

CHAPTER-8

TARIFF REVISION PROPOSAL

8.1 Revenue Deficit

MESCOM has considered the Aggregate Revenue Requirement for FY24 as follows;

Sl. No.	Particulars	Rs. In Cr.
a.	Total Expenses for FY24	5322.22
b.	Return on Equity	182.97
c.	APR surplus of FY22	(222.78)
d.	Other Income	(68.01)
e.	Total ARR estimated for FY24	5214.40

Considering the Aggregate Revenue Requirement, as above, revenue deficit for FY24 would be as indicated in the below table;

Particulars	Rs. In Cr.
Aggregate Revenue Requirement for FY24	5214.40
Energy Sales proposed for FY24 (excluding KPCL)	5589.11
Avg. Cost of Supply (Rs./unit)	9.33

Sl. No.	Particulars	Rs. In Cr.
a.	Aggregate Revenue Requirement for FY24	5214.40
b.	Revenue from existing tariff, excluding GOK subsidy	3392.93
c.	Revenue Deficit before subsidy [a-b]	1821.47
d.	Estimated GoK Subsidy for FY24 (@ existing tariff)	1052.50
e.	Net Revenue Deficit for FY24 [c-d]	768.97

8.2 Tariff Revision Proposal:

With the present tariff charges, it is estimated that MESCOM can only realize revenue of Rs.4445.43 Cr in FY24 against the estimated Aggregate Annual Revenue Requirement of Rs.5214.40 Cr leaving a revenue deficit of Rs.768.97 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:

In the year FY22, the amount of fixed cost in the total ARR of Rs.3730.93 Cr was Rs.1548.75 Cr (as indicated below). As against this the fixed cost recovered through tariff was only Rs.608.54 Cr which means MESCOM is realizing **only 39%** of the fixed cost and remaining 61% of the fixed cost is inbuilt in the variable charges.

Fixed Cost in Power Purchase	: Rs.683.00 Cr
Transmission Charges	: Rs.508.49 Cr
O&M Cost	: Rs.688.85 Cr
Depreciation	: Rs.166.76 Cr.
Interest & Finance Charges	: Rs.184.65 Cr.
Total	: Rs.1548.75 Cr.

For the year FY24, the fixed cost component in the projected ARR of Rs.5214.40 Cr is Rs.2863.28 Cr (as indicated below) and the recovery of fixed charges from the existing tariff is about Rs.739.19 i.e. only 26%.

Fixed Cost in Power Purchase	: Rs.768.53 Cr
Transmission Charges	: Rs.569.87 Cr
O&M Cost	: Rs.1048.61 Cr
Depreciation	: Rs.203.81 Cr.
Interest & Finance Charges	: Rs.272.46 Cr.
Total	: Rs.2863.28 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.

S. No.	Tariff	Descript.	Load Unit	Fixed / Demand Charges (Rs./Month)			
				Existing	Proposed	Hike	
1	LT-1	-	Minimum	70	70	-	
2	LT-2 (a) [Rural & Urban merged]	For 1 st KW	kW	100	150	Avg. increase Rs.55/KW	
		For addl. KW upto 50 KW	kW	110	150		
		For addl. KW above 50 KW	kW	175	150		
		For 1 st KW	kW	85	150		
		For addl. KW upto 50 KW	kW	100	150		
		For addl. KW above 50 KW	kW	160	150		
50 paise / unit rebate proposed for consumption in Village Panchayat areas							
4	LT-2 (b) [Rural & Urban merged]	Minimum	kW	150	175	Avg. increase Rs.59/KW	
		Upto 50 KW	kW	120	175		
		For addl. KW above 50 KW	kW	175	175		
5		Minimum	kW	135	175		
		Upto 50 KW	kW	110	175		
		For addl. KW above 50 KW	kW	165	175		
50 paise / unit rebate proposed for consumption in Village Panchayat areas							
6	LT-3 [Rural & Urban merged]	Upto 50 KW	kW	125	200	Avg. increase Rs.77/KW	
		For addl. KW above 50 KW	kW	230	200		
7		Upto 50 KW	kW	115	200		
		For addl. KW above 50 KW	kW	220	200		
50 paise / unit rebate proposed for consumption in Village Panchayat areas							
8	LT-4 (a)	No fixed charges	HP	-	-	-	
9	LT-4 (b)	Per HP per month	HP	110	130	20	
10	LT-4 (c)	Per HP per month	HP	100	150	50	
12	LT-5 [Rural & Urban merged]	5 HP & below	HP	90	125	Avg. increase Rs.32/KW	
		Above 5HP & below 40HP	HP	100			
		40HP & above but below 67HP	HP	125	150		
		67HP & above but below 100HP	HP	190			
		13	100HP & above	HP	225		250
			5 HP & below	HP	80		
			Above 5HP & below 40HP	HP	95		
			40HP & above but below 67HP	HP	120		150
67HP & above but below 100HP	HP	175	250				
100HP & above	HP	210					
50 paise / unit rebate proposed for consumption in Village Panchayat areas							
14	LT-6 (a)	Upto 67 HP	HP	110	125	15	
		For addl. HP above 67 HP	HP	215	225	10	
15	LT-6 (b)	Per KW per month	kW	125	150	25	
16	LT-7	Per KW	kW	275	300	25	
17	LT-7(b)	Shifted to LT-3					
18	HT-1	Per KVA	kVA	250	350	100	
19	HT-2 (a)	Per KVA	kVA	265	450	185	
20	HT-2 (b)	Per KVA	kVA	290	500	210	
21	HT-2 (c) i	Per KVA	kVA	260	450	190	
22	HT-2 (c) ii	Per KVA	kVA	265	500	235	
23	HT-3(a)i	Per HP	HP/Annum	1900	2100	200	
24	HT-3(a) [ai, aii merged]	Per HP per month	HP	110	150	55	
		Per HP per month	HP	90	150		
25	HT-3 (b)	Per HP	HP/Annum	1960	2100	140	
26	HT-4	Per KVA	kVA	175	300	125	
27	HT-5	Per HP	HP	325	400	75	

With the above hike in Fixed/Demand Charges, MESCOM will be able to recover about Rs.1132.83 Cr in FY24 which will be around 40% of the fixed cost component.

Energy Charges:

For FY24, 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	8.13	9.33	1.20
2	LT-2 (a) [Rural & Urban merged]	4.10	4.00	Avg. increase 61 paise
		5.60	5.00	
		7.15	7.00	
		8.20	7.00	
3		4.00	4.00	
		5.30	5.00	
		6.85	7.00	
	7.70	7.00		
4	LT-2 (b) [Rural & Urban merged]	7.30	7.00	Avg. reduction 13 paise
		8.55	8.00	
5		6.75	7.00	
	8.00	8.00		
6	LT-3 [Rural & Urban merged]	8.40	8.00	Avg. reduction 21 paise
		9.40	9.00	
7		7.90	8.00	
	8.90	9.00		
8	LT-4 (a)	6.16	9.01	2.85
9	LT-4 (b)	3.90	4.00	0.10
10	LT-4 (c)	3.90	4.00	0.10
12	LT-5 [Rural & Urban merged]	5.85	5.50	Avg. reduction 23 paise
		6.85	6.50	
		7.15	7.00	
13		5.75	5.50	
		6.70	6.50	
	7.00	7.00		
14	LT-6 (a)	5.00	6.00	1.00
15	LT-6 (b)	6.65	7.00	0.35
16	LT-7	11.20	12.00	0.80
17	LT-7(b) merged with LT-3			
18	HT-1	5.60	6.00	0.40
19	HT-2 (a)	7.35	6.00	-1.35
		7.60	6.00	-1.60

Sl. No.	Tariff Category	Energy Charges (Rs./Unit)		
		Existing	Proposed	Hike
20	HT-2 (b)	9.05	6.50	-2.55
		9.15	6.50	-2.65
21	HT-2 (c) i	7.20	6.00	-1.20
		7.60	6.00	-1.60
22	HT-2 (c) ii	8.20	6.50	-1.70
		8.60	6.50	-2.10
23	HT-3(a)i	3.15	4.15	1.00
24	HT-3(a)ii	3.15	4.15	1.00
25	HT-3 (b)	5.15	5.50	0.35
26	HT-4	7.05	7.00	-0.05
27	HT-5	11.20	12.00	0.80
28	SEZ	6.5782	6.5782	0.00

With the above proposed fixed charges & energy charges hike, it is estimated that MESCOM will realize additional revenue to the extent of **Rs.768.97 Cr.**

Sl. No.	Particulars	Rs. In Cr.
1.	Addl. Revenue due to hike in Fixed Charges / Demand Charges	393.63
2.	Additional Revenue due to hike in energy Charges	375.34
3.	Total addl. Rev. due to proposed revision (1+2)	768.97
4.	ARR for FY24	5214.40
5.	Revenue from existing tariff	4445.43
6.	Net Revenue Deficit for FY23 (4-5)	768.97
7.	Energy Sales proposed for FY24 (excluding KPCL)	5589.11 MU
8.	Avg. Cost of Supply [4/7]	Rs.9.33/Unit
Avg. per unit tariff hike required to meet total gap of 768.97 Cr		Rs.1.38 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	813 Ps/unit	933 Ps/unit	120 Ps/unit

8.6

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

In the Tariff Order 2022, Hon'ble KERC has approved three slabs for fixed charges and four slabs for energy charges. However, MESCOM is proposing the energy slabs for the category to be rationalized with telescopic model. In this model there would be three slabs in the range of 0 to 50 units, 0 to 100 units and 0 to above 100 units. This tariff structure emphasizes on providing basic minimum electricity requirement at lower rates and the electricity demand for comforts and luxury at a higher rate. Further, MESCOM is also proposing to merge urban and rural categories with 50 paise per unit rebate for consumption in village panchayat areas.

As detailed above MESCOM is also proposing to increase the fixed charges and reduce the energy charges. This will ensure that the fixed cost masked in the energy charges is reduced substantially.

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

Applicable all areas of MESCOM:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For the first KW	Rs.100/- per KW	Rs.150/- per KW	Avg. increase Rs.55/KW
For every addl. KW upto & inclusive of 50KW	Rs.110/- per KW	Rs.150/- per KW	
For every additional KW above 50 KW	Rs.175/- per KW	Rs.150/- per KW	
For the first KW	Rs.85/- per KW	Merged	
For every addl. KW upto & inclusive of 50KW	Rs.100/- per KW		
For every additional KW above 50 KW	Rs.160/- per KW		

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PARTICULARS	PROPOSED TARIFF	increase proposed
For first 50 units	410 Ps/unit	0 to 50 units	400 Ps/unit	Avg. increase 61 paise
For next 50 units	560 Ps /unit	0 to 100 units	500 Ps/unit	
For next 100 units	715 Ps/unit	0 to above 100 unit	700 Ps/unit	
For above 200 units	820 Ps/unit			
For first 50 units	400 Ps/unit	0 to 50 units	Merged	
For next 50 units	530 Ps /unit	0 to 100 units		
For next 100 units	685 Ps/unit	0 to above 100 unit		
For above 200 units	770 Ps/unit			

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

Tariff category merged.

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.

As detailed above MESCOM is also proposing to increase the fixed charges and reduce the energy charges. This will ensure that the fixed cost masked in the energy charges is reduced substantially. Further, MESCOM is also proposing to merge urban and rural categories with 50 paise per unit rebate for consumption in village panchayat areas.

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

Applicable to all areas of MESCOM:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Minimum per KW	Rs.150/-	Rs.175/-	Avg. increase Rs.59/KW
Per KW upto & inclusive of 50KW	Rs.120/-	Rs.175/-	
For every additional KW above 50 KW	Rs.175/-	Rs.175/-	
Minimum per KW	Rs.135/-	Merged	
Per KW upto & inclusive of 50KW	Rs.110/-		
For every additional KW above 50 KW	Rs.165/-		

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Reduction proposed
For first 200 units	730 Ps/unit	700 Ps/unit	Avg. reduction 13 paise
For above 200 units	855 Ps/unit	800 Ps/unit	
For first 200 units	675 Ps/unit	Merged	
For above 200 units	800 Ps/unit		

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

This category merged

8.8	LT-3 (Applicable to Commercial Lighting, Heating and Motive Power installations):
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Hon'ble Commission is approving the tariff structure for the category with two slabs for fixed charges and two slabs for energy charges.

As detailed above MESCOM is also proposing to increase the fixed charges and reduce the energy charges. This will ensure that the fixed cost masked in the energy charges is reduced substantially. Further, MESCOM is also proposing to merge urban and rural categories with 50 paise per unit rebate for consumption in village panchayat areas.

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

Applicable to all areas of MESCOM.

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per KW upto & inclusive of 50KW	Rs.125/-	Rs.200/-	Avg. increase Rs.77/KW
For every additional KW above 50 KW	Rs.230/-	Rs.200/-	
Per KW upto & inclusive of 50KW	Rs.115/-	Merged	
For every additional KW above 50 KW	Rs.220/-		

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Reduction proposed
For first 200 units	840 Ps/unit	800 Ps/unit	Avg. reduction 21 paise
For above 200 units	940 Ps/unit	900 Ps/unit	
For first 200 units	790 Ps/unit	Merged	
For above 200 units	890 Ps/unit		

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

This category merged

Following tariff charges applicable to Hoardings & Advertisement boards, Bus Shelters with Advertising Boards, Private Advertising Posts/ Sign boards in the interest of Public such as Police Canopy Direction boards, and other sign boards sponsored by the Private Advertising Agencies/ firms on permanent basis which is applicable for both urban and rural areas.

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Less than 67 HP: Fixed Charges per KW per month	Rs.150/-	Rs.175/-	Rs.25
Energy Charges	1120 Ps./unit	1200 Ps./unit	Ps.80

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 FY24	Rs.in Cr	5214.40
2	Proposed sales to BJ/KJ Installations	MU	35.28
3	Proposed sales to IP Installations (LT-4a)	MU	1662.04
4	Proposed sales to other categories	MU	3891.79
5	Total proposed sales	MU	5589.11

6	Average Cost of Supply [1/5]	Rs./unit	9.33
7	Cost of Supply for other categories [4 x 6]	Rs.in Cr	3631.04
8	Revenue from other than IP & BJ/KJ installations	Rs.in Cr	3684.22
9	Cross Subsidy from other than IP & BJ/KJ installations [8-7]	Rs.in Cr	53.18
10	Cost of supply to BJ/KJ installations [2 x 6]	Rs.in Cr	32.92
11	Revenue from sales to BJ/KJ installations	Rs.in Cr	32.92
12	Cost of Supply to IP sets [3 x 6]	Rs.in Cr	1550.68
13	Revenue to be collected from IP set installations [12-9]	Rs.in Cr	1497.50
14	IP Set Tariff [13/3]	Rs./unit	9.01

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

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	616 Ps/unit	901 Ps/unit	Ps.285

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.110/- per HP	Rs.130/- per HP	Rs.20/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	390 Ps/unit	400 Ps/unit	Ps.10

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 plantation(LT-4 (c):

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP	Rs.100/- per HP	Rs.150/- per HP	Rs.50/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	390 Ps/unit	400 Ps/unit	Ps.10

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

In the Tariff Order 2022, Hon’ble KERC has approved five slabs for fixed charges and three slabs for energy charges. However, MESCOM is proposing the fixed charge slabs for the category to be reduced to three (i) upto 40 HP (ii) 40 HP & above but below 67 HP (iii) 67 HP & above. **It is also proposed to categorize the “Transformer Repair Center” under this category.** Further, MESCOM is also proposing to merge urban and rural categories with 50 paise per unit rebate for consumption in village panchayat areas.

As detailed above MESCOM is also proposing to increase the fixed charges and reduce the energy charges. This will ensure that the fixed cost masked in the energy charges is reduced substantially.

MESCOM proposes to revise the tariff for the category as hereunder

Applicable to all areas of MESCOM:

Fixed charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For 5 HP & below	Rs.90/- per HP	Rs.125/- per HP	Avg. increase Rs.32/KW
For above 5 HP & below 40 HP	Rs.100/- per HP		
For 40 HP & above but below 67 HP	Rs.125/- per HP	Rs.150/- per HP	
For 67 HP & above but below 100 HP	Rs.190/- per HP	Rs.250/- per HP	
For above 100 HP	Rs.225/- per HP		
For 5 HP & below	Rs.80/- per HP	Merged	
For above 5 HP & below 40 HP	Rs.95/- per HP		
For 40 HP & above but below 67 HP	Rs.120/- per HP		
For 67 HP & above but below 100 HP	Rs.175/- per HP		
For above 100 HP	Rs.210/- per HP		

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Reduction proposed
For first 500 units	585 Ps/unit	550 Ps/unit	Avg. reduction 23 paise
For next 500 units	685 Ps/unit	650 Ps/unit	
For above 1000 units	715 Ps/unit	700 Ps/unit	
For first 500 units	575 Ps/unit	Merged	
For next 500 units	670 Ps/unit		
For above 1000 units	700 Ps/unit		

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

This category merged

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.110/- per HP	Rs.125/- per HP	Rs.15/-
Above 67 HP	Rs.215/- per HP	Rs.225/- per HP	Rs.10/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	500 Ps/unit	600 Ps/unit	Ps.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.125/- per KW	Rs.150/- per KW	Rs.25/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	665 Ps/unit	700 Ps/unit	Ps.35

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)
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MESCOM proposes to remove LT-7b category and the same has been categorized under LT-3 category with separate tariff charges.

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:	1120 Ps/unit subject to a weekly minimum of Rs.275/ KW of sanctioned load	1200 Ps/unit subject to a weekly minimum of Rs.300 / KW of sanctioned load	Ps.80

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

This category shifted to LT-3.

8.17	HT-1 (Applicable to Water Supply, Drainage / Sewerage water treatment plant and Sewerage Pumping installations)
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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.250/-	Rs.350/-	Rs.100/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	560 Ps/unit	600 Ps/unit	Ps.40

8.18	HT-2a (Applicable to Industries, Factories, Workshops, etc.)
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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.265/-	Rs.450/-	Rs.185/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	735 Ps/unit	600 Ps/unit	(-) Ps.135
	760 Ps/unit	600 Ps/unit	(-) Ps.160

8.19	HT-2b (Applicable to Commercial Complexes, Cinemas, Hotels, Boarding & Lodging, etc.)
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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.290/-	Rs.500/-	Rs.210/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	905 Ps/unit	650 Ps/unit	(-) Ps.255
	915 Ps/unit	650 Ps/unit	(-) Ps.265

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.260/-	Rs.450/-	Rs.190/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	720 Ps/unit	600 Ps/unit	(-) Ps.120
	760 Ps/unit	600 Ps/unit	(-) Ps.160

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.265/-	Rs.500/-	Rs.235/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Up to 1 lakh units	820 Ps/unit	650 Ps/unit	(-) Ps.170
Above 1 lakh units	860 Ps/unit	650 Ps/unit	(-) Ps.210

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	315 Ps/ unit subject to an annual min. of Rs.1900 per HP.	415 Ps/ unit subject to an annual min. of Rs.2100 per HP.	Ps.100

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

The existing category HT-3(a)(iii) is proposed to merge with HT-3(a)(ii) category since the difference in tariff charges are almost equal.

Demand charges per month:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
Per HP / month	Rs.110/-	Rs.150/-	Rs.40/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	315 Ps/unit	415 Ps/unit	Ps.100

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

This category is proposed to merge with HT-3(a)(ii).

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	515 Ps/ unit subject to an annual min. of Rs.1960 per HP.	550 Ps/ unit subject to an annual min. of Rs.2100 per HP.	Ps.35

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)
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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.175/-	Rs.300/-	Rs.125/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Reduction proposed
For all units	705 Ps/unit	700 Ps/unit	(-) Ps.5

8.25	HT-5 (HT Temporary Supply)
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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.325/-	Rs.400/-	Rs.75/-

Energy charges per unit:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	1120 Ps/unit	1200 Ps/unit	Ps.80

8.26	MSEZ TARIFF
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MESCOM proposes to revise the tariff for the category as hereunder

Bulk Supply Charges:

PARTICULARS	EXISTING TARIFF	PROPOSED TARIFF	Hike proposed
For all units	657.82 Ps/unit	657.82 Ps/unit	-

8.27	General Terms & Conditions of Tariff
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The proposed Tariff schedule for FY24 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-2022.

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

Particulars	FY24 (Rs. In Cr.)	
	@ Existing Tariff as per Tariff Order-2022	@ Proposed Tariff
LT-1: BJ/KJ (= < 40 units)	28.68	32.92
LT-1: BJ/KJ (> 40 units)	10.53	11.60
LT-2a: Domestic	1280.49	1524.24
LT-2b: Private Edu. Institutions	11.35	12.58
LT-3: Commercial	430.30	462.38
LT-4a: IP Sets-10HP & below	1023.82	1497.26
LT-4b: IP Sets-Above 10HP	0.87	0.99
LT-4c: Nurseries/Coffee/Tea	8.09	10.90
LT-5: Industrial	139.94	147.45
LT-6: Water Supply	103.57	123.23
LT-6: Street Lights	52.72	56.40
LT-7: Temporary	56.79	61.49
LT-Total:	3147.15	3941.44
HT-1: Water Supply	72.74	80.70
HT-2a: Industrial	696.86	662.65
HT-2b: Commercial	194.24	180.50
HT-2c: Edu.Inst. & Hospitals	108.73	108.21
HT-3a: LI Schemes	54.56	67.84
HT-3b: LI Schemes	0.15	0.17
HT-4: Residential Apartments	19.58	21.01
HT-5: Temporary Supply	3.87	4.33
Supply to MSEZ	44.70	44.70
HT-Total:	1195.43	1170.11
Miscellaneous	102.85	102.85
GRAND TOTAL:	4445.43	5214.40

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	901.00	Cr.
Energy Sales	5589.11	MU
Wheeling charges	161	Paise/unit
Wheeling charges for HT Net work (30%)	48	Paise/unit
Wheeling charges for LT Net work (70%)	113	Paise/unit

Accordingly, MESCOM proposes wheeling charges in cash for HT network and LT network as 48 paise/unit and 113 paise/unit, respectively, for FY24.

Wheeling Charges in Kind (Technical Loss compensation): The proposed distribution loss for MESCOM for FY24 is 8.85%. 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 3.59% and 5.26%, 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 FY24 as follows.

Voltage Class	FY23 (Projections @ proposed tariff)							Rs./Unit						
	HT-1	HT-2a	HT-2b	HT-2c	HT-3b	HT-4	HT-5	HT-1	HT-2a	HT-2b	HT-2c	HT-3b	HT-4	HT-5
11 kV	-	1.71	1.95	1.28	3.4	1.7	3.15	-	1.71	1.95	1.28	3.4	1.7	3.15
33 kV	-	1.71	1.99	1.32	3.4	1.7	3.15	-	1.71	1.99	1.32	3.4	1.7	3.15
66 kV & above	-	1.71	1.78	1.11	3.4	1.7	3.15	-	1.71	1.78	1.11	3.4	1.7	3.15

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.1.17 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	FY22
Captive	Solar	3.41	85.80	114.25	109.57	129.00
	Wind	18.78	17.16	16.92	10.34	13.34
	Mini-Hydel	-	-	-	-	-
	sub-total:	22.19	102.96	131.17	119.91	142.34
Group Captive	Solar	-	-	-	-	-
	Wind	22.14	30.04	32.41	26.63	29.65
	Mini-Hydel	23.58	35.37	30.80	31.25	32.62
	sub-total:	45.72	65.41	63.21	57.88	62.27
Non-Captive	Solar	40.63	58.97	82.52	75.06	73.50
	Wind	3.03	5.45	26.87	29.20	36.27
	Mini-Hydel	11.53	33.27	19.21	30.86	39.06
	sub-total:	55.19	97.69	128.60	135.12	148.83
GRAND TOTAL		123.10	266.06	322.98	312.91	353.44

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:
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In the Tariff Order 2022, 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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