

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-20.

Particulars	Rs. In Cr.
ARR for FY-20	3511.53
ADD: Deficit of FY-18 as proposed for Annual Performance review, as per MYT norms.	641.98
Net ARR for FY-20	4153.51
Energy Sales proposed for FY-20	5134.92 MU
Avg. Cost of Supply (Rs./unit)	8.09

Sl. No.	Particulars	Rs. In Cr.
a.	Net Annual Revenue Requirement for FY-20	4153.51
b.	Revenue from existing tariff, excluding GOK subsidy	2504.60
c.	Revenue Deficit before subsidy [a-b]	1648.91
d.	Estimated GoK Subsidy for FY-18 (@ existing tariff)	942.52
e.	Net Revenue Deficit for FY-18 [c-d]	706.39

8.2 Tariff Revision Proposal:

With the present tariff charges, it is estimated that MESCOM can only realize revenue of Rs.3447.12 Cr in FY 20 against the estimated net Aggregate Annual Revenue Requirement of Rs.4153.51 Cr leaving a revenue deficit of Rs.706.39 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-18, the amount of fixed cost in the total ARR of Rs.3884.85 Cr was Rs.1516.64 Cr (as indicated below). As against this the fixed cost recovered through tariff was only Rs.313.62 Cr which means MESCOM is realizing **only 21%** of the fixed cost and remaining 79% of the fixed cost is inbuilt in the variable charges.

Fixed Cost in Power Purchase	: Rs.583.44 Cr
Transmission Charges	: Rs.218.04 Cr
O&M Cost	: Rs.488.67 Cr
Depreciation	: Rs.90.39 Cr.
Interest & Finance Charges	: Rs.136.10 Cr.
Total	: Rs.1516.64 Cr.

For the year FY-20, the fixed cost component in the projected ARR of Rs.4153.51 Cr is 1860.27 Cr (as indicated below) and the recovery of fixed charges from the existing tariff is about Rs.364.02 i.e. only 20%.

Fixed Cost in Power Purchase	: Rs.633.22 Cr
Transmission Charges	: Rs.224.37 Cr
O&M Cost	: Rs.597.00 Cr
Depreciation	: Rs.137.18 Cr.
Interest & Finance Charges	: Rs.252.04 Cr.
Total	: Rs.1843.81 Cr.

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.

Sl. No.	Tariff Category	Load Unit	Fixed / Demand Charges (Rs./Month)		
			Existing	Proposed	Hike
1	LT-1	Minimum	40	55	15
2	LT-2 (a) i	kW	50	60	10
		kW	60	70	10
3	LT-2 (a) ii	kW	35	55	20
		kW	50	65	15
4	LT-2 (b) i	kW	65	85	20
		kW	90	120	30
5	LT-2 (b) ii	kW	55	75	20
		kW	75	110	35
6	LT-3 i	kW	70	100	30
7	LT-3 ii	kW	60	80	20
8	LT-4 (a)	HP	0	0	0
9	LT-4 (b)	HP	60	80	20
10	LT-4 (c) i	HP	50	70	20
11	LT-4 (c) ii	HP	60	80	20
12	LT-5 (a)	HP	45	65	20
		HP	50	75	25
		HP	70	100	30
		HP	130	150	20
13	LT-5 (b)	HP	40	65	25
		HP	45	75	30
		HP	65	100	35
		HP	120	150	30
14	LT-6 (a)	HP	65	90	25
15	LT-6 (b)	kW	80	100	20
16	LT-7(a)	kW	200	250	50
17	LT-7(b)	kW	75	100	25
18	HT-1	kVA	200	250	50
19	HT-2 (a)	kVA	200	300	100
20	HT-2 (b)	kVA	220	300	80
21	HT-2 (c) i	kVA	200	300	100
22	HT-2 (c) ii		200	300	100
23	HT-3(a)i	HP/Annum	1360	1380	20
24	HT-3(a)ii	HP	60	80	20
25	HT-3 (b)	HP/Annum	1360	1380	20
26	HT-4	kVA	120	150	30
27	HT-5	HP	250	300	50

With the above hike in Fixed/Demand Charges, MESCOM will be above to recover about Rs.502.22 Cr in FY-20 which will be around 27% of the fixed cost component.

Energy Charges:

For FY-20, 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	6.86	8.09	1.23
2	LT-2 (a) i	3.45	4.45	1.00
		4.95	5.95	1.00
		6.50	7.50	1.00
		7.55	8.55	1.00
3	LT-2 (a) ii	3.35	4.35	1.00
		4.65	5.65	1.00
		6.20	7.20	1.00
		7.05	8.05	1.00
4	LT-2 (b) i	6.70	7.95	1.25
		7.95	9.20	1.25
5	LT-2 (b) ii	6.15	7.40	1.25
		7.40	8.65	1.25
6	LT-3 i	7.75	8.25	0.50
		8.75	9.25	0.50
7	LT-3 ii	7.25	7.75	0.50
		8.25	8.75	0.50
8	LT-4 (a)	5.31	6.94	1.63
9	LT-4 (b)	3.25	3.75	0.50
10	LT-4 (c) i	3.25	3.75	0.50
11	LT-4 (c) ii	3.25	3.75	0.50
12	LT-5 (a)	5.30	5.70	0.40
		6.25	6.65	0.40
		6.55	6.95	0.40
13	LT-5 (b)	5.20	5.60	0.40
		6.10	6.50	0.40
		6.40	6.80	0.40
14	LT-6 (a)	4.40	5.90	1.50
15	LT-6 (b)	6.05	7.55	1.50
16	LT-7(a)	10.30	12.50	2.20
17	LT-7(b)	10.30	12.50	2.20
18	HT-1	5.00	6.50	1.50
19	HT-2 (a)	6.75	7.15	0.40
		7.00	7.40	0.40

Sl. No.	Tariff Category	Energy Charges (Rs./Unit)		
		Existing	Proposed	Hike
20	HT-2 (b)	8.45	8.95	0.50
		8.55	9.05	0.50
21	HT-2 (c) i	6.60	7.85	1.25
		7.00	8.25	1.25
22	HT-2 (c) ii	7.60	8.85	1.25
		8.00	9.25	1.25
23	HT-3(a)i	2.50	3.50	1.00
24	HT-3(a)ii	2.50	3.50	1.00
25	HT-3 (b)	4.50	5.50	1.00
26	HT-4	6.40	7.40	1.00
27	HT-5	10.30	12.50	2.20
28	SEZ	5.936	6.64	0.70

With the above proposed hike, it is estimated that MESCOM will realize additional revenue to the extent of **Rs.706.39 Cr.**

Sl. No.	Particulars	Rs. In Cr.
1.	Additional Revenue due to hike in Fixed Charges / Demand Charges	138.20
2.	Additional Revenue due to hike in energy Charges	568.19
3.	Total additional revenue due to proposed revision in tariff charges (1+2)	706.39
4.	ARR for FY-20	3511.53
5.	ADD: Deficit of FY-18 as proposed for APR	641.98
6.	Net ARR for FY-20 (4+5)	4153.51
7.	Revenue from existing tariff	3447.12
8.	Net Revenue Deficit for FY-19 (6-7)	706.39
9.	Energy Sales proposed for FY-20	5134.92 MU
11.	Avg. Cost of Supply [6/9]	Rs.8.09/Unit
	Avg. per unit tariff hike required to meet total gap of 706.39 Cr	Rs.1.38/Unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	686 Ps/unit	809 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.50/- per KW	Rs.60/- per KW
For every additional KW	Rs.60/- per KW	Rs.70/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	345 Ps/unit	445 Ps/unit
For next 70 units	495 Ps /unit	595 Ps/unit
For next 100 units	650 Ps/unit	750 Ps/unit
For above 200 units	755 Ps/unit	855 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.35/- per KW	Rs.55/- per KW
For every additional KW	Rs.50/- per KW	Rs.65/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	335 Ps/unit	435 Ps/unit
For next 70 units	465 Ps /unit	565 Ps/unit
For next 100 units	620 Ps/unit	720 Ps/unit
For above 200 units	705 Ps/unit	805 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.65/- per KW	Rs.95/- per KW
Subject to a minimum of	Rs.90/- per Month	Rs.110/- per Month

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	670 Ps/unit	795 Ps/unit
For above 200 units	795 Ps/unit	920 Ps/unit

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.55/- per KW	Rs.90/- per KW
Subject to a minimum of	Rs.75/- per Month	Rs.95/- per Month

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	615 Ps/unit	740 Ps/unit
For above 200 units	740 Ps/unit	865 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.70/- per KW	Rs.100/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	775 Ps/unit	825 Ps/unit
For above 50 units	875 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.60/- per KW	Rs.80/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	725 Ps/unit	775 Ps/unit
For above 50 units	825 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	531 Ps/unit	694 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.60/- per HP	Rs.80/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	375 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.50/- per HP	Rs.70/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	375 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.60/- per HP	Rs.80/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	325 Ps/unit	375 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.45/- per HP	Rs.65/- per HP
For above 5 HP & below 40 HP	Rs.50/- per HP	Rs.70/- per HP
For 40 HP & above but below 67 HP	Rs.70/- per HP	Rs.100/- per HP
For 67 HP & above	Rs.130/- per HP	Rs.150/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	530 Ps/unit	570 Ps/unit
For next 500 units	625 Ps/unit	665 Ps/unit
For above 1000 units	655 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.40/- per HP	Rs.65/- per HP
For above 5 HP & below 40 HP	Rs.45/- per HP	Rs.75/- per HP
For 40 HP & above but below 67 HP	Rs.65/- per HP	Rs.100/- per HP
For 67 HP & above	Rs.120/- per HP	Rs.150/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	520 Ps/unit	560 Ps/unit
For next 500 units	610 Ps/unit	650 Ps/unit
For above 1000 units	640 Ps/unit	680 Ps/unit

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every HP	Rs.65/- per HP	Rs.90/- per HP

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	440 Ps/unit	590 Ps/unit

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KW	Rs.80/- per KW	Rs.100/- per KW

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	605 Ps/unit	755 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:	1030 Ps/unit subject to a weekly minimum of Rs.200/ KW of sanctioned load	1250 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.75 per KW/month. Energy Charges at 1030 Ps/unit.	Fixed Charges at Rs.100 per KW/month. Energy Charges at 1250 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.200/- per KVA of billing demand	Rs.250/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	500 Ps/unit	650 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.200/- per KVA of billing demand	Rs.300/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	675 Ps/unit	715 Ps/unit
For above one lakh units	700 Ps/unit	740 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.220/- per KVA of billing demand	Rs.300/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For two one lakh units	845 Ps/unit	895 Ps/unit
For above two lakh units	855 Ps/unit	905 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.200/- per KVA of billing demand	Rs.300/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	660 Ps/unit	785 Ps/unit
For above one lakh units	700 Ps/unit	825 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.200/- per KVA of billing demand	Rs.300/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	760 Ps/unit	885 Ps/unit
For above one lakh units	800 Ps/unit	925 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
250 Ps/ unit subject to an annual min. of Rs.1360 per HP.	350 Ps/ unit subject to an annual min. of Rs.1380 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.60/- per HP of sanctioned load	Rs.80/- per HP of sanctioned load

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	250 Ps/unit	350 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	250 Ps/unit	350 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
450 Ps/unit subject to an annual min. of Rs.1360 per HP.	550 Ps/unit subject to an annual min. of Rs.1380 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.120/- per KVA of billing demand	Rs.150/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	640 Ps/unit	740 Ps/unit

8.18 HT-5 (HT Temporary Supply):

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For every KVA	Rs.250/- per KVA of billing demand	Rs.300/- per KVA of billing demand

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	1030 Ps/unit	1250 Ps/unit

8.19 MSEZ TARIFF:

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	594 Ps/unit	664 Ps/unit

8.20 The proposed Tariff schedule for FY-20 along with GENERAL TERMS & CONDITIONS is detailed in Chapter-8. 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-2018.

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

Particulars	FY-20 (Rs. In Cr.)	
	@ Existing Tariff as per T.O.-2018	@ Proposed Tariff
LT-1: BJ/KJ (= < 40 units)	23.47	27.68
LT-2a: Domestic	5.81	7.20
LT-2b: Private Edu. Institutions	846.08	1028.72
LT-3: Commercial	12.25	14.81
LT-4a: IP Sets-10HP & below	370.22	403.70
LT-4b: IP Sets-Above 10HP	919.05	1201.18
LT-4c: Nurseries/Coffee/Tea	0.68	0.86
LT-5: Industrial	5.10	6.34
LT-6: Water Supply	110.74	128.50
LT-6: Street Lights	64.55	86.22
LT-7 (a): Temporary	48.37	60.00
LT-7 (b): Temporary	34.39	43.88
LT-Total:	2440.71	3009.09

Particulars	FY-19 (Rs. In Cr.)	
	@ Existing Tariff as per T.O.-2017	@ Proposed Tariff
HT-1: Water Supply	54.64	70.71
HT-2a: Industrial	507.54	577.97
HT-2b: Commercial	201.25	220.72
HT-2c: Edu.Inst. & Hospitals	114.43	137.26
HT-3a: LI Schemes	9.08	11.47
HT-3b: LI Schemes	0.17	0.19
HT-4: Residential Apartments	15.27	17.80
HT-5: Temporary Supply	7.08	8.58
Supply to MSEZ	23.51	26.28
HT-Total:	932.97	1070.98
Miscellaneous	73.44	73.44
GRAND TOTAL:	3447.12	4153.51

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	634.91	Cr.
Energy Sales	5134.92	MU
Wheeling charges	124	Paise/unit
Wheeling charges for HT Net work (30%)	37	Paise/unit
Wheeling charges for LT Net work (70%)	87	Paise/unit

Accordingly, MESCOM proposes wheeling charges in cash for HT net work and LT net work as 37 paise/unit and 87 paise/unit, respectively, for MESCOM.

8.22.2 Wheeling Charges in Kind (Technical Loss compensation): The proposed distribution loss for MESCOM for FY-20 is 11.20%. 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 net work and LT net work as 4.37% and 6.79%, 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-19 as follows.

FY-19 (Projections @ proposed tariff)						Rs./Unit	
Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-4	HT-5	
11 kV	-	1.91	2.13	2.00	-	1.09	
33 kV	-	1.90	2.13	2.00	-	1.01	
66 kV & above	-	1.71	2.13	2.00	-	0.82	

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

Calculation Sheet enclosed as **Annexure-3**.

8.23 Green Tariff:

In the Tariff Order 2017, 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-4(a)**.

8.25 Cross Subsidy as per proposed tariff:

Calculation Sheet enclosed as **Annexure-4(b)**.

8.26 Additional Surcharge proposed:

MESCOM is proposing the additional surcharge to be recovered from HT consumers for the energy catering from open access / wheeling & banking arrangement, as below;

Fixed and Energy charges component in the revenue from HT & LT consumers, as projected for FY-20:

	LT Consumers	HT Consumers
Fixed Charges	302.05	200.17
Energy Charges	2707.04	870.81
Total	3009.09	1070.98
% of Fixed Charges	10.04%	18.69%
% of Energy Charges	89.86%	81.31%

As such, out of the total proposed fixed cost of Rs.1843.81 Cr, the proportionate fixed cost that is required to be realized from HT consumers is 18.69% of Rs.1860.27 Cr i.e. Rs.344.61 Cr.

Hence, the additional surcharge proposed to be realized from the HT consumers for the consumption catering through open access / wheeling & banking arrangement is estimated as follows;

Fixed cost to be recovered from HT consumers for FY-20	344.61
Fixed Charges proposed to be recovered in FY-20	200.17
Difference	144.44
Energy Sales for HT consumers proposed for FY-20	1137.80
Additional Surcharge / unit	Rs.1.27

Hon'ble Commission may kindly consider the additional surcharge as estimated above to be collected from HT consumers for the consumption catering through open access / wheeling & banking arrangement.

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