



# Mangalore Electricity Supply Company Limited

Before the Karnataka Electricity Regulatory Commission,  
#16C-1, Miller Tank Bed Area, Vashanthnagar, Bengaluru-560 052.

## In the matter of

An application for Annual Performance Review for 2017-18, approval of Annual Revenue Requirement & Expected Revenue from Charges for the control period from 2019-20 to 2021-22 and Tariff Petition for the financial year 2019-20 of Mangalore Electricity Supply Company Limited under Section 61 & 62 of the Electricity Act, 2003 read with relevant provisions of KERC (Tariff) Regulations including KERC (Terms & Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006

BY

Mangalore Electricity Supply Company Limited (herein after referred to as MESCOM), an Electricity Distribution Company incorporated under the provisions of the Companies Act, 1956 and having its corporate office at Corporate Office, "MESCOM BHAVANA", Bejai, Kavoov Cross Road, Mangaluru-575 004.

## NOTICE

1.0 Mangalore Electricity Supply Company (MESCOM) has filed an application before the Hon'ble Commission for Annual Performance Review for 2017-18, approval of Annual Revenue Requirement (ARR) / Expected Revenue from Charges (ERC) for the control period 2019-20 to 2021-22 and Retail Supply & Wheeling Tariff for the financial year 2019-20. The Hon'ble Commission is in the process of considering the same. The summary of the application are as below;

2.0 **ANNUAL PERFORMANCE REVIEW:** Financial position of MESCOM in 2017-18 against the ARR/ERC approved by the Hon'ble Commission in the Tariff Order-2017 is indicated below;

Sl. No.	Particulars	As approved by KERC in Tariff Order 2017	MESCOM Proposal for APR based on Annual Accounts
<b>A. INCOME:</b>			
	Revenue from sale of power	3122.85	3242.87
<b>B. EXPENDITURE:</b>			
i.	Power Purchase cost including Tr. Charges	2014.90	2508.01
ii.	Other Costs	712.21	818.69
iii.	Prior period deficit	395.74	558.15
	<b>Total Expenditure (i+ii+iii+iv):</b>	<b>3122.85</b>	<b>3884.85</b>
<b>C. Net Deficit (A-B)</b>		-	<b>(641.98)</b>

Increase in power purchase cost is the prime factor for the resultant revenue deficit.

Cost of power, being un-controllable one, depends upon the consumer demand and availability.

3.0 **ARR/ERC FOR THE CONTROL PERIOD:** Projected Annual Revenue Requirement and Expected Revenue from existing Tariff Charges for MESCOM for the control period 2019-20 to 2021-22 is as below.

Year	Annual Revenue Requirement (Rs. In Cr.)	Revenue Receipts from existing tariff charges (Rs. In Cr.)	Revenue Deficit (Rs. In Cr.)
2019-20	4153.51	3447.12	<b>(706.39)</b>
2020-21	3753.02	3541.43	<b>(211.59)</b>
2021-22	3973.74	3639.49	<b>(334.25)</b>

Annual Revenue Requirement proposed for Tariff Increase for 2019-20 is Rs.4153.51 Cr. Accordingly, the proposed per unit Average Cost of Supply and per unit Average Realization Rate for 2019-20 is Rs.8.09 and Rs.6.71, respectively.

## 4.0 NEED FOR TARIFF REVISION:

- As can be seen in the above table, MESCOM is unable to meet its revenue requirements through the current tariff charges, which is in effect from 01-04-2018.
- MESCOM cannot meet the increasing consumer demand unless it can pay for the power procured from the generators.
- The projected power purchase cost per unit (including transmission charges) for 2019-20 is Rs.4.09 whereas the approved cost by Hon'ble KERC for 2018-19 is Rs.3.37.
- The proposed Annual Revenue Requirement for the control period also includes the cost of investments in the distribution network which is required to reinforce the electrical system in order to cater the increasing demand and to enhance its reliability to meet contingencies.
- In order to make good the revenue deficit between Annual Revenue Requirement and Annual Revenue Receipt from the existing tariff charges an upward revision of tariff is inevitable.

5.0 Hence, MESCOM has proposed an average increase of Rs.1.38 per unit, however, different rates of increase across category of consumers.

6.0 MESCOM is committed to provide better services to its consumers by way of various measures of improvement in the system network, reduction of distribution losses, reducing failure rate of distribution transformers, increasing infrastructure of 24x7 consumer service center, etc.

7.0 The table below summarizes the existing and proposed tariff structure for various consumer categories.

8.0 Pursuant to Section 5 of KERC (Tariff) Regulations, 2000, it is hereby notified that the persons who are interested in filing their objections to the above petition may file the same with the Receiving Officer, Karnataka Electricity Regulatory Commission, #16C-1, Miller Tank Bed Area, Vashanthnagar, Bengaluru-560 052, in six sets, with a copy to the Superintending Engineer (Commercial), MESCOM, Corporate Office, 4<sup>th</sup> Floor, "MESCOM BHAVANA" Bejai, Kavoov Cross Road, Mangaluru-575 004, duly supported by an affidavit **within 30 days from the date of this Notification**. Further, the interested persons shall also indicate whether they want to be heard in person.

9.0 For reference of those who are interested, copies of the petition will be available for inspection at the following offices of MESCOM during working hours **within 10 working days of publication of this Notification**.

- Corporate Office, MESCOM, "MESCOM BHAVANA", Bejai, Kavoov Cross Road, Mangaluru.
- Office of the Chief Engineer (Elec.), Mangalore Zone, Paradigm Plaza, AB Shetty Circle, Mangaluru.
- Office of the Chief Engineer (Elec.), Shivamogga Zone, Shivamogga.
- Office of the Superintending Engineers (Ele.), O&M Circle, Mangaluru, Udupi, Shivamogga & Chikkamagaluru.
- Office of the Executive Engineers (Ele.), O&M Division, Bantwal, Puttur, Kundapura, Bhadravathi, Sagar, Shikaripura, Koppa & Kadur.

Petition booklets are made available at a cost of Rs.450/- per copy for the interested persons. If any part of the petition is required, the same may be obtained by paying photo copy charges. Further, the copy of the petition is also made available in MESCOM website [www.mesco.in](http://www.mesco.in).

**For Mangalore Electricity Supply Company Limited**  
**Sd/-**  
**Superintending Engineer (Ele.)(Commercial),**  
**MESCOM, Corporate Office, Mangaluru**

## Statement showing the existing and proposed Tariff

Consumer category/ Slabs	Energy / Fixed Charges		
	Existing (Rs. per Unit)	Proposed (Rs. per Unit)	
<b>LT-2(a)(i): Domestic- for areas coming under Urban Local Bodies:</b>			
Fixed Charges	First KW Rs.	50	60
	Addl. KW Rs.	60	70
Energy Charges	For the 1 <sup>st</sup> 30 Units	3.45	4.45
	For the next 70 Units	4.95	5.95
	For the next 100 Units	6.50	7.50
	Above 200 Units	7.55	8.55
<b>LT-2(a)(ii): Domestic- for areas coming under Village Panchayats:</b>			
Fixed Charges	First KW Rs.	35	55
	Addl. KW Rs.	50	65
Energy Charges	For the 1 <sup>st</sup> 30 Units	3.35	4.35
	For the next 70 Units	4.65	5.65
	For the next 100 Units	6.20	7.20
	Above 200 Units	7.05	8.05
<b>LT-2(b)(i): Pvt. Educational Institutions - for areas coming under Urban Local Bodies:</b>			
Fixed Charges	Per KW Rs.	65	95
	Minimum Rs.	90	110
Energy Charges	For the 1 <sup>st</sup> 200 Units	6.70	7.95
	For the balance Units	7.95	9.20
<b>LT-2(b)(ii): Pvt. Educational Institutions- for areas coming under Village Panchayats:</b>			
Fixed Charges	Per KW Rs.	55	90
	Minimum Rs.	75	95
Energy Charges	For the 1 <sup>st</sup> 200 Units	6.15	7.40
	For the balance Units	7.40	8.65
<b>LT-3(i): Commercial for areas coming under Urban Local Bodies:</b>			
Fixed Charges	Per KW Rs.	70	100
Energy Charges	For the 1 <sup>st</sup> 50 Units	7.75	8.25
	For the balance Units	8.75	9.25
<b>LT-3(ii): Commercial - for areas coming under Village Panchayats:</b>			
Fixed Charges	Per KW Rs.	60	80
Energy Charges	For the 1 <sup>st</sup> 50 Units	7.25	7.75
	For the balance Units	8.25	8.75
<b>LT-4(b): IP sets above 10 HP</b>			
Fixed Charges	Per HP Rs.	60	80
Energy Charges	For all the energy consumed	3.25	3.75
<b>LT-4(c)(i): Pvt. Horticulture Nurseries, Coffee/ Tea plantations of load of 10HP &amp; below.</b>			
Fixed Charges	Per HP Rs.	50	70
Energy Charges	For all the energy consumed	3.25	3.75
<b>LT-4(c)(ii): Pvt. Horticulture Nurseries, Coffee/Tea plantations of load above 10HP:</b>			
Fixed Charges	Per HP Rs.	60	80
Energy Charges	For all the energy consumed	3.25	3.75
<b>LT-5(a) : LT Industries (Areas coming under Municipal Corporations):</b>			
Fixed Charges	5HP & below/HP Rs.	45	65
	5HP to below 40HP/HP Rs.	50	70
	40HP to below 67HP/HP Rs.	70	100
	67HP & above/HP Rs.	130	150
Energy Charges	For the 1 <sup>st</sup> 500 Units	5.30	5.70
	For the next 500 Units	6.25	6.65
	For the balance Units	6.55	6.95

Consumer category/ Slabs	Energy / Fixed Charges		
	Existing (Rs. per Unit)	Proposed (Rs. per Unit)	
<b>LT-5(b) : LT Industries (Other areas not covered under LT-5(a) above:</b>			
Fixed Charges	5HP & below/HP Rs.	40	65
	5HP to below 40HP/HP Rs.	45	75
	40HP to below 67HP/HP Rs.	65	100
	67HP & above/HP Rs.	120	150
Energy Charges	For the 1 <sup>st</sup> 500 Units	5.20	5.60
	For the next 500 Units	6.10	6.50
	For the balance Units	6.40	6.80
<b>LT-6 : Water Supply:</b>			
Fixed Charges	Per HP Rs.	65	90
	For all the energy consumed	4.40	5.90
<b>LT-6 : Public Lighting:</b>			
Fixed Charges	Per KW Rs.	80	100
	For all the energy consumed	6.05	7.55
<b>LT-7(a) : Temporary Power Supply:</b>			
Fixed Charges	Per KW/Week Rs.	200	250
	For all the energy consumed	10.30	12.50
<b>LT-7(b) : Temporary Power Supply:</b>			
Fixed Charges	Per KW Rs.	75	100
	For all the energy consumed	10.30	12.50
<b>LT-1: Bhagya Jyothi / Kutir Jyothi</b>			
	For 40 units of consumption	6.86	8.09
<b>LT-4a: IP Sets (10 HP &amp; below)</b>			
	For all the energy consumed	5.31	6.94
<b>HT-1: Water Supply &amp; Sewerage pumping installations:</b>			
Demand charges	Per KVA Rs.	200	250
	For all the energy consumed	5.00	6.50
<b>HT-2(a): HT Industrial:</b>			
Demand charges	Per KVA Rs.	200	300
Energy Charges	Upto 100000 Units	6.75	7.15
	Above 100000 Units	7.00	7.40
<b>HT-2(b): HT Commercial:</b>			
Demand charges	Per KVA Rs.	220	300
Energy Charges	Upto 200000 Units	8.45	8.95
	Above 200000 Units	8.55	9.05
<b>HT-2C(i): Applicable to Govt. Hospitals and Educational Institutions.</b>			
Demand charges	Per KVA Rs.	200	300
Energy Charges	Upto 100000 Units	6.60	7.85
	Above 100000 Units	7.00	8.25
<b>HT-2C(ii): Hospitals and Educational Institutions not covered under HT-2C(i) above</b>			
Demand charges	Per KVA Rs.	200	300
Energy Charges	Upto 100000 Units	7.60	8.85
	Above 100000 Units	8.00	9.25
<b>HT-3a(i): Lift Irrigation schemes under Government department</b>			
	For all the energy consumed	Rs.2.50 subject to annual minimum of Rs1360/HP/Annum	Rs.3.50 subject to annual minimum of Rs1380/HP/ Annum
<b>HT-3a(ii): Pvt. LI schemes &amp; Lift irrigation societies connected to urban/ Express feeder</b>			
Fixed charges	Per HP Rs.	60	80
	For all the energy consumed	2.50	3.50
<b>HT-3a(iii): Private LI schemes and societies other than those covered under HT3a(ii)</b>			
Fixed charges	Per HP Rs.	40	60
	For all the energy consumed	2.50	3.50
<b>HT-3(b): Irrigation &amp; agricultural farms, plantations:</b>			
	For all the energy consumed	Rs.4.50 subject to annual minimum of Rs1360/HP/Annum	Rs.5.50 subject to annual minimum of Rs1380/HP/ Annum
<b>HT-4: Residential Apartments :</b>			
Demand charges	Per KVA Rs.	120	150
	For all the energy consumed	6.40	7.40
<b>HT-5: HT Temporary Supply:</b>			
Fixed charges	Per HP Rs.	250	300
	For all the energy consumed	10.30	12.50
<b>MSEZ Supply</b>			
	For all the energy consumed	5.94	6.64