paid during the FY 2010-11 for the purpose of interim relief. The Commission directs MSEDCL to submit all the details of the income taxes paid including Tax Audit Report, demand notice, tax computations and computations and assessment Order for the relevant Assessment Year.

Table 14: Approved Deviation in Income Tax

(Rs Crore)

Particular	MSEDCL	Interim Approved
Deviation in Income Tax for FY 2010-11	126	126

III. ASC Refund for FY 2010-11

MSEDCL has claimed Rs 212 Crore as ASC Refund for FY 2010-11. However, in the absence of documentary proof in the form of the audited annual accounts of MSEDCL, the Commission, is not able to consider the same at this stage.

Table 15: Approved ASC Refund

(Rs Crore)

Particular	MSEDCL	Interim Approved
ASC Refund for FY 2010-11	212	0

IV. Audit Review of Bhiwandi Distribution Franchisee

In the Review Order dated January 7, 2010 in Case no. 63 of 2009, the Commission had ruled that pending the audit review of Bhiwandi Distribution Franchisee (DF), an ad hoc amount of Rs. 200 Crore would be considered at the time of Truing Up for FY 2009-10, in Order to partly mitigate MSEDCL's difficulties. MSEDCL claimed the said amount in the revenue gap of FY 2010-11, in Case No. 111 of 2009 dated September 12, 2010. The Commission accepted the submission of MSEDCL and directed MSEDCL to expedite the Audit of Bhiwandi DF Area and to submit the Report to the Commission within two months of the issue of the said Order in Case No. 111 of 2009.

MSEDCL submitted the Bhiwandi Audit Report along with the Petition for final Truing Up for the FY 2009-10, provisional Truing Up for the FY 2010-11 and Annual Performance Review for the FY 2010-11 on July 12, 2011 and claimed the additional impact of Rs 185 Crore.

The audit report submitted by MSEDCL pertains to FY 2007-08 and FY 2008-09. However, the matter deals with revenue from Bhiwandi DF in FY 2009-10. Therefore, the Commission cannot verify the revenue from input based sales to Bhiwandi DF for FY 2009-10 at this stage. Therefore, the Commission directs MSEDCL to submit the Audit Report of Bhiwandi DF for the FY 2009-10 immediately. The Commission will conduct a thorough analysis of the audit review report, and will consider the same in further Orders.

Table 16: Approved Impact of Bhiwandi DF Audit Review

(Rs Crore)

Particular	MSEDCL	Interim Approved
Additional Impact of Bhiwandi DF Audit Review	185	0

V. Revenue Difference

In the APR Petition for FY 2010-11, MSEDCL submitted that the actual revenue in FY 2010-11 from sale of power at existing tariff was Rs 30,964 Crore. Out of which, MSEDCL submitted, revenue from sale of ZLS power was Rs 1,455 Crore. Accordingly, the net revenue for FY 2010-11, excluding the revenue from sale of ZLS

power was Rs 29,509 Crore. The Commission had approved ARR of Rs 32,038 Crore for FY 2010-11 comprising,

a) Rs 29,993 Crore as expected revenue from sale of power in FY 2010-11 at existing tariff in Case 111 of 2009. (Order dated September 12, 2011);

b) Revenue gap of Rs. 909 Crore in Case 111 of 2009. (Order dated September 12, 2011); and

c) Additional revenue gap of Rs 1136.27 Crore in the review Order in Case 69 of 2010 (Order dated December 2, 2010).

Accordingly, MSEDCL has claimed a revenue gap of Rs 2,529 Crore.

Table 17: Revenue difference claimed by MSEDCL

(Rs Crore)

Particular	MSEDCL	Approved as per Order dated Sep 12, 2010	Revenue Gap
Revenue from sale of power in FY 2010-11	30,964	32,038	1,074
Less: Revenue from Sale of ZLS Power	1,455	0	1,455
Net Revenue	29,509	32,038	2,529

The Commission analysed MSEDCL's submissions about the reasons for such a huge shortfall in revenue. The Commission is of the opinion that such difference has occurred primarily because of the following factors:

a) Revised tariffs for recovering the revenue gap of Rs 909 Crore in the Tariff Order dated September 12, 2010 came into effect from September 1, 2010, thereby being applicable only for a period of 7 months in FY 2010-11;

b) Additional energy charge for recovering additional revenue of Rs 1136 Crore recognised in the Review Order dated December 2, 2010 came into effect from December 1, 2010, thereby being applicable for a period of 4 months in FY 2010-11;

c) Payments made to consumers on account of Power Factor Incentives, Load Factor Incentives etc. during FY 2010-11 amounting to Rs 1,124 Crore (as per MSEDCL's claim), which were not considered by the Commission at the time

of determining the tariff, as MSEDCL also had not submitted any estimate of the same;

d) According to the Commission's Tariff Regulations, FAC can be recovered by MSEDCL up to the cap on energy charge computed on monthly basis. Therefore, some under-recovery may have happened due to this applicable cap; and

e) Any impact due to change in sales mix of MSEDCL.

The above analysis indicated that the possible impact on revenue from sale of power was to the tune of nearly Rs. 2000 Crore, which is approximately 80% of MSEDCL's claim. Therefore at this stage the Commission approves an amount to the extent of 80% of MSEDCL's claim.

Table 18: Approved revenue difference

(Rs Crore)

Particular	MSEDCL	Interim Approved
Shortfall in Revenue	2,529	2,023

VI. Deviation in Capex Related Expenses

MSEDCL has claimed 50% of the deviation in the sum of Depreciation, Interest on Long Term Loan and Return on Equity from the approved figures in the FY 2009-10 and FY 2010-11. The deviation in these capex related expenses of FY 2009-10 from approved figures is summarized in the table below:

Table 19: Capex Related Items for FY 2009-10

(Rs Crore)

Capex Related Expenses	MSEDCL	Approved as per Order dated Sep 12, 2010	Gap
50% of Depreciation	283	213	71
50% of Interest on Long-term Loan Capital	214	127	87
50% of Return on Equity	290	259	31

Capex Related Expenses	MSEDCL	Approved as per Order dated Sep 12, 2010	Gap
Total	**787**	**528**	**189**

The Commission verified that MSEDCL's actual capitalisation as per audited accounts is in line with the above claim. Also, the Commission has received the cost-benefit analysis report from such implemented schemes submitted by MSEDCL. Therefore, at this stage the Commission allows an amount of Rs 189 Crore towards capex related expenses for the FY 2009-10. However, the Commission will take a view on Capital Expenditure Related Expenses for the FY 2010-11 in further orders in Case No. 100 of 2011 and the Commission will require more time to evaluate them. Accordingly, the Commission has not considered the same at this stage. However, it is important to mention that the Commission is also in the process of evaluating the Capital Expenditure related expenses of FY 2009-10 submitted by MSEDCL for final Truing Up. The present approval is not a final approval from the Commission and is subject to further orders.

Table 20: Approved Deviation in Capex Related Expenses

(Rs Crore)

Revenue Difference	MSEDCL	Interim Approved
50% of Depreciation, Interest on Long term Loan and ROE for FY 2009-10	189	189
50% of Depreciation, Interest on Long term Loan and ROE for FY 2010-11	336	0
Total	**525**	**189**

VII. Arrears

The Commission had asked MSEDCL to submit details of category-wise arrears for last five years. Accordingly, MSEDCL submitted the following details.

Table 21: Arrear position of MSEDCL

(Rs. Crore)

Category	As on	As on	As on	As on	As on

	31.03.07	31.03.08	31.03.2009	31.03.2010	31.03.2011
Agricultural					
LT	3646.50	4564.12	5712.41	6796.93	5889.97
HT	145.30	169.66	193.96	206.13	142.79
Total-AG	**3791.80**	**4733.78**	**5906.37**	**7003.06**	**6032.76**
Street Light	86.03	98.03	150.71	176.4	240.72
PUB. WATER WORKS					
LT	267.38	378.60	411.19	438.5	498.09
HT	718.51	710.86	805.78	923.96	991.87
Total-PWW	**985.89**	**1089.46**	**1216.97**	**1362.46**	**1489.96**
Powerloom	413.89	417.89	583.6	458.02	655.74
Sub-Total (1 to 4)	**5277.61**	**6339.16**	**7857.65**	**8999.94**	**8419.18**
Domestic	849.76	799.68	857.55	677.15	713.68
Commercial	257.77	249.25	**292.78**	**211.66**	**222.37**
Industrial					
LT	152.68	144.16	202.45	137.34	148.52
HT	203.00	349.56	256.21	149.79	154.84
Total-IND	**355.68**	**493.72**	**458.66**	**287.13**	**303.36**
Others	9.23	16.97	77.78	74.32	49.37
Sub-Total (5 to 8)	**1472.44**	**1559.62**	**1686.77**	**1250.26**	**1288.78**
PD Cons.					
LT	1619.59	1778.53	2173.53	2398.04	2530.66
HT	835.68	832.84	829.45	821.6	912.99
Total of P.D. Cons.	**2455.27**	2611.37	**3002.98**	**3219.64**	**3443.65**
TOTAL (Excluding MPECS/TATA/Interstate)	**9205.32**	**10510.15**	**12547.40**	**13469.84**	**13151.61**
Mula-Pravara	960.73	1307.74	1639.46	2021.84	2316.98
Total (11+12+13)	**1077.70**	**1307.74**	**1639.46**	**2021.84**	**2316.98**
GRAND TOTAL (10 + 14)	**10283.02**	**11817.89**	**14186.86**	**15491.68**	**15468.59**

Therefore, MSEDCL is carrying a huge amount of arrears in its books in excess of Rs. 15,000 Crore. It further submitted that out of this about Rs. 2,500 Crore are less than 12 month old. Given the fact that about Rs, 2,500 Crore of arrears is less than 12 month old, the Commission is of the view that MSEDCL can significantly improve its liquidity position by improving its collection efficiency. The Commission directs MSEDCL to submit a roadmap for recovery of this huge amount of arrears. It may be noted that recovery of arrears is key to improving the liquidity position of MSEDCL.

VIII. Relief

In view of the above findings, the Commission approves a total amount of Rs 3,265 Crore as part relief in Case 100 of 2011.

Table 22: Interim Financial Relief Approved

(Rs Crore)

Particular	**MSEDCL's Petition**	**Interim Approved**
Deviation in Power Purchase Expenses for FY 2009-10	155	143
Deviation in Power Purchase Expenses for FY 2010-11	1,009	783
Income Tax for FY 2010-11	126	126
ASC Refund	212	0
Audit Review of Bhiwandi DF	185	0
Shortfall in Revenue from sale of power in FY 2010-11	2,529	2,023
Deviation in 50% of Depreciation, Interest on Long term Loan and ROE for FY 2009-10	189	189
Deviation in 50% of Depreciation, Interest on Long term Loan and ROE for FY 2010-11	336	0
Total Interim Relief	**4,742**	**3,265**

Thus, the Commission approves a relief of Rs 3,265 Crore in this Order, which will be recovered through tariff from consumers with effect from November 1, 2011 for a period of twelve (12) months. Considering the sales projected by MSEDCL for FY 2011-12, excluding the sales to Bhiwandi DF, per unit impact comes to Rs 0.41/kWh.

Table 23: Per Unit Impact

Total Interim Financial Relief Approved (Rs Crore)	3,265
Projected Sales for FY 2011-12 (MUs)	78,832
Per Unit Impact (Rs/kWh)	0.41

IX. Recovery of Revenue Gap

In its Order in Case 69 of 2010 dated December 2, 2010, in the matter of review of MSEDCL's tariff Order dated September 12, 2010 in Case 111 of 2009, the Commission had observed, as follows:-

"The Commission is conscious of the fact that the "capacity to pay" of different categories of consumers is different and the tariff design for FY 2010-11 is based on this consideration. The additional recovery allowed in this Order cannot be levied uniformly across all categories, as this will be contrary to the tariff design principle. Hence, the recovery of additional allowed expenses will be based on allocation ratio, which is the ratio of energy charge for a particular consumer category to the average energy charge for MSEDCL for FY 2010-11."

The Commission adopts similar approach for allowing additional recovery in this Order. Since the average energy charge for the FY 2011-12 is not available yet, the Commission has used the approved figures for Revenue from Energy Charges and Sales to Consumers for the FY 2010-11, as given in the Review Order in Case 69 of 2010 dated December 2, 2010.

The category wise Additional Energy Charge to be levied to all consumer categories is provided in Table 24 below. This will be effective from November 1, 2011 for twelve (12) months.

Sd/-	Sd/-
(Vijay L. Sonavane)	(V. P. Raja)
Member	Chairman

Table 24: Revenue from Additional Tariff effective from November 1, 2011

Category	Projected Sales** for FY 2011-12	Additional Charge to be levied	Adjusted Additional Revenue to be Recovered
	(MUs) / HP	(Paise/Unit)	(Rs. Crore)
HT Category			
HT-1 Industries	**27,533.42**		**1,444.13**
Express Feeders	18,025.45	54.06	974.54
Non Express Feeders	9,351.53	49.20	460.12
Seasonal	156.44	60.58	9.48
HT-II Commercial	**2,593.29**		**199.47**
Express Feeder	*480.28*		*38.38*
Educational Institutions & Hospitals	259.35	78.47	20.35
Others	220.93	81.58	18.02
Non-express Feeder	*2,113.01*		*161.09*
Educational Institutions & Hospitals	129.74	73.32	9.51
Others	1,983.27	76.43	151.58
HTP III Railways	**1,400.54**	**59.51**	**83.35**
HT IV-PWW	**1,530.84**		**58.26**
HT IV- PWW (Express Feeders)	1,091.32	*38.51*	42.02
HT IV- PWW (Non Express Feeders)	439.52	*36.95*	16.24
HT V Agricultural	**486.70**	**22.07**	**10.74**
HTVI Bulk Supply	**305.79**		**11.73**
Residential Complex	304.03	*38.21*	11.62
Commertial Complex	1.76	*67.59*	0.11
HT Total	**33,850.57**		**1,807.69**
LT I Domestic	**14,073.40**		**476.16**
BPL (0-30 Units)	135.38	*7.97*	1.08
Consumption > 30 Units Per Month			
0-100 Units	9,400.76	*25.38*	238.58
101-300 Units	3,224.50	*44.83*	144.54
301-500 Units	552.99	*64.08*	35.44
500 -1000Units	759.76	*74.39*	56.52
Above 1000 units			
LT II -Non Residential or Commercial	**4,012.46**		**238.84**
0-20 KW			
Educational Institutions, Hospitals & Dispensaries	*321.64*		*17.00*
0-200 Units	160.82	44.15	7.10
Above 200 Units	160.82	61.55	9.90
Others	*2,894.40*		*165.25*
0-200 Units	1,318.71	46.19	60.91
Above 200 units	1,575.70	66.22	104.34

Category	Projected Sales** for FY 2011-12	Additional Charge to be levied	Adjusted Additional Revenue to be Recovered
	(MUs) / HP	(Paise/Unit)	(Rs. Crore)
>20- 50 kW	618.32	*66.71*	41.25
>50 kW	178.10	*86.15*	15.34
LT III PWW	**472.51**		**9.10**
0-20 kW	386.99	17.60	6.81
20-40 kW	43.46	22.75	0.99
40-50 kW	42.05	31.02	1.30
LT IV Metered Agriculture	**9,626.02**		**151.63**
Metered Tariff (Including Poultry Farms)	9,626.02	*15.75*	151.63
LT V Industrial	**7,158.60**		**344.88**
0-20 KW	3,377.64	*40.06*	135.32
Above 20 KW	3,780.96	*55.43*	209.56
LT VI Streetlight	**804.47**		**27.69**
Grampanchayat, A, B & C Class Municipal Council	460.08	*31.80*	14.63
Municipal Corporation Areas	344.39	*37.92*	13.06
LT VII- Temporary Connection	**104.32**		**12.28**
Temporary Connections (Religious)	0.28	*25.87*	0.01
Temporary Connections (Other Purposes)	104.04	*117.95*	12.27
LT VIII Advertisement & Hoardings	**6.15**	**164.14**	**1.01**
LT IX – Crematoriums & Burial Grounds	**2.13**	**25.87**	**0.06**
Total LT Category	**36,260.05**		**1,261.65**
Total MSEDCL Metered Sales	**70,110.63**		**3,069.33**
LT IV Agriculture Unmetered	**8,721.14**		**195.19**
Zones with Consumption norm <1318 hrs/HP annum (equivalent energy charge)	5,407.10	*20.99*	113.47
Zones with Consumption norm >1318 hrs/HP/annum (equivalent energy charge)	3,314.03	*24.66*	81.72
GRAND TOTAL	**78,832**		**3,265**

*Rs/HP/Month
**Sales Projection as per MSEDCL