

Ref. MSEDCL/Comm/Billing/ **No 03613**

Date: **10 2 FEB 2019**

To,
All HT & LT > 20kW Consumers.

Sub: Information regarding kVAh billing in view of proposed implementation of the same from 1st April 2020.

Ref: MERC Mid-Term Review Order dated Sep 12, 2018 (Case No. 195 of 2017)

In our ongoing efforts to improve consumer services, develop & maintain an efficient, co-ordinated and economical distribution system in MSEDCL License area, it has necessitated that reactive power must be effectively managed to achieve grid stability, improved power quality & reduced capital expenditure. kVAh billing in place of conventional kWh billing assumes importance to keep a check on the power factor and reactive energy.

Maharashtra Electricity Regulatory Commission (MERC) in its MTR Order under reference noted benefits & technical superiority of kVAh billing for measuring energy and directed MSEDCL to educate the consumers and take all necessary steps to ensure that consumers are billed by kVAh method from next MYT Control Period i.e. from 1st April 2020. Meanwhile as a step towards kVAh billing MERC has included Lead PF in the existing PF incentive / penalty mechanism and provided incentive for PF above 0.95 (Lag as well as Lead) and also brought 0.9 (lead) PF under the ambit of penalty. This will certainly encourage consumers for achieving unity PF and such preparedness at consumer end will be beneficial after introduction of kVAh billing.

Further, Forum of Regulators (FoR) in its report on "Metering Issues" August, 2009, have strongly advocated for adopting kVAh billing. It is also observed that many states in India have already adopted kVAh billing.

As an initiative to create awareness among the consumers and educate them regarding kVAh billing, MSEDCL has prepared Frequently Asked Questions

(FAQs) on kVAh based billing. The FAQs comprehensively explain about the reactive component of energy, its detrimental impact on the power system as well as consumer installations, the need for introduction of kVAh based billing and its benefits to the consumers. The FAQs also provides website links to said Forum of Regulators (FoR) Report and list of the States where the kVAh based billing is already in place. The FAQs can be accessed on MSEDCL website at the given link: www.mahadiscom.in/Consumer Portal/Knowledge Center/KVAh FAQ's.

It is requested to go through the FAQs available on MSEDCL's website and in case of any query /concern which remain unaddressed, the same may be sent to Superintending Engineer (Billing) at sebillingho@gmail.com.

Thanking You.



(Satish Chavan)

Director (Commercial)

MSEDCL

Copy s.w.rs to:-

1. Chairman & Managing Director, MSEDCL, Corporate Office, Mumbai.
2. Joint Managing Director, MSEDCL, Aurangabad Region.

Copy f.w.c. to:-

1. Director Operations/Project/Finance, MSEDCL Corporate office, Mumbai.

Copy to:

1. Regional Director, MSEDCL- Nagpur/Pune/Kokan Region
2. Executive Director (IT& BR), MSEDCL Corporate office