

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-18.

Particulars	Rs. In Cr.
ARR for FY-18	3104.57
ADD: Deficit of FY-16 as proposed for Annual Performance review, as per MYT norms.	453.52
Net ARR for FY-18	3558.09
Energy Sales proposed for FY-18 (excluding KPCL/wheeling Consumption.)	4732.64 MU
Avg. Cost of Supply (Rs./unit)	7.52

Sl. No.	Particulars	Rs. In Cr.
a.	Net Annual Revenue Requirement for FY-18	3558.09
b.	Revenue from existing tariff, excluding revenue from LT-1 & LT-4a categories.	2209.20
c.	Revenue Deficit before subsidy [a-b]	1348.89
d.	Estimated GoK Subsidy for FY-18 (@ existing tariff)	648.44
e.	Net Revenue Deficit for FY-18 [c-d]	700.45

8.2 Tariff Revision Proposal:

With the present tariff charges, it is estimated that MESCOM can only realize revenue of Rs.2857.64 Cr in FY 18 against the estimated net Aggregate Annual Revenue Requirement of Rs.3558.09 Cr leaving a revenue deficit of Rs.700.45 Cr. In order to bridge the gap, upward revision of tariff charges is inevitable.

MESCOM is proposing here below for a uniform tariff increase of Ps.148 per unit across all categories, including LT-1(BJ/KJ) & LT-4a (IP sets 10HP & below). With this increase, MESCOM will be able to bridge the revenue gap of Rs.700.45 Cr.

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	601 Ps/unit	749 Ps/unit

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

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	300 Ps/unit	448 Ps/unit
For next 70 units	440 Ps /unit	588 Ps/unit
For next 100 units	590 Ps/unit	738 Ps/unit
For above 200 units	690 Ps/unit	838 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 30 units	290 Ps/unit	438 Ps/unit
For next 70 units	410 Ps /unit	558 Ps/unit
For next 100 units	560 Ps/unit	708 Ps/unit
For above 200 units	640 Ps/unit	788 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):

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	625 Ps/unit	773 Ps/unit
For above 200 units	745 Ps/unit	893 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 200 units	570 Ps/unit	718 Ps/unit
For above 200 units	690 Ps/unit	838 Ps/unit

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

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	715 Ps/unit	863 Ps/unit
For above 50 units	815 Ps/unit	963 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 50 units	665 Ps/unit	813 Ps/unit
For above 50 units	765 Ps/unit	913 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	473 Ps/unit	621 Ps/unit



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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	280 Ps/unit	428 Ps/unit

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

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	280 Ps/unit	428 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	280 Ps/unit	428 Ps/unit

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

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	495 Ps/unit	643 Ps/unit
For next 500 units	585 Ps/unit	733 Ps/unit
For above 1000 units	615 Ps/unit	763 Ps/unit



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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first 500 units	485 Ps/unit	633 Ps/unit
For next 500 units	570 Ps/unit	718 Ps/unit
For above 1000 units	600 Ps/unit	748 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	390 Ps/unit	538 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	550 Ps/unit	698 Ps/unit

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

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
Less than 67 HP:	950 Ps/unit subject to a weekly minimum of Rs.170 / KW of sanctioned load	1098 Ps/unit subject to a weekly minimum of Rs.170 / KW of sanctioned load

8.11.2 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.50 per KW/month. Energy Charges at 950 Ps/unit.	Fixed Charges at Rs.50 per KW/month. Energy Charges at 1098 Ps/unit.

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	450 Ps/unit	598 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	620 Ps/unit	768 Ps/unit
For above one lakh units	660 Ps/unit	808 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For two one lakh units	785 Ps/unit	933 Ps/unit
For above two lakh units	815 Ps/unit	963 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.:

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	600 Ps/unit	748 Ps/unit
For above one lakh units	650 Ps/unit	798 Ps/unit

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For first one lakh units	700 Ps/unit	848 Ps/unit
For above one lakh units	750 Ps/unit	898 Ps/unit

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

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

Energy charges per unit:

EXISTING TARIFF	PROPOSED TARIFF
200 Ps/ unit subject to an annual min. of Rs.1120 per HP.	348 Ps/ unit subject to an annual min. of Rs.1120 per HP.

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	200 Ps/unit	348 Ps/unit

8.15.3 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	200 Ps/unit	348 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
400 Ps/unit subject to an annual min. of Rs.1120 per HP.	548 Ps/unit subject to an annual min. of Rs.1120 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):**

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	585 Ps/unit	733 Ps/unit

8.18 **HT-5 (HT Temporary Supply):**

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	950 Ps/unit	1098Ps/unit

8.19 **MSEZ TARIFF:**

In the Tariff Order dated 30th March 2016 the Hon'ble Commission has determined the tariff of Rs.5.63 for MSEZ payable to MESCOM.

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF
For all units consumed	563 Ps/unit	711 Ps/unit

8.20 The proposed Tariff schedule for FY-18 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-2016.

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

Particulars	FY-18 (Rs. In Cr.)	
	@ Existing Tariff as per T.O.-2016	@ Proposed Tariff
LT-1: BJ/KJ (=< 18 units)	8.79	10.96
LT-1: BJ/KJ (> 18 units)	11.24	15.73
LT-2a: Domestic	700.42	910.21
LT-2b: Private Edu. Institutions	12.10	14.70
LT-3: Commercial	312.74	368.34
LT-4a: IP Sets-10HP & below	639.65	839.79
LT-4b: IP Sets-Above 10HP	0.65	0.78
LT-4c: Nurseries/Coffee/Tea	3.22	4.16
LT-5: Industrial	98.26	119.37
LT-6: Water Supply	51.94	70.10
LT-6: Street Lights	44.54	54.70
LT-7: Temporary	29.49	32.39
LT-Total:	1913.04	2441.23
HT-1: Water Supply	44.84	58.00
HT-2a: Industrial	454.20	543.18
HT-2c: Edu.Inst. & Hospitals	185.04	216.52
HT-2b: Commercial	154.64	184.88
HT-3a: LI Schemes	4.75	5.99
HT-3b: LI Schemes	0.16	0.20
HT-4: Residential Apartments	12.64	15.60
HT-5: Temporary Supply	9.24	10.57
Supply to MSEZ	10.74	13.57
HT-Total:	876.25	1048.51
Miscellaneous	68.35	68.35
GRAND TOTAL:	2857.64	3558.09

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 changes 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	540.64	Cr.
Energy Sales (excluding KPCL/wheeling consumption)	4732.64	MU
Wheeling charges	114	Paise/unit
Wheeling charges for HT Net work (30%)	34	Paise/unit
Wheeling charges for LT Net work (70%)	80	Paise/unit

Accordingly, MESCOM proposes wheeling charges in cash for HT net work and LT net work as 34 paise/unit and 80 paise/unit, respectively, for MESCOM.

8.22.2 Wheeling Charges in Kind (Technical Loss compensation): The proposed distribution loss for MESCOM for FY-18 is 11.05%. 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 4.40% and 5.27%, respectively.

8.22.3 Cross Subsidy Surcharge:

GOI has notified revised Tariff Policy dated 28-01-2016 in which the Cross Subsidy Surcharge has modified as follows;

$$S = T - [C / (1 - L/100) + D + R]$$

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase

Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Accordingly, MESCOM has computed the cross subsidy surcharge for different voltage levels as follows.

FY-16 (Actuals)		Ps./Unit				
Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-4	HT-5
11 kV	-90	154	275	170	54	515
33 kV	-119	125	246	141	26	486
66 kV & above	-127	118	238	134	18	479

FY-18 (Projections @ existing tariff)		Ps./Unit				
Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-4	HT-5
11 kV	-4	247	362	248	123	519
33 kV	-27	224	339	225	100	496
66 kV & above	-34	218	332	219	94	490

FY-18 (Projections @ proposed tariff)		Ps./Unit				
Voltage Class	HT-1	HT-2a	HT-2b	HT-2c	HT-4	HT-5
11 kV	144	395	510	396	271	667
33 kV	121	372	487	373	248	644
66 kV & above	114	366	480	367	242	638

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

8.23

Green Tariff:

In the Tariff Order 2015, 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)**.

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