

CHAPTER-8

TARIFF REVISION PROPOSAL

8.1 REVENUE DEFICIT:

MESCOM has considered the Annual Revenue Requirement and revenue deficit indicated in the below table for proposing the tariff revision for the year FY-21.

Particulars	Rs. In Cr.
ARR for FY-21	4472.62
Less: Surplus of FY-19 as proposed for Annual Performance review, as per MYT norms.	(221.19)
Net ARR for FY-21	4251.43
Energy Sales proposed for FY-21	5596.19 MU
Avg. Cost of Supply (Rs./unit)	7.60

Sl. No.	Particulars	Rs. In Cr.
a.	Net Annual Revenue Requirement for FY-21	4251.43
b.	Revenue from existing tariff, excluding GOK subsidy	2737.24
c.	Revenue Deficit before subsidy [a-b]	1514.19
d.	Estimated GoK Subsidy for FY-21 (@ existing tariff)	1168.10
e.	Net Revenue Deficit for FY-21 [c-d]	346.09

8.2 Tariff Revision Proposal:

With the present tariff charges, it is estimated that MESCOM can only realize revenue of Rs.3905.34 Cr in FY-21 against the estimated net Aggregate Annual Revenue Requirement of Rs.4251.43 Cr leaving a revenue deficit of Rs.346.09 Cr. In order to bridge the gap, upward revision of tariff charges is inevitable.

Hence, MESCOM is proposing the revision of tariff, both fixed charges and energy charges, as detailed in the foregoing paragraphs.

Fixed / Demand Charges:

In the year FY-19, status of recovery of fixed costs in FY-19 reveals the following position;

Activity	Total fixed costs to be incurred (Rs.in Cr)
Generation	323.79
KPTCL Transmission including SLDC Charges	228.05
PGCIL Transmission Charges	156.50
O&M costs	558.38
Depreciation	125.69
Interest & Finance costs	132.64
Total:	1525.05
Total fixed / demand charges collected:	375.40
%	24.62%

As against the total fixed cost of Rs.1525.05 Cr, it was able to recover only Rs.3375.40 Cr which means MESCOM is realizing **only about 25%** of the fixed cost and remaining 75% of the fixed cost is inbuilt in the variable charges.

For the year FY-21, the estimated status of recovery of fixed costs will be as follows;

Activity	Total fixed costs to be incurred (Rs.in Cr)
Generation	775.36
KPTCL Transmission including SLDC Charges	272.96
PGCIL Transmission Charges	192.92
O&M costs	715.51
Depreciation	162.74
Interest & Finance costs	266.22
Total:	2385.71
Total fixed / demand charges estimated to be collected at existing tariff:	453.09
%	18.99%

In the projected ARR for FY-21, the fixed cost component is Rs.2385.71 Cr and the estimated recovery of fixed charges from the existing tariff is only about Rs.453.09 i.e. only 18.99%.

In view of the above, MESCOM is submitting before the Hon'ble Commission to consider increase in Fixed / Demand Charges indicated in the below table.

Further, MESCOM is proposing for a 3 tier demand charges structure in respect of HT industrial installations. Proposal is completely detailed in Chapter-10 "*New Proposals*".

Sl. No.	Tariff Category	Load Unit	Fixed / Demand Charges (Rs./Month)		
			Existing	Proposed	Hike
1	LT-1	Minimum	45	75	30
2	LT-2 (a) i	kW	60	90	30
		kW	70	100	30
3	LT-2 (a) ii	kW	45	75	30
		kW	60	90	30
4	LT-2 (b) i	kW	75	105	30
		kW	100	130	30
5	LT-2 (b) ii	kW	65	95	30
		kW	85	115	30
6	LT-3 i	kW	80	110	30
7	LT-3 ii	kW	70	100	30
8	LT-4 (a)	HP	0	0	0
9	LT-4 (b)	HP	70	100	30
10	LT-4 (c) i	HP	60	90	30
11	LT-4 (c) ii	HP	70	100	30
12	LT-5 (a)	HP	55	95	40
		HP	60	100	40
		HP	80	120	40
		HP	140	180	40
13	LT-5 (b)	HP	45	85	40
		HP	55	95	40
		HP	75	115	40
		HP	125	165	40
14	LT-6 (a)	HP	75	115	40
15	LT-6 (b)	kW	90	130	40
16	LT-7(a)	kW	210	250	40
17	LT-7(b)	kW	85	125	40

Sl. No.	Tariff Category	Load Unit	Fixed / Demand Charges (Rs./Month)		
			Existing	Proposed	Hike
18	HT-1	kVA	210	260	50
19	HT-2 (a)	500 kVA & below	210	210	0
		501 to 1000 kVA	210	310	100
		Above 1000 kVA	210	410	200
20	HT-2 (b)	kVA	230	280	50
21	HT-2 (c) i	kVA	210	260	50
22	HT-2 (c) ii		210	260	50
23	HT-3(a)i	HP/Annum	1480	1530	50
24	HT-3(a)ii	HP	70	120	50
25	HT-3 (b)	HP/Annum	1480	1530	50
26	HT-4	kVA	130	180	50
27	HT-5	HP	260	310	50

With the above hike in Fixed/Demand Charges, MESCOM will be able to recover about Rs.635.24 Cr in FY-21 which will be around 27% of the fixed cost component.

Energy Charges:

For FY-21, MESCOM is proposing different hike rates for different categories as indicated in the below table.

Sl. No.	Tariff Category	Energy Charges (Rs./Unit)		
		Existing	Proposed	Hike
1	LT-1	7.13	7.60	0.47
2	LT-2 (a) i	3.70	3.95	0.25
		5.20	5.45	0.25
		6.75	7.00	0.25
		7.80	8.05	0.25
3	LT-2 (a) ii	3.60	3.85	0.25
		4.90	5.15	0.25
		6.45	6.70	0.25
		7.30	7.55	0.25
4	LT-2 (b) i	6.90	7.15	0.25
		8.15	8.40	0.25
5	LT-2 (b) ii	6.35	6.60	0.25
		7.60	7.85	0.25
6	LT-3 i	8.00	8.25	0.25
		9.00	9.25	0.25
7	LT-3 ii	7.50	7.75	0.25
		8.50	8.75	0.25

Sl. No.	Tariff Category	Energy Charges (Rs./Unit)		
		Existing	Proposed	Hike
8	LT-4 (a)	5.51	6.08	0.57
9	LT-4 (b)	3.50	3.70	0.20
10	LT-4 (c) i	3.50	3.70	0.20
11	LT-4 (c) ii	3.50	3.70	0.20
12	LT-5 (a)	5.45	5.65	0.20
		6.45	6.65	0.20
		6.75	6.95	0.20
13	LT-5 (b)	5.35	5.55	0.20
		6.30	6.50	0.20
		6.60	6.80	0.20
14	LT-6 (a)	4.60	5.00	0.40
15	LT-6 (b)	6.25	6.65	0.40
16	LT-7(a)	10.60	11.00	0.40
17	LT-7(b)	10.60	11.00	0.40
18	HT-1	5.20	5.60	0.40
19	HT-2 (a)	6.95	6.45	-0.50
		7.20	6.75	-0.45
20	HT-2 (b)	8.65	8.85	0.20
		8.75	8.95	0.20
21	HT-2 (c) i	6.80	7.20	0.40
		7.20	7.60	0.40
22	HT-2 (c) ii	7.80	8.20	0.40
		8.20	8.60	0.40
23	HT-3(a)i	2.75	3.15	0.40
24	HT-3(a)ii	2.75	3.15	0.40
25	HT-3 (b)	4.75	5.15	0.40
26	HT-4	6.65	7.05	0.40
27	HT-5	10.60	11.00	0.40
28	SEZ	6.226	7.000	0.774

With the above proposed fixed charges & energy charges hike, it is estimated that MESCOM will realize additional revenue to the extent of **Rs.346.09 Cr.**

Sl. No.	Particulars	Rs. In Cr.
1.	Addl. Revenue due to hike in Fixed Charges / Demand Charges	182.15
2.	Additional Revenue due to hike in energy Charges	163.94
3.	Total addl. Rev. due to proposed revision (1+2)	346.09
4.	ARR for FY-21	4472.62
5.	Less: Surplus of FY-19 as proposed for APR	(221.19)
6.	Net ARR for FY-21 (4-5)	4251.43
7.	Revenue from existing tariff	3905.34
8.	Net Revenue Deficit for FY-21 (6-7)	346.09
9.	Energy Sales proposed for FY-21	5596.19 MU
11.	Avg. Cost of Supply [6/9]	Rs.7.60/Unit
	Avg. per unit tariff hike required to meet total gap of 706.39 Cr	Rs.0.62/Unit

8.3 LT-1a (Applicable to BJ/KJ):

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	713 Ps/unit	760 Ps/unit

8.3 LT-2a (Applicable to lighting/combined lighting, heating and motive Power installations of residential houses):

Applicable in areas coming under City Municipal Corporations and all areas under Urban Local Bodies [LT-2a(i)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For the first KW	Rs.60/- per KW	Rs.90/- per KW
For every additional KW	Rs.70/- per KW	Rs.100/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	370 Ps/unit	3.95 Ps/unit
For next 70 units	520 Ps /unit	5.45 Ps/unit
For next 100 units	675 Ps/unit	7.00 Ps/unit
For above 200 units	780 Ps/unit	8.05 Ps/unit

Applicable in areas under Village Panchayats [LT-2a(ii)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For the first KW	Rs.45/- per KW	Rs.75/- per KW
For every additional KW	Rs.60/- per KW	Rs.90/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	360 Ps/unit	3.85 Ps/unit
For next 70 units	490 Ps /unit	5.15 Ps/unit
For next 100 units	645 Ps/unit	6.70 Ps/unit
For above 200 units	730 Ps/unit	7.55 Ps/unit

8.4 LT-2b (Applicable to the installations of Private Professional and other private educational institutions including aided, unaided institutions having only lighting or combined lighting & heating, and motive power):

Applicable in areas coming under City Municipal Corporations and all areas under Urban Local Bodies [LT-2b(i)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.75/- per KW	Rs.105/- per KW
Subject to a minimum of	Rs.100/- per Month	Rs.130/- per Month

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	690 Ps/unit	715 Ps/unit
For above 200 units	815 Ps/unit	840 Ps/unit

Applicable in areas under Village Panchayats [LT-2b(ii)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.65/- per KW	Rs.95/- per KW
Subject to a minimum of	Rs.85/- per Month	Rs.115/- per Month

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	635 Ps/unit	660 Ps/unit
For above 200 units	760 Ps/unit	785 Ps/unit

8.5 LT-3 (Applicable to Commercial Lighting, Heating and Motive Power installations):

Applicable in areas coming under City Municipal Corporations and all areas under Urban Local Bodies [LT-3(i)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.80/- per KW	Rs.110/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	800 Ps/unit	825 Ps/unit
For above 50 units	900 Ps/unit	925 Ps/unit

Applicable in areas under Village Panchayats [LT-3(ii):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.70/- per KW	Rs.100/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	750 Ps/unit	775 Ps/unit
For above 50 units	850 Ps/unit	875 Ps/unit

8.6 LT-4a (Applicable to IP sets 10HP & below):

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	551 Ps/unit	608 Ps/unit

8.6 LT-4b (Applicable to IP sets above 10HP):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.70/- per HP	Rs.100/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	350 Ps/unit	370 Ps/unit

8.7 LT-4c (Applicable to Private Horticultural Nurseries, Coffee and Tea plantations):

Applicable to Private Horticultural Nurseries, Coffee and Tea plantations of sanctioned load of 10 HP & below (LT-4 (c)(i):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.60/- per HP	Rs.90/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	350 Ps/unit	370 Ps/unit

Applicable to Private Horticultural Nurseries, Coffee and Tea plantations of sanctioned load above 10 HP (LT-4 (c)(ii):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.70/- per HP	Rs.100/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	350 Ps/unit	370 Ps/unit

8.8 LT-5 (Applicable to Heating & Motive power (including lighting) installations of industrial Units, etc.):

Applicable to areas under Municipal Corporations [LT-5a]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 5 HP & below	Rs.55/- per HP	Rs.95/- per HP
For above 5 HP & below 40 HP	Rs.60/- per HP	Rs.100/- per HP
For 40 HP & above but below 67 HP	Rs.80/- per HP	Rs.120/- per HP
For 67 HP & above	Rs.140/- per HP	Rs.180/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	545 Ps/unit	565 Ps/unit
For next 500 units	645 Ps/unit	665 Ps/unit
For above 1000 units	675 Ps/unit	695 Ps/unit

Applicable to all areas other than those covered under LT-5(b):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For 5 HP & below	Rs.45/- per HP	Rs.85/- per HP
For above 5 HP & below 40 HP	Rs.55/- per HP	Rs.95/- per HP
For 40 HP & above but below 67 HP	Rs.75/- per HP	Rs.115/- per HP
For 67 HP & above	Rs.125/- per HP	Rs.165/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	535 Ps/unit	555 Ps/unit
For next 500 units	630 Ps/unit	650 Ps/unit
For above 1000 units	660 Ps/unit	680 Ps/unit

8.9 LT-6a(Applicable to water supply and sewerage pumping installations):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.75/- per HP	Rs.115/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	460 Ps/unit	500 Ps/unit

8.10 LT-6b (Applicable to Public Street lights/Park lights):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.90/- per KW	Rs.130/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	625 Ps/unit	665 Ps/unit

8.10(a) LT-6c (Applicable to Electric Vehicle Charging stations):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For LT installations	Rs.60/ KW/Month	Rs.100/ KW/Month
For HT installations	Rs.190/kVA/Month	Rs.230/kVA/Month

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	500 Ps/unit	525 Ps/unit

8.11 LT-7 (Temporary Power Supply and permanent Supply to Advertising Hoardings):

Applicable to Temporary Power Supply for all purposes LT-7(a):

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
Less than 67 HP:	1060 Ps/unit subject to a weekly minimum of Rs.210/ KW of sanctioned load	1100 Ps/unit subject to a weekly minimum of Rs.250 / KW of sanctioned load

Applicable to Hoardings and Advertisement boards on permanent connection basis LT-7(b):

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
Less than 67 HP:	Fixed Charges at Rs.85 per KW/month. Energy Charges at 1060 Ps/unit.	Fixed Charges at Rs.125 per KW/month. Energy Charges at 1100 Ps/unit.

8.12 HT-1 (Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.210/- per KVA of billing demand	Rs.260/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	520 Ps/unit	560 Ps/unit

8.13 HT-2a (Applicable to Industries, Factories, Workshops, etc.):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	
For every KVA	Rs.210/- per KVA of billing demand	For first 500 kVA of billing demand	Rs.210/- per KVA
		For next 500 kVA of billing demand	Rs.310/- per KVA
		For billing demand in excess of 1000 kVA	Rs.410/- per KVA

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	695 Ps/unit	645 Ps/unit
For above one lakh units	720 Ps/unit	675 Ps/unit

8.14 HT-2b (Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, etc.):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.230/- per KVA of billing demand	Rs.280/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For two one lakh units	865 Ps/unit	885 Ps/unit
For above two lakh units	875 Ps/unit	895 Ps.unit

8.14 HT-2c(i) (Applicable to Government Hospitals and Hospitals run by charitable institutions and ESI hospitals and Universities, Educational Institutions belonging to Government, Local Bodies, Aided Institutions and Hostels of all Educational Institutions.:

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.210/- per KVA of billing demand	Rs.260/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	680 Ps/unit	720 Ps/unit
For above one lakh units	720 Ps/unit	760 Ps/unit

9.14 HT-2c(ii) (Applicable to Hospitals and Educational Institutions other than those covered under HT-2c(i):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.210/- per KVA of billing demand	Rs.260/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	780 Ps/unit	820 Ps/unit
For above one lakh units	820 Ps/unit	860 Ps/unit

8.15 HT-3a (Applicable to Lift irrigation Schemes/ Lift irrigation societies):

Applicable to LI schemes under Govt Departments/ Government owned Corporations [HT-3(a)(i)]:

Energy charges per unit:

EXISTING TARIFF	PROPOSED TARIFF
275 Ps/ unit subject to an annual min. of Rs.1480 per HP.	315 Ps/ unit subject to an annual min. of Rs.1530 per HP.

Applicable to Private LI schemes and Lift Irrigation societies: Connected to Urban/Express feeders [HT-3(a)(ii)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.70/- per HP of sanctioned load	Rs.120/- per HP of sanctioned load

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	275 Ps/unit	315 Ps/unit

Applicable to Private LI schemes and Lift Irrigation societies other than those covered under (ii) above [HT-3(a)(iii)]:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.50/- per HP of sanctioned load	Rs.100/- per HP of sanctioned load

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	275 Ps/unit	315 Ps/unit

8.16 HT-3b (Applicable to Irrigation and Agricultural Farms, Government Horticultural Farms, Private Horticulture nurseries, Coffee, Tea, Coconut & Arecanut Plantations):

Energy charges per unit:

EXISTING TARIFF	PROPOSED TARIFF
475 Ps/unit subject to an annual min. of Rs.1480 per HP.	515 Ps/unit subject to an annual min. of Rs.1530 per HP.

8.17 HT-4 (Applicable to Residential apartments and colonies (whether situated outside or inside the premises of the main HT Installation) availing power supply independently or by tapping the main H.T. line):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.130/- per KVA of billing demand	Rs.180/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	665 Ps/unit	705 Ps/unit

8.18 HT-5 (HT Temporary Supply):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.260/- per HP of sanctioned load	Rs.310/- per HP of sanctioned load

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	1060 Ps/unit	1100 Ps/unit

8.19 MSEZ TARIFF:

The methodology adopted by the Hon'ble Commission in the MSEZ Tariff Order 2019 has been followed by MESCOM for proposing the tariff hike for the consumption of MSEZ installation.

Power Purchase Cost excluding KPCL & Other Hydro : Rs.6.25
 Add: Trading Margin, Energy handling and Grid : Rs.0.75
 support charges including Tr. Charges.

PP Cost / unit for MSEZ : Rs.7.00

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	Rs.6.226 /unit	Rs.7.00 /unit

8.20 The proposed Tariff schedule for FY-21 along with GENERAL TERMS & CONDITIONS is detailed in Chapter-9. Further, it is submitted that classification of consumer categories and all other General Terms & Conditions of Tariff are same as approved by Hon'ble Commission in Tariff Order-2019. However, it is requested to include a few sub classifications as proposed in Chapter-10 "*New Proposals*".

8.21 In the below table, category wise revenue as per existing tariff and proposed tariff is outlined.

Particulars	FY-21 (Rs. In Cr.)	
	@ Existing Tariff as per T.O.-2019	@ Proposed Tariff
LT-1: BJ/KJ (=< 40 units)	26.59	28.34
LT-2a: Domestic	6.01	6.76
LT-2b: Private Edu. Institutions	921.35	1045.95
LT-3: Commercial	12.67	13.74
LT-4a: IP Sets-10HP & below	386.87	413.19
LT-4b: IP Sets-Above 10HP	1141.51	1259.59
LT-4c: Nurseries/Coffee/Tea	0.70	0.88
LT-5: Industrial	5.59	7.19
LT-6: Water Supply	112.50	133.20
LT-6: Street Lights	66.40	76.04
LT-7 (a): Temporary	47.44	51.82
LT-7 (b): Temporary	47.20	52.93
LT-Total:	2774.83	3089.63
HT-1: Water Supply	64.36	70.41
HT-2a: Industrial	589.31	589.31
HT-2b: Commercial	216.64	227.26
HT-2c: Edu.Inst. & Hospitals	123.02	131.97
HT-3a: LI Schemes	15.04	16.81
HT-3b: LI Schemes	0.17	0.19
HT-4: Residential Apartments	16.30	17.80
HT-5: Temporary Supply	2.53	2.73
Supply to MSEZ	26.11	29.36
HT-Total:	1053.48	1085.84
Miscellaneous	77.03	77.03
GRAND TOTAL:	3905.34	4252.50

The detailed calculations are in Format-D21 & D-2.

8.22 Open Access / Wheeling charges:

8.22.1 Wheeling Charges in Cash: The allocation of the distribution network costs to HT and LT networks for determining the wheeling charges in Cash is computed in the ratio 30:70 as per the norms adopted by the Hon'ble Commission in the earlier tariff orders.

Distribution ARR	769.80	Cr.
Energy Sales	5596.19	MU
Wheeling charges	138	Paise/unit
Wheeling charges for HT Net work (30%)	41	Paise/unit
Wheeling charges for LT Net work (70%)	97	Paise/unit

Accordingly, MESCOM proposes wheeling charges in cash for HT network and LT network as 41 paise/unit and 97 paise/unit, respectively, for FY-21.

8.22.2 Wheeling Charges in Kind (Technical Loss compensation): The proposed distribution loss for MESCOM for FY-21 is 10.48%. Hence, as per the norms adopted by the Hon'ble Commission in the earlier tariff orders, MESCOM proposes for wheeling charges in kind i.e. technical loss compensation for HT network and LT network as 3.94% and 6.48%, respectively.

8.22.3 Cross Subsidy Surcharge:

In line with GOI notified revised Tariff Policy dated 28-01-2016 MESCOM is proposing the Cross Subsidy Surcharge for different voltage levels for FY-21 as follows.

FY-21 (Projections @ proposed tariff)

Rs./Unit

Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-3b	HT-4	HT-5
11 kV	-	1.29	2.11	1.83	1.34	0.74	3.16
33 kV	-	1.50	2.11	1.83	1.55	0.95	3.16
66 kV & above	-	1.60	2.11	1.83	1.65	1.05	3.16

Note: Cross subsidy surcharge limited 20% of the average tariff.

Calculation Sheet enclosed as **Annexure-5.**

8.23 Green Tariff:

In the Tariff Order 2019, Hon'ble Commission has continued the Green Tariff at Ps.50 per unit as the additional tariff over & above the normal tariff which is optional for HT consumers.

8.24 Cross Subsidy as per existing tariff:

Calculation Sheet enclosed as **Annexure-6(a)**.

8.25 Cross Subsidy as per proposed tariff:

Calculation Sheet enclosed as **Annexure-6(b)**.

8.26 Additional Surcharge proposed:

In line with methodology adopted by the Hon'ble Commission in the Tariff Order 2019, MESCOM is proposing the additional surcharge to be recovered from HT consumers for the energy catering from open access / wheeling & banking arrangement as Rs0.82 per unit.

Calculation Sheet enclosed as **Annexure-7**.

8.27 Wheeling & Banking Charges for RE sources:

MESCOM is submitting before the Hon'ble Commission to apply all the relevant charges as is being made applicable to OA / wheeling transactions of other than RE sources for the wheeling transactions of RE sources also.

In this regard, it is to be submitted that wheeling transactions of RE sources is increasing year-on-year. The details of RE consumption through wheeling & banking arrangement in past three years are given below;

Nature	Source	FY-17	FY-18	FY-19
Captive	Solar	-	3.41	85.80
	Wind	20.65	18.78	17.16
	Mini-Hydel	-	-	-
	sub-total:	20.65	22.19	102.96
Group Captive	Solar	-	-	-
	Wind	24.12	22.14	30.04
	Mini-Hydel	-	23.58	35.37
	sub-total:	24.12	45.72	65.41
Non-Captive	Solar	2.95	40.63	58.97
	Wind	30.06	3.03	5.45
	Mini-Hydel	4.95	11.53	33.27
	sub-total:	37.96	55.19	97.69
GRAND TOTAL		82.73	123.10	266.06

Transmission & Wheeling Charges:

It is the fact that the transmission & distribution network maintenance charges are increasing year-on-year. The increased transactions under wheeling & banking arrangements are impacting the tariff charges of the LT categories considerably. In this regard, an analysis is put forth below for kind consideration of the Hon'ble Commission.

Comparison of Wheeling & Banking Charges in respect of RE sources and other than RE sources in relation to a generator is as below;

Particulars of Charges	Unit	RE Sources	Other than RE Sources
Wheeling & Banking Charges	%	7%	-
Tr. Charges	Rs.	-	Rs.549.22 per day (*1)
Tr. Loss	%	-	3.162%
Wheeling Charges	Rs.	-	Rs.0.32/ unit
Wheeling Loss (HT)	%	-	4.29%

(*1) Charges are for the short term open access slab

'More than 6 Hrs. & upto 12 Hrs.'

In order to compare the financial impact the example of 1 MW generation for 10 hours a day & for 30 days is considered as below;

Particulars	RE Sources	Other than RE Sources
Generation	300000	300000
Wheeling & Banking Charges	7%	-
Tr. Loss (%)	-	3.162%
Energy at IF point (kWh)	-	290514
Wheeling Loss (%)	-	4.29%
Energy at HT supply point (kWh)	279000	278051
Application of various charges (in cash)		
Tr. Charges (Rs.)	-	16477
Wheeling Charges (Rs.)	-	88976
Total:	-	105453
Per unit	-	0.38

Note: Cross Subsidy Surcharge and Additional Surcharge is not considered in the above table since the same is *Revenue Realization* related concept and not relevant to transmission & distribution of energy.

ARR for distribution business for FY-19 as approved by the Hon'ble Commission in Tariff Order 2019 is Rs.365.86 Cr out of which 30%, i.e., Rs.109.76 Cr to be attributed to HT category (similar to the Hon'ble Commission's decision in the tariff orders) and the transmission & SLDC charges that can be attributed to HT installations is about 24.49%, i.e., Rs.55.46 Cr (proportion to approved HT sales in the total sales for FY-19). Thus the total Transmission and Distribution charges attributable to HT category would be Rs.165.22 Cr, which can be translated into Rs.1.41 per unit with reference to approved HT energy sales of 1169.51 MU for FY-19. As ascertained, only about 23% of the fixed cost are being collected in the form of fixed / demand charges, and then the remaining Rs.1.09 / unit is inbuilt in energy charges. Resultantly, whenever a consumer opted to source power from Open Access / Wheeling arrangement, MESCOM will lose Rs.1.09 / unit for every unit of such consumption.

Even if average cost of supply in respect of HT voltage is considered then also the above equation emerges, as indicated below;

HT voltage wise average cost of supply (including PP cost) for FY-19 is Rs.6.03 / units. Leaving Rs.4.20 / unit of power cost at the distribution level, the transmission and distribution charges would be Rs.1.83 / unit. If 23% is accepted as being collected in the form of fixed / demand charges, then the remaining Rs.1.41 / unit will be remained as unrecovered cost.

Hence, the Hon'ble Commission is requested to consider approving all the relevant charges as is being made applicable to OA / wheeling transactions of other than RE sources for the wheeling transactions of RE sources also.

Banking Charges:

Hon'ble Commission in the order dated 09-01-2018 has reduced the banking period from one year to six months. In the order, it has also ordered that energy banked during the peak TOD hours only can be drawn during peak hours and not otherwise. MESCOM is in concurrence with this order of the Hon'ble Commission.

Cross Subsidy Surcharge & Additional Surcharge:

Levying of Cross Subsidy Surcharge and Additional Surcharge is continued to be levied as determined by the Hon'ble Commission from time to time.

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