

CHAPTER-8

TARIFF REVISION PROPOSAL

8.1 Revenue Deficit

MESCOM has considered the Aggregate Revenue Requirement for FY23 as follows;

Sl. No.	Particulars	Rs. In Cr.
a.	Total Expenses for FY23	4175.93
b.	Return on Equity	186.02
c.	APR gap of FY21	473.25
d.	Regulatory Asset as per TO-2020	61.46
e.	Other Income	(96.73)
f.	Total ARR estimated for FY23	4799.93

Considering the Aggregate Revenue Requirement, as above, revenue deficit for FY23 would be as indicated in the below table;

Particulars	Rs. In Cr.
Aggregate Revenue Requirement for FY23	4799.93
Energy Sales proposed for FY23 (excluding KPCL)	5416.28 MU
Avg. Cost of Supply (Rs./unit)	8.86

Sl. No.	Particulars	Rs. In Cr.
a.	Aggregate Revenue Requirement for FY23	4799.93
b.	Revenue from existing tariff, excluding GOK subsidy	2955.56
c.	Revenue Deficit before subsidy [a-b]	2041.95
d.	Estimated GoK Subsidy for FY23 (@ existing tariff)	1126.16
e.	Net Revenue Deficit for FY23 [c-d]	718.21

8.2 Tariff Revision Proposal:

With the present tariff charges, it is estimated that MESCOM can only realize revenue of Rs.4081.72 Cr in FY23 against the estimated Aggregate Annual Revenue Requirement of Rs.4799.93 Cr leaving a revenue deficit of Rs.718.21 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.

8.3 Increase in Fixed / Demand Charges and energy charges for HT category:

Increased Open Access / wheeling & banking transactions by the HT consumers are substantially impacting the finances of ESCOMs. The prime issues that are coming up in the course of operationalization of Open Access / wheeling & banking transactions as below;

- a. Frequent shifting of Open Access consumers: Due to this it is unable to manage power procurement efficiently.
- b. Cross Subsidy Surcharge: CSS determined by the Hon'ble Commission is insufficient to recover the entire loss of cross subsidy.
- c. Group captive consumers: The number of group captive consumers is increased over the years. The group captive consumers are exempted from paying cross subsidy surcharge and additional surcharge. The actual consumption by each of the captive user is only calculated at the end of the year. Even if the captive user does not comply with the conditions of group captive he enjoys the benefit till the end of year. This results in financial loss to the Company.
- d. Although two part tariff has been introduced, the structuring of fixed and variable components of tariff is not reflective of the actual proportion of fixed and variable cost liability. As the fixed/demand charges is substantially less and energy charges is more, many HT Consumers are moving away from grid and opting for Open Access.
- e. Under the two-part tariff mechanism, the total expenditure of distribution company can be divided into two parts viz., Fixed Cost and Variable Cost. The Marginal Costing principles which envisage two part cost bifurcation envisages recovery of fixed cost in full at the first instance (which is termed as contribution) followed by recovery of variable cost. Accordingly, the loss area, break-even point, profit area and margin of safety are computed to ascertain the performance and its impact.
- f. The Fixed expenditure of MESCOM is contributing 57% of the total cost and Variable expenditure contributing 43% of the total cost.
- g. Breakup of Fixed and variable charges approved and actual as per accounts for FY21 is tabulated below:

Particulars	Approved (Rs.in Cr.)			Actuals (Rs.in Cr.)		
	Fixed	Variable	Total	Fixed	Variable	Total
Generation	737.05	1851.50	2588.55	790.90	1779.21	2570.11
Transmission	538.61		538.61	538.69		538.69
Distribution	884.17		884.17	1014.32		1014.32
Total	2159.83	1851.50	4011.33	2343.91	1779.21	4123.12
Sales in MU			5265.65			5051.39
Composition per unit cost (Rs./Unit)	4.10	3.52	7.62	4.64	3.52	8.16
	54%	46%	100%	57%	43%	100%

The revenue realization through retail power tariff should have been in the above proportion. However, the Revenue earned from tariff comprise of Fixed cost recovery at 13% and Variable cost collected is 87% of the total receipt.

Breakup of fixed/demand charges and Energy charges received for FY21 is tabulated below:
Rs.in Cr.

Particulars	Fixed / Demand Charges	Variable Charges	Total
LT consumers	314.66	2329.47	2644.13
HT consumers	170.18	730.70	900.88
Misc.,	-	104.86	104.86
Total	484.84	3165.03	3649.87
	13%	87%	100%

Since the contribution of fixed charges is only 13% of the average realization rate the balance i.e. 44% (57%-13%) is concealed in the energy charges. Hence, the energy charge seems to be on a higher side. This is foremost reason for tapping HT consumers by generators. If the Demand/Fixed charges which is masked in the energy charges are separated then the variable cost can be reduced. Hence, it is proposed for increasing the fixed charges for HT consumers.

Change in the approved sales mix also affects the cross subsidy level. If there is any reduction in sales under HT tariff, loss on account of fixed charges is at the larger extent and this will further worsen the cross subsidy level.

In order to reflect the actual share of fixed cost in the revenue requirement of Distribution licensees, there is need to enhance recovery through fixed charges. The fixed charge shall be so set that it leads to recovery of 100% of the fixed costs of Distribution Licensees.

The above concern of ESCOMs is also highlighted in the recently issued Draft Amendments to Tariff Policy, 2018, which reads as below:

“In order to reflect the actual share of fixed cost in the revenue requirement of Distribution licensees, there is need to enhance recovery through fixed charges. The fixed charge shall be so set that it leads to recovery of at least 50% of the fixed costs in case of Domestic and Agriculture categories and at least 75% recovery of fixed costs in case of other categories progressively over next three years. The SERCs and JERCs shall lay down a roadmap to achieve the same.”

Increasing tariff by increasing energy charges instead of fixed/ demand charges would result into steep fluctuations in revenue with varying consumption over time. It would also affect MESCOM ability to meet the fixed charges obligation.

Position of recovery of fixed charges and energy charges for FY21 as per tariff schedule approved in TO-2020 is detailed in the below table;

Tariff	No. of Consumers	Load in KVA /HP	MU	Rate /kVA/ HP	Rs. in Cr.			Rs./unit		
					Dem. Charge	Energy Charge	Total	ARR	Energy Charge/unit	
HT-1	121	28894	100.79	220	6.78	55.94	62.72	6.22	5.55	
HT2a	993	393686	550.54	220	96.37	404.84	501.21	9.10	7.35	
HT2b	806	131498	140.44	240	34.87	127.17	162.04	11.54	9.06	
HT2c	323	72287	89.81	220	17.70	72.41	90.11	10.03	8.06	
HT-3	34	140357	95.59		24.15	29.67	53.82	5.63	3.10	
HT-4	67	10742	20.73	140	1.70	14.51	16.21	7.82	7.00	
HT-5	19	4761	2.29	275	1.71	2.54	4.25	18.56	11.09	
Total	2363	782225	1000.19		183.28	707.08	890.36	8.90	7.07	
% of recovery of Fixed and Energy Charges					21%	79%	100%			

Expected revenue proposition of fixed charges (57%) and energy charges (43%) as per actual expenditure incurred is tabulated below;

Tariff	No. of Consumers	Load in KVA /HP	MU	Rs.in Cr			Rs/ unit	Rs/ kVA	Rs/ unit
				Dem. Charge	Energy Charge	Total	ARR	Per KVA	Energy Charge /unit
HT-1	121	28894	100.79	35.75	26.97	62.72	6.22	1031	2.68
HT2a	993	393686	550.54	285.69	215.52	501.21	9.10	605	3.91
HT2b	806	131498	140.44	92.36	69.68	162.04	11.54	585	4.96
HT2c	323	72287	89.81	51.36	38.75	90.11	10.03	592	4.31
HT-3	34	140357	95.59	30.68	23.14	53.82	5.63	182	2.42
HT-4	67	10742	20.73	9.24	6.97	16.21	7.82	717	3.36
HT-5	19	4761	2.29	2.42	1.83	4.25	18.56	424	7.99
Total	2363	782225	1000.19	507.50	382.86	890.36	8.90	541	3.83
% of recovery of Fixed and Energy Charges				57%	43%	100%			

On the basis of the above analysis, it is proposed to revise the demand charges and energy charges for the HT consumers, as below, to avoid the loss of fixed charges if the consumers opt for open access.

HT-Demand / Fixed Charges:

Sl. No.	Tariff Category	Load Unit	Demand / Fixed Charges (Rs./Month)		
			Existing	Proposed	Hike
1	HT-1	Per KVA	230	400	170
2	HT-2 a	Per KVA	240	600	360
3	HT-2b	Per KVA	260	600	340
4	HT-2ci	Per KVA	240	600	360
5	HT-2cii	Per KVA	240	600	360
6	HT-3ai	Minimum / HP / Annum	1720	2000	280
7	HT-3aaii	Per HP / month	95	150	55
8	HT-3aiii	Per HP / month	75	150	75
9	HT-3b	Minimum / HP / Annum	1780	2000	220
10	HT-4	Per KVA	155	300	145
11	HT-5	Per KVA	300	600	300

HT-Energy Charges:

Sl. No.	Tariff Category	Load Unit	Demand / Fixed Charges (Rs./Month)		
			Existing	Proposed	Hike
1	HT-1	All units	5.55	6.50	0.95
2	HT-2 a	1 st Slab upto 1 lakh units	7.30	5.00	-2.30
		2 nd Slab above 1 lakh units	7.55	5.00	-2.55
3	HT-2b	1 st Slab upto 2 lakh units	9.00	6.00	-3.00
		2 nd Slab above 2 lakh units	9.10	6.00	-3.10
4	HT-2ci	1 st Slab upto 1 lakh units	7.15	5.50	-1.65
		2 nd Slab above 1 lakh units	7.55	5.50	-2.05
5	HT-2cii	1 st Slab upto 1 lakh units	8.15	6.00	-2.15
		2 nd Slab above 1 lakh units	8.55	6.00	-2.55

6	HT-3ai	All units	3.10	4.00	0.90
7	HT-3aii	All units	3.10	4.00	0.90
	HT-3aiiii	All units	3.10	4.00	0.90
8	HT-3b	All units	5.10	6.00	0.90
9	HT-4	All units	7.00	8.00	1.00
10	HT-5	All units	11.10	12.00	0.90
11	MSEZ	All units	6.839	6.839	-

Revenue @ Existing Tariff Charges for FY23 (as per TO-2021)								
[Projected energy sales and number of installations for FY23 considered, Ref. D21]								
	Per KVA / HP (Rs./KVA)	Per unit Tariff (Rs./unit)	Demand Charge (Rs. in Cr)	Energy Charge (Rs. in Cr)	Total (Rs. in Cr)	Per unit Demand Charge (Rs./unit)	Per unit energy charge (Rs./unit)	ARR (Rs./unit)
HT-1	230	5.55	7.56	60.08	67.64	0.70	5.55	6.25
HT2a	240	7.30 7.55	107.63	418.49	526.12	1.89	7.35	9.24
HT2b	260	9.00 9.10	39.11	133.97	173.08	2.64	9.06	11.70
HT2ci	240	7.15 7.55	5.75	21.77	27.52	1.92	7.27	9.19
HT2cii	240	8.15 8.55	13.69	58.63	72.32	1.96	8.38	10.34
HT-3ai	1720	3.10	24.06	29.57	53.63	2.52	3.10	5.62
HT-3b	1780	5.10	0.09	0.10	0.19	4.50	5.00	9.50
HT-4	155	7.00	1.83	15.34	17.17	0.84	7.00	7.84
HT-5	300	11.10	1.71	2.54	4.25	7.47	11.09	18.56
Total			201.43	740.49	941.92	1.92	7.09	9.01

Revenue @ proposed Tariff Charges for FY23								
[Projected energy sales and number of installations for FY23 considered, Ref. D21]								
	Per KVA / HP (Rs./KVA)	Per unit Tariff (Rs./unit)	Demand Charge (Rs. in Cr)	Energy Charge (Rs. in Cr)	Total (Rs. in Cr)	Per unit Demand Charge (Rs./unit)	Per unit energy charge (Rs./unit)	ARR (Rs./unit)
HT-1	400	6.50	13.15	70.37	83.52	1.21	6.50	7.71
HT2a	600	5.00 5.00	269.45	284.55	554.00	4.73	5.00	9.73
HT2b	600	6.00 6.00	90.28	88.77	179.05	6.10	6.00	12.10
HT2ci	600	5.50 5.50	14.61	16.48	31.09	4.88	5.50	10.38
HT2cii	600	6.00 6.00	34.30	41.96	76.26	4.91	6.00	10.91
HT-3ai	2000	4.00	27.97	38.16	66.13	2.93	4.00	6.93
HT-3b	2000	6.00	0.10	0.12	0.22	5.00	6.00	11.00
HT-4	300	8.00	3.53	17.53	21.06	1.61	8.00	9.61

HT-5	600	12.00	3.43	2.75	6.18	14.98	12.01	26.99
Total			456.82	560.69	1017.51	4.37	5.37	9.74

Tariff	Composition of Demand Charges and Energy Charges in the ARR						Average Hike Proposed (Rs./unit)
	EXISTING			AS PROPOSED			
	Demand Charges	Energy Charges	ARR	Demand Charges	Energy Charges	ARR	
HT-1	11.20%	88.80%	100%	15.69%	84.31%	100%	1.46
HT2a	20.45%	79.55%	100%	48.61%	51.39%	100%	0.49
HT2b	22.56%	77.44%	100%	50.41%	49.59%	100%	0.40
HT2ci	20.89%	79.11%	100%	47.01%	52.99%	100%	1.19
HT2cii	18.96%	81.04%	100%	45.00%	55.00%	100%	0.57
HT-3ai	44.84%	55.16%	100%	42.28%	57.72%	100%	1.31
HT-3b	47.37%	52.63%	100%	45.45%	54.55%	100%	1.50
HT-4	10.71%	89.29%	100%	16.75%	83.25%	100%	1.77
HT-5	40.25%	59.75%	100%	55.50%	44.50%	100%	8.43
Total	21.31%	78.69%	100%	44.87%	55.13%	100%	0.73

MESCOM has proposed single slab energy charges for HT-2a, HT-2b and HT-2c categories unlike two slabs in the existing tariff structure.

The Hon'ble Commission is requested to increase the demand charges at least for the HT consumers. This will not only help MESCOM to charge reflective proportion of fixed cost but also helps in developing the competence to participate in the open market to attract the consumers.

To substantiate the proposed change in structure of tariff, MESCOM has collected the details of demand charges prevailing in other States. The following table indicates the Demand Charges for HT Industrial category consumers prevailing in other States. MESCOM submits that the fixed/demand charges in the neighboring/other states are relatively higher than those approved for MESCOM. Such charges eventually lead to appropriate fixed charge recovery for these States.

Madhya Pradesh:

Sub-Category of consumer	Monthly Fixed Charge (Rs./kVA of billing demand per month)	Energy Charge for consumption up to 50% load factor (paise/ unit)	Energy Charge for consumption in excess of 50% load factor (paise /unit)
Industrial			
11 kV supply	347	710	610
33 kV supply	570	705	600
132 kV supply	660	662	565
220/400kV supply	660	620	520
Non-Industrial			
11 kV supply	327	745	655
33 kV supply	470	725	630
132 kV supply	560	680	570
Shopping malls			
11 kV supply	336	725	650
33 kV supply	388	715	610
132 kV supply	520	665	590
Power intensive industries			

33 kV supply	580	540	540
132 kV supply	710	517	517
220 kV supply	710	510	510

Kerala:

HT-1(A)-Industries	
Demand Charges Rs. /Unit	340
Energy Charges Rs. /Unit	5.75

Andhra Pradesh:

HT-I(A): General		Fixed/Demand Charges / Month (Rs.)	Energy Charges Rs./Unit
132 KV and above	kVAh	475	5.40
33 KV	kVAh	475	5.85
11 KV	kVAh	475	6.30

Tamil Nadu:

Category	Rs. / KVA	Rs. / Unit
HT Industries (HT-1A)		
Fixed charges	350/kva/month	
Energy charges		6.35
Railway traction		
Fixed charges	300/kva/month	
Energy charges		6.35
Govt. Educational institution		
Fixed charges	350/kva/month	
Energy charges		6.35
Pvt. Educational institution		
Fixed charges	350/kva/month	
Energy charges		6.35
HT commercial		
Fixed charges	350/kva/month	
Energy charges		8.00

Maharashtra (Mahadiscom)

HT industrial

Consumer Category	Demand Charge (Rs/ kVA/ month)	Energy Charge (Rs/kWh)
HT I: HT - Industry		
HT I (A): Industry - General	432	6.96
HT I (B): Industry - Seasonal	432	7.22

HT Commercial

Consumer Category	Demand Charge (Rs/ kVA/ month)	Energy Charge (Rs/kWh)
All Units	432	11.20

Telangana:

HT-I(A): Industries	Fixed/Demand Charges Rs./	Energy Charges Rs. /Unit

		Month	
132 KV and above	kVAh	390	5.65
33 KV	kVAh	390	6.15
11 KV	kVAh	390	6.65

Gujrat (Dakshin Gujrat Vij Company Limited)

Sl. No.	Particulars	Fixed Charges (in Rs. per kVA per Month)	Energy Charges (in Rs. per unit)
A	Up to 499 kVA of billing demand	150	4.00
B	For billing demand above 499 kVA and up to 2500 kVA	260	4.20
C	For billing demand above 2500 kVA	475	4.30
D	For billing demand in excess over the contract demand	555	As above

8.4 Increase in Fixed Charges and energy charges for LT category:

In respect of LT category, MESCOM proposes to increase fixed charges and energy charges as indicated in the below table;

LT-Fixed Charges:

Sl. No.	Tariff Category	Load Unit	Fixed Charges (Rs./Month)		
			Existing	Proposed	Hike
1	LT-1	Minimum	60	75	15
2	LT-2 (a) i	For 1st KW	85	85	-
		For additional KW upto & inclusive of 50 KW	95	200	105
		For additional KW above 50 KW	150	250	100
3	LT-2 (a) ii	For 1st KW	70	75	5
		For additional KW upto & inclusive of 50 KW	85	175	90
		For additional KW above 50 KW	140	225	85
4	LT-2 (b) i	Minimum	125	175	75
		Per KW upto & inclusive of 50 KW	100	225	100
		For additional KW upto & inclusive of 50 KW	155	225	70
5	LT-2 (b) ii	Minimum	110	150	60
		Per KW upto & inclusive of 50 KW	90	200	90
		For additional KW upto & inclusive of 50 KW	145	200	55
6	LT-3 i	Per KW upto & inclusive of 50 KW	105	175	70
		For additional KW upto & inclusive of 50 KW	205	275	70
7	LT-3 ii	Per KW upto & inclusive of 50 KW	95	150	55
		For additional KW upto & inclusive of 50 KW	195	250	55
8	LT-4 (a)	Per HP	-	-	-
9	LT-4 (b)	Per HP	90	150	60
10	LT-4 (c)	Per HP	80	175	95
12	LT-5 (a)	For 5 HP & below	75	125	50
		For above 5 HP & below 40 HP	85	150	65
		For above 40 HP & below 67 HP	105	175	70
		For above 67 HP & below 100 HP	170	225	55
		For above 100 HP	200	275	75
13	LT-5 (b)	For 5 HP & below	65	100	35

		For above 5 HP & below 40 HP	80	125	45
		For above 40 HP & below 67 HP	100	150	50
		For above 67 HP & below 100 HP	155	200	45
		For above 100 HP	185	250	65
14	LT-6 (a)	For upto 67 HP	95	150	55
		For above 67 HP	195	250	55
15	LT-6 (b)	Per kW	110	150	40
16	LT-7(a)	Per kW	250	400	150
17	LT-7(b)	Per kW	125	300	175

LT-Energy Charges:

Sl. No.	Tariff Category	Particulars	Energy Charge (Rs./ unit)		
			Existing	Proposed	Hike
1	LT-1	All Units	7.94	8.86	0.92
2	LT-2 (a) i	1 st Slab upto 50 units	4.05	5.25	1.20
		2 nd Slab 51 to 100 units	5.55	6.75	1.20
		3 rd Slab 101 to 200 units	7.10	8.25	1.15
		4 th Slab Above 200 units	8.15	9.75	1.60
3	LT-2 (a) ii	1 st Slab upto 50 units	3.95	5.00	1.05
		2 nd Slab 51 to 100 units	5.25	6.50	1.25
		3 rd Slab 101 to 200 units	6.80	8.00	1.20
		4 th Slab Above 200 units	7.65	9.50	1.85
4	LT-2 (b) i	1 st Slab upto 200 units	7.25	8.50	1.25
		2 nd Slab above 200 units	8.50	10.00	1.50
5	LT-2 (b) ii	1 st Slab upto 200 units	6.70	8.25	1.55
		2 nd Slab above 200 units	7.95	9.75	1.80
6	LT-3 i	1 st Slab upto 50 units	8.35	9.25	0.90
		2 nd Slab above 50 units	9.35	10.25	0.90
7	LT-3 ii	1 st Slab upto 50 units	7.85	9.00	1.15
		2 nd Slab above 50 units	8.85	10.00	1.15
8	LT-4 (a)	All units	5.91	6.50	0.59
9	LT-4 (b)	All units	3.85	4.50	0.65
10	LT-4 (c)	All units	3.85	4.50	0.65
12	LT-5 (a)	1 st Slab upto 500 units	5.80	7.25	1.45
		2 nd Slab 501 to 1000 units	6.80	8.25	1.45
		3 rd Slab above 1000 units	7.10	8.75	1.65
13	LT-5 (b)	1 st Slab upto 500 units	5.70	7.00	1.30
		2 nd Slab 501 to 1000 units	6.65	8.00	1.35
		3 rd Slab above 1000 units	6.95	8.50	1.55
14	LT-6 (a)	All units	4.95	6.75	1.80
15	LT-6 (b)	All units	6.60	7.75	1.15
16	LT-7(a)	All units	11.10	12.00	0.90
17	LT-7(b)	All units	11.10	12.00	0.90

Revenue @ Existing Tariff Charges for FY23 (as per TO-2021) – LT Category [Projected energy sales and number of installations for FY23 considered, Ref. D21]							
	MU	Demand Charge (Rs.in Cr)	Energy Charge (Rs.in Cr)	Total (Rs.in Cr)	Per unit Demand Charge (Rs./unit)	Per unit energy charge (Rs./unit)	ARR (Rs./unit)
LT-1	57.01	1.94	38.41	40.35	0.34	6.74	7.08
LT-2ai	854.22	159.48	490.25	649.73	1.87	5.74	7.61
LT-2aii	797.17	120.03	404.58	524.61	1.50	5.08	6.58
LT-2bi	4.97	1.53	3.60	5.13	3.08	7.24	10.32
LT-2bii	4.02	0.97	2.69	3.66	2.41	6.69	9.10
LT-3i	232.59	38.17	212.44	250.61	1.64	9.13	10.77
LT-3ii	141.75	19.66	122.32	141.98	1.39	8.63	10.02
LT-4a	1857.77	-	1097.94	1097.94	0.00	5.91	5.91
LT-4b	0.89	0.51	0.34	0.85	5.73	3.82	9.55
LT-4c	9.30	2.45	3.58	6.03	2.63	3.85	6.48
LT-5a	37.76	9.27	23.16	32.43	2.46	6.13	8.59
LT-5b	85.98	32.58	54.28	86.86	3.79	6.31	10.10
LT-6a	157.85	11.66	78.14	89.80	0.74	4.95	5.69
LT-6b	67.95	6.67	44.85	51.52	0.98	6.60	7.58
LT-7	18.32	31.19	20.34	51.53	17.03	11.10	28.13
Total	4327.55	436.11	2596.92	3033.03	1.01	6.00	7.01

Revenue @ proposed Tariff Charges for FY23 – LT Category [Projected energy sales and number of installations for FY23 considered, Ref. D21]							
	MU	Demand Charges (Rs.in Cr)	Energy Charges (Rs.in Cr)	Total (Rs.in Cr)	Per unit Demand Charge (Rs./unit)	Per unit energy charge (Rs./unit)	ARR (Rs./unit)
LT-1	57.01	2.08	44.20	46.28	0.36	7.75	8.11
LT-2ai	854.22	256.05	595.67	851.72	3.00	6.97	9.97
LT-2aii	797.17	164.36	497.45	661.81	2.06	6.24	8.30
LT-2bi	4.97	2.68	4.22	6.90	5.39	8.49	13.88
LT-2bii	4.02	1.62	3.32	4.94	4.03	8.26	12.29
LT-3i	232.59	63.62	233.38	297.00	2.74	10.03	12.77
LT-3ii	141.75	31.04	138.61	169.65	2.19	9.78	11.97
LT-4a	1857.77	-	1207.78	1207.78	0.00	6.50	6.50
LT-4b	0.89	0.86	0.40	1.26	9.67	4.49	14.16
LT-4c	9.30	5.37	4.19	9.56	5.77	4.51	10.28
LT-5a	37.76	15.47	28.73	44.20	4.10	7.61	11.71
LT-5b	85.98	49.70	66.11	115.81	5.78	7.69	13.47
LT-6a	157.85	18.41	106.55	124.96	1.17	6.75	7.92
LT-6b	67.95	9.09	52.66	61.75	1.34	7.75	9.09
LT-7	18.32	50.05	21.98	72.03	27.32	12.00	39.32
Total	4327.55	670.40	3005.25	3675.65	1.55	6.94	8.49

Tariff	Composition of Demand Charges and Energy Charges in the ARR						Average Hike Proposed (Rs./unit)
	EXISTING			AS PROPOSED			
	Demand Charges	Energy Charges	ARR	Demand Charges	Energy Charges	ARR	
LT-1	4.80%	95.20%	100%	4.44%	95.56%	100%	1.03
LT-2ai	24.57%	75.43%	100%	30.09%	69.91%	100%	2.36
LT-2aii	22.80%	77.20%	100%	24.82%	75.18%	100%	1.72
LT-2bi	29.84%	70.16%	100%	38.83%	61.17%	100%	3.56
LT-2bii	26.48%	73.52%	100%	32.79%	67.21%	100%	3.19
LT-3i	15.23%	84.77%	100%	21.46%	78.54%	100%	2.00
LT-3ii	13.87%	86.13%	100%	18.30%	81.70%	100%	1.95
LT-4a	0.00%	100.00%	100%	0.00%	100.00%	100%	0.59
LT-4b	60.00%	40.00%	100%	68.29%	31.71%	100%	4.61
LT-4c	40.59%	59.41%	100%	56.13%	43.87%	100%	3.80
LT-5a	28.64%	71.36%	100%	35.01%	64.99%	100%	3.12
LT-5b	37.52%	62.48%	100%	42.91%	57.09%	100%	3.37
LT-6a	13.01%	86.99%	100%	14.77%	85.23%	100%	2.23
LT-6b	12.93%	87.07%	100%	14.74%	85.26%	100%	1.51
LT-7	60.54%	39.46%	100%	69.48%	30.52%	100%	11.19
Total	14.41%	85.59%	100%	18.26%	81.74%	100%	1.48

MESCOM has proposed increase in Demand / Fixed Charges and energy charges as above. The Hon'ble Commission is requested to consider the MESCOM proposal which will help to charge reflective proportion of fixed cost in the tariff and also retain HT consumers with the Company.

Abstract of revenue impact due to the proposed tariff hike for FY23, considering the proposed energy sales & number of installations, is given in the below table.

Rs.in Cr.

Particulars	FY23 - @ Existing Tariff charge			FY23 - @ proposed Tariff charge		
	Fixed / Demand Charge	Variable Charge	Total	Fixed / Demand Charge	Variable Charge	Total
LT consumers	436.11	2,596.92	3,033.03	670.40	3005.25	3675.65
% of FC in total rev.	14.38%	85.62%	100%	18.26%	81.74%	100%
HT consumers	201.43	770.41	971.84	456.82	590.61	1,047.43
% of DC/FC in total rev.	20.73%	79.27%	100%	43.61%	56.39%	100%
Misc.,	-	76.85	76.85	-	76.85	76.85
Total	637.54	3,444.18	4,081.72	1127.22	3,672.71	4,799.93
% of DC/FC in total rev.	15.62%	84.38%	100%	22.73%	77.27%	100%

With the above proposed fixed charges & energy charges hike, it is estimated that MESCOM will realize additional revenue to the extent of **Rs.718.21 Cr.**

Sl. No.	Particulars	Rs. In Cr.
1.	Addl. Revenue due to hike in Fixed Charges / Demand Charges	489.68
2.	Additional Revenue due to hike in energy Charges	228.53
3.	Total addl. Rev. due to proposed revision (1+2)	718.21
4.	ARR for FY23	4799.93

5.	Revenue from existing tariff	4081.72
6.	Net Revenue Deficit for FY23 (4-5)	718.21
7.	Energy Sales proposed for FY23 (excluding KPCL)	5416.28 MU
8.	Avg. Cost of Supply [4/7]	Rs.8.86/Unit
Avg. per unit tariff hike required to meet total gap of 1177.95 Cr		Rs.1.33 Unit

8.5 LT-1 (Applicable to BJ/KJ):

Government of Karnataka is providing free power to all BJ/KJ consumers whose consumption is not more than 40 units per months as per GOK Order No. EN 12 PSR 2017 dated 20-03-2017. Hence, Hon'ble Commission is determining the tariff for the category equivalent to average cost of supply and the same is being reimbursed to ESCOMs by the government. Accordingly, the following tariff charges are proposed for the category.

MESCOM proposes to revise the tariff for the category as hereunder.

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units consumed	794 Ps/unit	886 Ps/unit	92 Ps/unit

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

In the Tariff Order 2021, Hon'ble KERC has approved three slabs for fixed charges and four slabs for energy charges. The same structure is continued and requested to consider the tariff revision as proposed below;

MESCOM proposes to revise the tariff for the category as hereunder.

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	Hike proposed
For the first KW	Rs.85/- per KW	Rs.85/- per KW	-
For every addl. KW upto & inclusive of 50KW	Rs.95/- per KW	Rs.200/- per KW	Rs.105
For every additional KW above 50 KW	Rs.150/- per KW	Rs.250/- per KW	Rs.100

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 50 units	405 Ps/unit	525 Ps/unit	Ps.120
For next 50 units	555 Ps /unit	675 Ps/unit	Ps.120
For next 100 units	710 Ps/unit	825 Ps/unit	Ps.115
For above 200 units	815 Ps/unit	975 Ps/unit	Ps.160

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	84%			110% (*)		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.87	5.74	7.61	3.00	6.97	9.97
	25%	75%	100%	30%	70%	100%

(*) This category will cross subsidize LT-2a(ii) category and will avoid cross subsidization from other high yielding categories.

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For the first KW	Rs.70/- per KW	Rs.75/- per KW	Rs.5
For every addl. KW upto & inclusive of 50KW	Rs.85/- per KW	Rs.175/- per KW	Rs.90
For every additional KW above 50 KW	Rs.140/- per KW	Rs.225/- per KW	R.85

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 50 units	395 Ps/unit	500 Ps/unit	Ps.105
For next 50 units	525 Ps /unit	650 Ps/unit	Ps.125
For next 100 units	680 Ps/unit	800 Ps/unit	Ps.120
For above 200 units	765 Ps/unit	950 Ps/unit	Ps.185

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	73%			92% (*)		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.51	5.08	6.58	2.06	6.24	8.30
	23%	77%	100%	25%	75%	100%

(*) This category to be cross subsidized by LT-2ai category.

8.7	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):
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Hon'ble Commission is approving the tariff structure for the category with three slabs for fixed charges and two slabs for energy charges.

MESCOM proposes to revise the tariff for the category as hereunder.

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	Hike proposed
Minimum per KW	Rs.125/-	Rs.225/-	Rs.100
Per KW upto & inclusive of 50KW	Rs.100/-	Rs.175/-	Rs.75
For every additional KW above 50 KW	Rs.155/-	Rs.225/-	Rs.70

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 200 units	725 Ps/unit	850 Ps/unit	Ps.125
For above 200 units	850 Ps/unit	1000 Ps/unit	Ps.150

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	114%			153%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	3.08	7.24	10.32	5.39	8.49	13.88
	30%	70%	100%	39%	61%	100%

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Minimum per KW	Rs.110/-	Rs.200/-	Rs.90
Per KW upto & inclusive of 50KW	Rs.90/-	Rs.150/-	Rs.60
For every additional KW above 50 KW	Rs.145/-	Rs.200/-	Rs.55

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 200 units	670 Ps/unit	825 Ps/unit	Ps.155
For above 200 units	795 Ps/unit	975 Ps/unit	Ps.180

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	100%			136%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	2.41	6.69	9.10	4.03	8.26	12.29
	26%	74%	100%	33%	67%	100%

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

Hon'ble Commission is approving the tariff structure for the category with two slabs for fixed charges and two slabs for energy charges.

MESCOM proposes to revise the tariff for the category as hereunder.

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	Hike proposed
Per KW upto & inclusive of 50KW	Rs.105/-	Rs.175/-	Rs.70
For every additional KW above 50 KW	Rs.205/-	Rs.275/-	Rs.70

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 200 units	835 Ps/unit	925 Ps/unit	Ps.90
For above 200 units	935 Ps/unit	1025 Ps/unit	Ps.90

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	119%			141%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.64	9.13	10.77	2.74	10.03	12.77
	15%	85%	100%	21%	79%	100%

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KW upto & inclusive of 50KW	Rs.95/-	Rs.150/-	Rs.55
For every additional KW above 50 KW	Rs.195/-	Rs.250/-	Rs.55

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 200 units	785 Ps/unit	900 Ps/unit	Ps.115
For above 200 units	885 Ps/unit	1000 Ps/unit	Ps.115

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	111%			132%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.39	8.63	10.02	2.19	9.78	11.97
	14%	86%	100%	18%	82%	100%

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

As per GOK order No.EN 55 PSR 2008 dated 04.09.2008, Government is providing free electricity supply to IP consumers who are having IP set connections upto 10 HP. Hon'ble Commission is determining the tariff for the category duly considering the cross subsidization from other categories. MESCOM has applied the same analogy for arriving at the tariff charges for this category as below;

Sl. No.	Particulars	Unit	Values
1	Proposed ARR for FY23	Rs.in Cr	4799.93
2	Proposed sales to BJ/KJ Installations	MU	35.54
3	Proposed sales to IP Installations (LT-4a)	MU	1857.77
4	Proposed sales to other categories	MU	3522.97
5	Total proposed sales	MU	5416.28
6	Average Cost of Supply [1/5]	Rs./unit	8.86
7	Cost of Supply for other categories [4 x 6]	Rs.in Cr	3121.35
8	Revenue from other than IP & BJ/KJ installations	Rs.in Cr	3560.66
9	Cross Subsidy from other than IP & BJ/KJ installations [8-7]	Rs.in Cr	439.31
10	Cost of supply to BJ/KJ installations [2 x 6]	Rs.in Cr	31.49
11	Revenue from sales to BJ/KJ installations	Rs.in Cr	31.49
12	Cost of Supply to IP sets [3 x 6]	Rs.in Cr	1645.98
13	Revenue to be collected from IP set installations [12-9]	Rs.in Cr	1206.67
14	IP Set Tariff [13/3]	Rs./unit	6.50

MESCOM proposes to revise the tariff for the category as hereunder.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	591 Ps/unit	650 Ps/unit	Ps.59

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

MESCOM proposes to revise the tariff for the category as hereunder.

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP	Rs.90/- per HP	Rs.120/- per HP	Rs.60/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	385 Ps/unit	450 Ps/unit	Ps.65

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

MESCOM proposes to revise the tariff for the category as hereunder.

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP	Rs.80/- per HP	Rs.175/- per HP	Rs.95/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	385 Ps/unit	450 Ps/unit	Ps.65

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

MESCOM proposes to revise the tariff for the category as hereunder

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For 5 HP & below	Rs.75/- per HP	Rs.125/- per HP	Rs.50/-
For above 5 HP & below 40 HP	Rs.85/- per HP	Rs.150/- per HP	Rs.65/-
For 40 HP & above but below 67 HP	Rs.105/- per HP	Rs.175/- per HP	Rs.70/-
For 67 HP & above but below 100 HP	Rs.170/- per HP	Rs.225/- per HP	Rs.55/-
For above 100 HP	Rs.200/- per HP	Rs.275/- per HP	Rs.75/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 500 units	580 Ps/unit	725 Ps/unit	Ps.145
For next 500 units	680 Ps/unit	825 Ps/unit	Ps.145
For above 1000 units	710 Ps/unit	875 Ps/unit	Ps.165

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	95%			129%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	2.45	6.13	8.59	4.10	7.61	11.71
	29%	71%	100%	35%	65%	100%

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

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For 5 HP & below	Rs.65/- per HP	Rs.100/- per HP	Rs.35/-
For above 5 HP & below 40 HP	Rs.80/- per HP	Rs.125/- per HP	Rs.45/-
For 40 HP & above but below 67 HP	Rs.100/- per HP	Rs.150/- per HP	Rs.50/-
For 67 HP & above but below 100 HP	Rs.155/- per HP	Rs.200/- per HP	Rs.45/-
For above 100 HP	Rs.185/- per HP	Rs.250/- per HP	Rs.65/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For first 500 units	570 Ps/unit	700 Ps/unit	Ps.130
For next 500 units	665 Ps/unit	800 Ps/unit	Ps.135
For above 1000 units	695 Ps/unit	850 Ps/unit	Ps.155

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	111%			149%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	3.79	6.31	10.10	5.78	7.69	13.47
	38%	63%	100%	43%	57%	100%

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

MESCOM proposes to revise the tariff for the category as hereunder

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP upto 67 HP	Rs.95/- per HP	Rs.150/- per HP	Rs.55/-
Above 67 HP	Rs.195/- per HP	Rs.250/- per HP	Rs.55/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	495 Ps/unit	675 Ps/unit	Ps.180

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	63%			87%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	0.74	4.95	5.69	1.17	6.75	7.92
	13%	87%	100%	15%	85%	100%

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

MESCOM proposes to revise the tariff for the category as hereunder

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KW	Rs.110/- per KW	Rs.150/- per KW	Rs.40/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	660 Ps/unit	775 Ps/unit	Ps.115

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	84%			100%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	0.98	6.60	7.58	1.34	7.75	9.09
	13%	87%	100%	15%	85%	100%

8.15 LT-6c (Applicable to Electric Vehicle Charging stations)

MESCOM proposes to revise the tariff for the category as hereunder

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
LT-Per KW upto 50 KW	Rs.70/- per KW	Rs.70/- per KW	-
LT-Per KW above 50 KW	Rs.170/- per KW	Rs.170/- per KW	-
HT-Per KVA	Rs.200/- per KVA	Rs.200/- per KVA	-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	500 Ps/unit	500 Ps/unit	-

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

MESCOM proposes to revise the tariff for the category as hereunder

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Less than 67 HP:	1110 Ps/unit subject to a weekly minimum of Rs.250/ KW of sanctioned load	1200 Ps/unit subject to a weekly minimum of Rs.400 / KW of sanctioned load	Ps.90

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

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Less than 67 HP:	Fixed Charges at Rs.125 per KW/month. Energy Charges at 1110 Ps/unit.	Fixed Charges at Rs.300 per KW/month. Energy Charges at 1200 Ps/unit.	Ps.90

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

MESCOM proposes to revise the tariff for the category as hereunder

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.230/-	Rs.400/-	Rs.170/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	555 Ps/unit	650 Ps/unit	Ps.95

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	69%			85%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	0.70	5.55	6.25	1.21	6.50	7.71
	11%	89%	100%	16%	84%	100%

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

MESCOM proposes to revise the tariff for the category as hereunder.

MESCOM proposes hike in the demand charges and reduced energy charges. Further, for energy charges single slab is proposed instead of existing two slabs

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.240/-	Rs.600/-	Rs.360/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Upot 1 lakh units	730 Ps/unit	500 Ps/unit	(-) Ps.230
Above 1 lakh units	755 Ps/unit	500 Ps/unit	(-) Ps.255

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	102%			107%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.89	7.35	9.24	4.73	5.00	9.73
	20%	80%	100%	49%	51%	100%

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

MESCOM proposes to revise the tariff for the category as hereunder

MESCOM proposes hike in the demand charges and reduced energy charges. Further, for energy charges single slab is proposed instead of existing two slabs

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.260/-	Rs.600/-	Rs.340/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Upot 2 lakh units	900 Ps/unit	600 Ps/unit	(-) Ps.300
Above 2 lakh units	910 Ps/unit	600 Ps/unit	(-) Ps.310

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	129%			134%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	2.64	9.06	11.70	6.10	6.00	12.10
	23%	77%	100%	50%	50%	100%

8.20	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)
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MESCOM proposes to revise the tariff for the category as hereunder

MESCOM proposes hike in the demand charges and reduced energy charges. Further, for energy charges single slab is proposed instead of existing two slabs

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.240/-	Rs.600/-	Rs.360/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Up to 1 lakh units	715 Ps/unit	550 Ps/unit	(-) Ps.165
Above 1 lakh units	755 Ps/unit	550 Ps/unit	(-) Ps.205

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	101%			115%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.92	7.27	9.19	4.88	5.50	10.38
	21%	79%	100%	47%	53%	100%

8.21	HT-2c(ii) (Applicable to Hospitals and Educational Institutions other than those covered under HT-2c(i))
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MESCOM proposes to revise the tariff for the category as hereunder

MESCOM proposes hike in the demand charges and reduced energy charges. Further, for energy charges single slab is proposed instead of existing two slabs

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.240/-	Rs.600/-	Rs.360/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Up to 1 lakh units	815 Ps/unit	600 Ps/unit	(-) Ps.215
Above 1 lakh units	855 Ps/unit	600 Ps/unit	(-) Ps.255

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	114%			120%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	1.96	8.38	10.34	4.90	6.00	10.91
	19%	81%	100%	45%	55%	100%

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

MESCOM proposes to revise the tariff for the category as hereunder

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

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / annum	310 Ps/ unit subject to an annual min. of Rs.1720 per HP.	400 Ps/ unit subject to an annual min. of Rs.2000 per HP.	Ps.90

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

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / month	Rs.95/-	Rs.150/-	Rs.55/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	310 Ps/unit	400 Ps/unit	Ps.90

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

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / month	Rs.75/-	Rs.150/-	Rs.75/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	310 Ps/unit	400 Ps/unit	Ps.90

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

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / annum	510 Ps/ unit subject to an annual min. of Rs.1780 per HP.	600 Ps/ unit subject to an annual min. of Rs.2000 per HP.	Ps.90

8.24 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)

MESCOM proposes to revise the tariff for the category as hereunder

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KVA of billing demand	Rs.155/-	Rs.300/-	Rs.145/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	700 Ps/unit	800 Ps/unit	Ps.100

With the above tariff revision proposal, percentage of average realization rate with reference to average cost of supply and proposition of fixed & energy charges in the average realization rate stands as indicated below;

PARTICULARS	EXISTING TARIFF			PROPOSED TARIFF		
Percentage of average realization rate w.r.t. average cost of supply	87%			106%		
Proposition of fixed and energy charges in the ARR (Rs./unit & %)	FC	EC	ARR	FC	EC	ARR
	0.84	7.00	7.84	1.61	8.00	9.61
	11%	89%	100%	17%	83%	100%

8.25 HT-5 (HT Temporary Supply)

MESCOM proposes to revise the tariff for the category as hereunder

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / month	Rs.300/-	Rs.600/-	Rs.300/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	1110 Ps/unit	1200 Ps/unit	Ps.90

8.26 MSEZ TARIFF

MESCOM proposes to revise the tariff for the category as hereunder

Bulk Supply Charges:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	683.9 Ps/unit	683.9 Ps/unit	-

8.27 General Terms & Conditions of Tariff

The proposed Tariff schedule for FY23 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-2021.

8.28 Category wise revenue as per existing tariff and proposed tariff:

Particulars	FY23 (Rs. In Cr.)	
	@ Existing Tariff as per Tariff Order-2021	@ Proposed Tariff
LT-1: BJ/KJ (= < 40 units)	28.22	31.49
LT-1: BJ/KJ (> 40 units)	12.13	14.79
LT-2a: Domestic	1174.34	1513.53
LT-2b: Private Edu. Institutions	8.79	11.84
LT-3: Commercial	392.59	466.65
LT-4a: IP Sets-10HP & below	1097.94	1207.78
LT-4b: IP Sets-Above 10HP	0.85	1.26
LT-4c: Nurseries/Coffee/Tea	6.03	9.56
LT-5: Industrial	119.29	160.01
LT-6: Water Supply	89.80	124.96
LT-6: Street Lights	51.52	61.75
LT-7: Temporary	51.53	72.03
LT-Total:	3033.03	3675.65
HT-1: Water Supply	67.64	83.52
HT-2a: Industrial	526.12	554.00
HT-2b: Commercial	173.08	179.05
HT-2c: Edu.Inst. & Hospitals	99.84	107.35
HT-3a: LI Schemes	53.63	66.13
HT-3b: LI Schemes	0.19	0.22
HT-4: Residential Apartments	17.17	21.06
HT-5: Temporary Supply	4.25	6.18
Supply to MSEZ	29.92	29.92
HT-Total:	971.84	1047.43
Miscellaneous	76.85	76.85
GRAND TOTAL:	4081.72	4799.93

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

8.29 Open Access / Wheeling charges:

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	905.08	Cr.
Energy Sales	5416.28	MU
Wheeling charges	167	Paise/unit
Wheeling charges for HT Net work (30%)	50	Paise/unit
Wheeling charges for LT Net work (70%)	117	Paise/unit

Accordingly, MESCOM proposes wheeling charges in cash for HT network and LT network as 50 paise/unit and 117 paise/unit, respectively, for FY23.

Wheeling Charges in Kind (Technical Loss compensation): The proposed distribution loss for MESCOM for FY23 is 9.82%. 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 3.68% and 6.09%, respectively.

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 FY23 as follows.

FY23 (Projections @ proposed tariff)

Voltage Class	Rs./Unit						
	HT-1	HT-2a	HT-2b	HT-2c	HT-3b	HT-4	HT-5
11 kV	-	1.14	2.42	2.15	2.20	1.02	5.40
33 kV	-	1.33	2.42	2.15	2.20	1.21	5.40
66 kV & above	-	1.39	2.42	2.15	2.20	1.27	5.40

Note: Cross subsidy surcharge limited 20% of the average tariff. Calculation Sheet enclosed as **Annexure-4**.

Cross Subsidy as per existing tariff: Calculation Sheet enclosed as **Annexure-5(a)**.

Cross Subsidy as per proposed tariff: Calculation Sheet enclosed as **Annexure-5(b)**.

Additional Surcharge proposed: In line with methodology adopted by the Hon'ble Commission in the Tariff Order 2022, MESCOM is proposing the additional surcharge to be recovered from HT consumers for the energy catering from open access / wheeling & banking arrangement as Rs.1.81 per unit.

Calculation Sheet enclosed as **Annexure-6**.

8.30 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	FY18	FY19	FY20	FY21
Captive	Solar	3.41	85.80	114.25	109.57
	Wind	18.78	17.16	16.92	10.34
	Mini-Hydel	-	-	-	-
	sub-total:	22.19	102.96	131.17	119.91
Group Captive	Solar	-	-	-	-
	Wind	22.14	30.04	32.41	26.63
	Mini-Hydel	23.58	35.37	30.80	31.25
	sub-total:	45.72	65.41	63.21	57.88
Non-Captive	Solar	40.63	58.97	82.52	75.06
	Wind	3.03	5.45	26.87	29.20
	Mini-Hydel	11.53	33.27	19.21	30.86
	sub-total:	55.19	97.69	128.60	135.12
GRAND TOTAL		123.10	266.06	322.98	312.91

Transmission & Wheeling Chrges:

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.

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.

8.30 Green Tariff:

In the Tariff Order 2021, 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.

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