



OTHER KEY COMPONENTS OF TARIFF FOR FY 2021-22

FUEL ADJUSTMENT CHARGE (FAC) COMPONENT OF Z-FACTOR CHARGE:

FAC charges are applicable to the Consumer and will be levied as approved by the Hon'ble MERC from time to time.

ELECTRICITY DUTY AND TAX ON SALE OF ELECTRICITY

Electricity Duty and Tax on Sale of Electricity shall be levied in addition to the tariff approved by the Hon'ble MERC, and in accordance with the directions of the Government of Maharashtra from time to time. The rate and the reference number of the Government Resolution/Order under which Electricity Duty and Tax on Sale of Electricity are applied shall be stated in the consumer's energy bills. A copy of such Resolution/Order is provided on our website.

POWER FACTOR COMPUTATION

The average Power Factor measurement is done through the installed meter.

POWER FACTOR / HARMONICS

It shall be obligatory for the consumer to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules, 1956 and in accordance with the relevant orders of the Hon'ble MERC.

Provided that it shall be obligatory for HT Consumers and LT Consumers (Industrial and Commercial only) to control harmonics of their load at levels prescribed by the IEEE STD 519 - 1992, and in accordance with the relevant Orders of the Hon'ble MERC.

The Distribution Licensee may require the Consumer as per Regulations 12.2 of MERC Supply Code Regulations 2005, within a reasonable time period, which shall not be less than three months, to take such effective measures so as to raise the average power factor or control harmonics of his installation to a value not less than such norm.

Provided that the Distribution Licensee may charge penalty or provide incentives for low / high power factor and for harmonics, in accordance with relevant Orders of the Hon'ble MERC.

POWER FACTOR INCENTIVE

Applicable for LT Non-Residential / Commercial [LT: II (B) , LT II (C)], LT Non-Residential/ Commercial (Temporary) [LT: II (B) , LT II (C)], LT V (B) (ii): Industry - General (above 20 kW), , LT VII (B) Public Services - Others [LT VII (B) (ii) and LT VII (B) (iii)], and LT VIII – Electric Vehicle Charging Station having Contract Demand/Sanctioned Load above 20 kW.

Whenever the average Power Factor is more than 0.95 lag and upto 1, an incentive shall be given at the rate of the following percentages on the amount of the monthly electricity bill excluding Taxes and Duties:

S. No.	Range of Power Factor	Power Factor Level	Incentive
1	0.951 to 0.954	0.95	0%
2	0.955 to 0.964	0.96	0.5%
3	0.965 to 0.974	0.97	1.0%
4	0.975 to 0.984	0.98	1.5%
5	0.985 to 0.994	0.99	2.5%
6	0.995 to 1.000	1.00	3.5%

Note: Power Factor shall be measured / computed upto 3 decimals, after universal rounding off.



POWER FACTOR PENALTY

Applicable for LT Non-Residential / Commercial [LT: II (B) , LT II (C)], LT Non-Residential/ Commercial (Temporary) [LT: II (B) , LT II (C)], LT V (B) (ii): Industry - General (above 20 kW) , , LT VII (B) Public Services - Others [LT VII (B) (ii) and LT VII (B) (iii)] and LT VIII – Electric Vehicle Charging Station having Contract Demand/Sanctioned Load above 20 kW.

Whenever the average PF is less than 0.9, penal charges shall be levied at the rate of the following percentages of the amount of the monthly electricity bill, excluding Taxes and Duties:

S. No.	Range of Power Factor	Power Factor Level	Penalty
1	0.895 to 0.900	0.90	0%
2	0.885 to 0.894	0.89	1%
3	0.875 to 0.884	0.88	1.5%
4	0.865 to 0.874	0.87	2%
5	0.855 to 0.864	0.86	2.5%
6	0.845 to 0.854	0.85	3%
7	0.835 to 0.844	0.84	3.5%
8	0.825 to 0.834	0.83	4%
9	0.815 to 0.824	0.82	4.5%
10	0.805 to 0.814	0.81	5%
...

Note: Power Factor shall be measured/computed upto 3 decimals, after universal rounding off.

PROMPT PAYMENT DISCOUNT

A prompt payment discount of 1% of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills within 7 days from the date of their issue.

DELAYED PAYMENT CHARGES

In case the electricity bill is not paid within the due date mentioned on the bill, delayed payment charges on the billed amount, including the taxes, cess, duties, etc., shall be levied on simple interest basis at the rate of 1.25% on the billed amount for the first month of delay.

DISCOUNT FOR DIGITAL PAYMENT

A discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/-, shall be provided to LT category consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets etc.

RATE OF INTEREST ON ARREARS

The rate of interest chargeable on the arrears of payment of billed dues shall be as given below:

S. No.	Delay in Payment	Interest Rate per annum (%)
1	Payment made after 60 days and before 90 days from the date of billing	12%
2	Payment made after 90 days	15%

PENALTY FOR EXCEEDING CONTRACT DEMAND

In case a consumer (availing Demand-based Tariff) exceeds his Contract Demand, he will be billed at the applicable Demand Charge rate for the Demand actually recorded, and also be charged an additional amount at the rate of 150% of the applicable Demand Charge (only for the Demand in excess of the Contract Demand).

In case a LT consumer with a sanction demand/ contract demand less than 20 kW records actual contract demand above 20 kW, he will be billed at the tariff applicable for the respective load slab approved by the Commission, in which recorded demand falls for that billing cycle only and also be charged an additional amount at the rate of 150% of the applicable charge for the Demand in excess of the Contract Demand.



Further the Distribution Licensee may enhance the Contract Demand of the consumer when the consumers exceeds the Contract Demand on more than three occasions during a calendar year, irrespective whether the Consumer submits an application for the same or otherwise. However, before such revision of Contract Demand, the Distribution Licensee must give 15 days' notice to such consumer. Also, the Consumer is liable to pay necessary charges as may be stipulated in the approved Schedule of Charges for the revised Contract Demand.

Under these circumstances, the consumer shall not be liable for any other action under Section 126 of the EA, 2003, since the penal additional Demand Charge provides for the penalty that the consumer is liable to pay for exceeding his Contract Demand. In case a consumer exceeds his Contract Demand on more than three occasions in a calendar year, the action to be taken would be governed by the provisions of the Supply Code Regulations.

ADDITIONAL DEMAND CHARGES FOR CONSUMERS HAVING CAPTIVE POWER PLANT

Consumers having a Captive Power Plant may opt for Standby Demand and Additional Demand Charges for such Standby Demand will be as follows:

- a. 25% of the Applicable Demand Charges for months when standby capacity is not utilized
- b. Demand Charges at the rate of 100% of Applicable Demand Charges for months when standby capacity is used under planned or Un-planned shutdown of CPP
- c. In case recorded Demand exceeds Contract Demand + Standby Capacity, then applicable Demand Charge for the Demand actually recorded, and an additional amount at the rate of 150% of the applicable Demand Charge (only for the Demand in excess of the Contract Demand + Standby Capacity)
- d. In case no Standby capacity has been opted by consumer having CPP, then additional amount for exceeding Contract Demand be charged at 200% of applicable Demand Charge (only for demand excess of Contract Demand)

REBATE ON INCREMENTAL CONSUMPTION

Rebate for incremental consumption for applicable consumer categories and eligible consumers shall be governed as per following conditions:

- a. The rebate for incremental consumption shall be allowed at the rate of Rs 0.75/kVAh for incremental consumption
- b. The rebate for incremental consumption shall be applicable for HT I (A) (i) Industries, HT II : HT – Commercial HT II : HT – Commercial - Temporary Supply Others (TSO), HT IV: HT - Public Water Works (PWW) and Sewage Treatment Plants, HT VIII (B): HT – Public Services - Others
- c. The rebate shall be given to eligible consumers including open access consumers falling under above consumer categories to the extent of procurement from TUCO.
- d. The rebate shall be for a period of 3 years (subject to further Orders of the Hon'ble MERC)
- e. The rebate shall be allowed to eligible consumers who consume power above threshold limit.
- f. 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.
- g. 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.
- h. The billing at the reduced rates after allowing the rebate shall be done on monthly basis subject to condition that net entitlement for the rebate under this head of incremental consumption shall be determined on annual basis (April to March) equal to energy units consumption in excess of baseline consumption (i.e. annual threshold consumption). The adjustment for shortfall/excess in case cumulative monthly consumption for the yearly consumption vis-à-vis its baseline consumption (i.e. annual threshold consumption) shall be effected in the last monthly (for March) billing period. No carry-forward of shortfall/excess shall be allowed from one year to next year.
- i. For example, If a consumer's 3-year average annual consumption was 12,000 units, the consumer shall be entitled for the rebate of Rs.0.75/kVAh for consumption exceeding its monthly threshold consumption (not below the baseline consumption of 1,000 units per month) in FY 2020-21 onwards. However, in case its cumulative monthly consumption for the yearly period falls short of annual threshold consumption of 12,000 units then, consumer shall not be entitled for incremental consumption rebate for that financial year and adjustment for shortfall (or rebate already availed by consumer in earlier months, if any) shall be adjusted for recovery in monthly billing period for March.
- j. 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 all applicable rebates.



- k. The rebates would also be applicable to Open Access consumers, subject to conditions outlined above.

REBATE ON BULK CONSUMPTION

Rebate for Bulk consumption for eligible consumers within HT-Industrial category shall be governed as per following conditions:

- a. HT I (A)- Industrial consumers with monthly consumption in excess of 1 lakh units per month (0.1 MU per month) shall be eligible to avail Rebate on Bulk Consumption with a reverse telescopic slab structure as outlined below:
- I. For monthly consumption (> 1 Lakh units to 1 MU) per month: 2%
 - II. For monthly consumption (> 1 MU to 5 MU) per month: 1.5%
 - III. For monthly consumption (> 5 MU) per month: 1%
- Note – Units referred are in kVAh such as Lakh kVAh or Million kVAh
- b. Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC of the Bill excluding taxes and duty.

Illustration:

Say a consumer consumes 15 MU during month then, its consumption more than 1 Lakh units upto 1 MU units rebate will be 2%/unit, for next 4 MU (i.e. upto consumption of 5 MU) rebate will be 1.5%/unit and for consumption in excess of 5 MU upto 15 MU, rebate will be 1%/unit.

LOAD FACTOR INCENTIVE

- a. Consumers having Load Factor above 75% and upto 85% will be entitled to an incentive in the form of a rebate of 0.75% on the Energy Charge for every percentage point increase in Load Factor from 75% to 85%. Consumers having a Load Factor above 85% will be entitled to a rebate of 1% on the Energy Charge for every percentage point increase in Load Factor from 85%. The total rebate will be subject to a ceiling of 15% of the Energy Charge applicable to the consumer.
- b. This incentive is applicable only to consumers in the tariff categories HT I (A): Industry, HT II: Commercial, HT II: Commercial (Temporary) and HT VIII (B): Public Services (Others).
- c. The Load Factor incentive will be available only if the consumer has no arrears with the Distribution Licensee, and payment is made within seven days from the date of the electricity bill. However, it will be available to consumers in whose case payment of arrears in instalments has been allowed by the Distribution Licensee, and such payment is being made as scheduled. The Distribution Licensee shall take a commercial decision on the schedule for such payments.
- In case the consumer exceeds its Contract Demand (including during the non-peak hours, i.e., 22:00 hrs to 06:00 hrs.) in any particular month, the Load Factor Incentive will not be payable to the consumer in that month

CONSUMER'S SECURITY DEPOSIT

- 1) Subject to the provisions of Section 47(5) of the Electricity Act, 2003, the Distribution Licensee shall require any person to whom supply of electricity has been sanctioned to deposit an amount as security in accordance with the provisions of Section 47(1) (a).
- 2) The amount of the Security Deposit shall be equal to the average of three months of billing or the billing cycle period, whichever is lesser.
- 3) For determining the average billing, the average of the billing to the consumer for the last twelve months or, where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered.
- 4) Where the Distribution Licensee requires security from a consumer at the time of commencement of service, the amount of such security shall be estimated based on the tariff category and Contract Demand/Sanctioned Load, Load Factor, diversity factor and number of working shifts of the consumer.
- 5) TUCO shall re-calculate the amount of Security Deposit payable, based on the actual billing of the consumer, once in each financial year.
- 6) Where the amount of Security Deposit maintained by the consumer is higher than the security required to be maintained under the Supply Code Regulations, the Distribution Licensee shall refund the excess amount to the consumer in a single installment.
- 7) Such refund shall be made upon a request of the person who gave the security, and with intimation to the consumer if different from such



person; and shall be made, at the option of such person, by way of adjustment in the next bill or by way of a separate cheque payment within 30 days from the receipt of such request;

- 8) No refund shall be required to be made where the amount of refund does not exceed 10% of the amount of the Security Deposit required to be maintained by the consumer or Rs 300/-, whichever is higher.
- 9) Where the amount of security re-assessed as above is higher than the Security Deposit of the consumer, the Distribution Licensee shall be entitled to raise a demand for additional security deposit. The consumer shall be given not less than 30 days to deposit the additional security pursuant to such demand.
- 10) Upon termination of supply, the Distribution Licensee shall, after recovery of all amounts due, refund the remaining amount of security to the person who deposited it, with intimation to the consumer if different from such person.
- 11) A consumer - (i) with a consumption of electricity of not less than one lakh kilo-Watt hours per month; and (ii) with no undisputed sums payable to the Distribution Licensee under Section 56 of the Electricity Act, 2003 may, at the option of such consumer, deposit security by way of cash, irrevocable letter of credit or unconditional Bank Guarantee issued by a scheduled commercial Bank.
- 12) The Distribution Licensee shall pay interest on the amount of Security Deposit in cash (including by cheque or demand draft) at the Bank Rate of Reserve Bank of India as on 1st April of the financial year for which the interest is payable, plus 150 basis points, provided that the amount of such cash Deposit maintained by the consumer is at least Rs. 50/-.
- 13) Interest on the Security Deposit made in cash shall be payable from the date of its deposit by the consumer till the date of dispatch of the refund by the DL.

Note: In case of any inconsistency in the tariff category or missing tariff category or inconsistency in the rates (except HT I (A) – Industry) and schedule of charges, then the rates as approved by the Hon'ble MERC for MSEDCL in Case No. 322 of 2019 dated 30th March 2020 shall be considered based on the tariff schedule & schedule of charges as approved for MSEDCL for the respective financial year.