

## CHAPTER-10

### NEW PROPOSALS

#### 1. **Special Incentive Scheme:**

In the Tariff Order 2018, Hon'ble Commission has approved a Special Incentive Scheme to HT-1, HT-2a, HT-2b and HT-2c consumers. Features of the scheme are;

- The installation of the consumers should have TOD metering to record four consumption time slots 06.00 Hrs to 10.00 Hrs, 10.00 Hrs to 18.00 Hrs, 18.00 Hrs to 22.00 Hrs and 22.00 Hrs to 06.00 Hrs.
- Base consumption is to be fixed for the time slot 10.00 Hrs to 18.00 Hrs. The consumption above the base consumption will be eligible for a rebate of Rs.1/- per unit for the consumption in that time slot.
- The installations opted for Special Incentive Scheme will automatically become eligible for a reduced tariff (TOD tariff) of Rs.2/- unit for the entire night consumption i.e. recorded between 22.00 Hrs to 06.00 Hrs.
- The consumers who are catering their energy requirement party from open access also (i.e. from IEX or w&b arrangement) eligible for the scheme.

Impact study in respect of an industrial area at Mangaluru reveals that the consumers have opted for special incentive scheme and getting benefit of reduced tariff @ Rs.2/- per unit for their night consumption even without considerable increase in their consumption either at day hours or night hours or overall consumption. This pattern of consumption is only adding to the extra financial burden to MESCOM hardly adding any increase to the overall consumption.

#### MESCOM's Impact Study:

MESCOM has considered the installations opted for Special Incentive Scheme at Baikmapady sub division of Mangaluru. Baikampady sub division is the major industry concentrated area of MESCOM.

In Baikampady Sub division 12 industrial consumers are opted for Special Incentive Scheme. The details are enclosed in **Annexure-5**. The extract of the study is indicated below;

<b>Particulars</b>	
No. of consumers opted for the Scheme	12 no.s
Consumption In the month of Oct-2018	14,65,947 kWh
Base Consumption	4,89,283 kWh
Increase In Day consumption over base consumption	46,433 kWh
Energy Charges <b>BEFORE</b> applying Incentive Scheme	Rs.100.29 lakh
Energy Charges <b>AFTER</b> applying Incentive Scheme	Rs.95.16 lakh
Additional rebate/incentive extended	Rs.5.13 lakh
Consumption in the month of Apr-18	14,23,163 kWh
Increase in overall consumption in Oct-18 compared to consumption in Apr-18	42,784 kWh

From the above position, it may be observed that the increase in day consumption with reference to base consumption is only 46,433 units and only 42,784 units compared to total consumption in Apr-18, which is only about 3% of the total consumption. But, the financial gain by the consumers is worked out to be about Rs.11/- per unit.

Hence, MESCOM is requesting the Hon'ble Commission to revise the modality of the scheme to the extent that;

- ✓ In addition to fixing base consumption to the day off peak hours, the base consumption should be fixed for the overall total monthly consumption also.
- ✓ The consumption above the base day off peak consumption will be eligible for a rebate of Rs.1/- per unit for the consumption in that time slot.
- ✓ If the consumers happen to increase their overall monthly consumption compared to overall total monthly base consumption, for the night off peak consumption the incentive over & above the TOD tariff may be extended as below

- If the total monthly consumption increases upto 10% of the overall base consumption then a rebate of 50 paise / unit for all the night consumption.
- If the total monthly consumption increases above 10% but upto 15% of the overall base consumption then a rebate of 100 paise / unit for all the night consumption.
- If the total monthly consumption increases above 15% of the overall base consumption then a rebate of 150 paise / unit for all the night consumption.

**2. Tariff classification required for religious institutions under HT category:**

It has been observed that there is no specific tariff classification for the religious institutions for which service connections were obtained / are obtaining under HT category. In MESCOM area some of the field officers are classifying the installations belonging to temples, churches and other religious institutions either under HT-2b category or HT-4 category.

In this regard, it is to be submitted that under LT category such installations are classified under LT-2a – Domestic category. As such, in respect of HT category, it may be appropriate to classify such of the installations under HT-4 tariff which is being applied to residential installations.

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