

Commission analysis

As per approved energy balance vide Table 6.15 Supra the surplus power for FY 2015-16 works out to 573.9 MU after meeting swapping obligation of 80.96 MU. The Revenue from surplus power in FY 2015-16 shall be Rs. 186.5 crores @Rs 3.25 per unit as per the current market average rate and considering saving on account of power purchase cost. However, the licensee is directed to create a dedicated energy management cell that will be responsible for energy management on day to day basis and make sure that the consumers of the State get 24x7 supply throughout the year by managing the energy transfers/sale/purchase/swapping, etc at optimum level and at best price.

7.37 Revenue Gap for the 1st control period**7.37.1 Revenue from existing Tariff****Petitioner's submission**

MePDCL has projected revenue from existing tariff as Rs.564.12 crore for sale of 1030.10 MU for FY 2015-16. Based on the approved energy sales, the revenue from existing Tariff works out to Rs.572.48 crore as detailed in the Table below:

Table 7.57 Revenue from existing tariff for FY 2015-16 approved by the Commission

S.No	Category	Energy	Average Revenue	Total
		Sale	Rs /kWh	Revenue
		(MU)		(Rs. Crore)
A	LT Supply			
1	Kutir Jyoti	24	2.86	6.87
2	Domestic	378	4.06	153.31
3	Commercial	75	6.29	47.20
4	Industrial	6	6.83	4.10
5	Public lighting	1.50	5.62	0.84
6	Water supply	11	5.93	6.52

c) BIA objected that the percentage of losses to be applied should be the actuals and at par with national figures for different voltages separately.

MePDCL response

MePDCL submitted that since it is the second year of operation as an independent corporation it is yet to segregate network on each voltage separately. Therefore, it is not able to charge different wheeling charges at different voltages level and therefore it is difficult to apply different percentage of losses at different voltage levels.

d) Wheeling charges should be BIA based on per unit basis they purchase from different sources instead of per megawatt. They have also quoted the CERC regulations regarding transmission charges on per unit basis.

MePDCL response

MePDCL submitted that the wheeling charges are determined strictly in accordance with regulation issued by the Commission and refute the objection as irrelevant.

Hearing

The Commission held a hearing on 10.03.2015 on the licensee's proposal for distribution charges and open access. This hearing was attended by MePDCL, industries and BIA representatives. BIA objected and repeated the written pleas submitted earlier that the subsidy surcharge and wheeling charges be based on capacity and reduced and that the cross subsidy surcharge in 2015-16 be according to the formula of National Tariff Policy for determination of such surcharges.

Commission's analysis

Commission has considered the submission of the parties and taken a view in this order In this tariff order the Commission has fixed the ARR of MePDCL for FY 2015-16 and in the control period. The ARR petition of MePDCL for 2015-16 has been examined as per Regulations and taken as the base for determining the wheeling charges in accordance with

MSERC (Terms and Conditions of Open Access) Regulations, 2012. The average demand for FY 2015-16 is assessed as 99 MW.

The Wheeling charges will be Rs. 36770 /MW/Day.

The wheeling charges for all consumers is fixed at Rs. 1.24 per unit. However the charges from open access consumers shall be recovered as per the Commission's regulation 23 of Open Access Regulations.

Cross Subsidy Surcharge:

Under the law and also the OA Regulations (regulation 24) an open access consumer shall, in addition to transmission and wheeling charges, also pay cross subsidy surcharges on per unit basis for actual energy through open access. The amount of surcharge so calculated to meet the current level of cross subsidy from that category of consumer and shall be paid to the distribution licensee. The intent of the EA 2003 is also that the licensee is compensated for the requirement of cross subsidy in its ARR. It is necessary to subsidize the other category of consumer of the distribution licensee as there is no other mean to do so. The State Government in its letter dated 31.03.2015 addressed to the Commission has made it clear that it does not contemplate to extent any tariff subsidy to any class of consumers. The control period in the ARR has overall surplus in availability of power due to new allotments of power stations from central as well as new generation projects within the State. In this scenario it is essential to charge open access consumers the cross subsidy so as to meet the current requirement of the cross subsidy for majority of consumers of the State i.e. domestic, lifeline, crematorium and agriculture. In past 2 years the consumption by industries has gone down substantially. In this situation there is a need to recover cross subsidy from open access consumers. In the past it has been experienced that the open access has facilitated open access consumers to get round the clock power supply. The Commission cannot ignore the present scenario where the major category is in the subsidized domestic category, BPL and the agriculture sector. In the event of no subsidy from the State Government as stated above in 2015-16, the need and interest of common man cannot be overlooked. Even at present IHT and IEHT consumers of the distribution

licensee are subsidizing large number of consumers of the State by paying cross subsidy in their tariff. The Commission has given serious thought and is convinced that it is essential that cross subsidy is charged from open access consumers and if further required to levy additional surcharge too. At different occasions and in written submissions industry association demanded that cross subsidy surcharge should be decided as per NTP follow formula. Ideally the cost of supply should be determined at weighted average cost of power purchase instead top 5% most expensive power as the licensee has to meet its long term commitments as per PPA. However, the Commission is following NTP formula for FY2015-16.

The formula for assessing the cross subsidy surcharge as per the Tariff Policy issued by Government of India is given below:

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

Where S is the cross subsidy surcharge;

T is the tariff payable by the relevant category of consumers;

C is the weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power;

D is the wheeling charge;

and L is the system losses for the applicable voltage level, expressed as a percentage.

By using this formula, the cross subsidy surcharge for EHT category of consumers shall be Rs. 1.51 per unit for EHT category and Rs. 1.41 per unit for HT category.

The losses for EHT category is allowed @ 4% and for HT category at @ 6% for 33 KV and @9% for 11 KV.

These rates shall be applied w.e.f 1.4.2015. All conditions for open access shall be as per MSERC (terms and condition of open access) Regulations 2012 and its amendments. It is further directed the SLDC in association with MNREDA shall apply RPO compliances for meeting purchase of energy/ REC from solar and non solar sources as per MSERC (Renewable purchase obligations and compliance) Regulations 2015.

10. Directives

10.1 Compliance of earlier Directives

The Commission in its earlier orders had given certain directives to MePDCL. Some of them are complied with and some are still to be completed. The Commission shall take up the matter separately. This year the fresh directives are being issued which are given below:

10.2 Directive-1

The Commission has not allowed any investments without proper scrutiny in the order and therefore the licensee need to submit investment plans to the commission if that are not central plan funded by majority of grant. As discussed in the order, MePDCL shall submit its investment plan proposed to be in the control period to the Commission for its approval by 30.08.2015. The plan should be accompanied with agreement of financing, approval from appropriate authority and details of the project with cost benefit analysis, etc.

10.3 Directive-2

MePDCL is directed to create a dedicated energy management cell that will be responsible for energy management on day to day basis and make sure that the consumers of the State get 24x7 supply throughout the year by managing the energy transfers/sale/purchase/swapping, etc at optimum level and at best price. Report of compliance should be sent by 30.8.2015.

10.4 Directive-3

While allowing open access, the MePDCL shall ensure that the availability capacity of the line on which open access shall take place is sufficient. In no case it should hinder the power flow to the consumers. It is further directed that MePDCL shall make

techno commercial impact study before releasing the OA. The MePDCL in consultation with the Energy Management unit and Commercial unit shall examine the process of open access in the State on month to month basis and study the liabilities of the Corporation with respect to meeting its fixed charges during the season of surplus power or otherwise in situation of open access (FY 2014-15) and submit the proposal of additional charges to the Commission by 30.4.2015.

10.5 Directive-4

Progress report of replacement of defective meters and electromechanical meters on revenue yielding consumers should be sent by 30.8.15.

10.6 Directive-5

The present status of implementation of computerized billing shall be reported by 30th August, 2015.

10.7 Directive-6

The results of the energy audit in the Byrnihat Industrial area shall be reported by 30th September, 2015.

10.8 Directive-7

The audited financial statement has not been furnished by MePDCL for the financial year 2012-13 and 2013-14 which are mandatory under MYT Regulations.

It may be mentioned that as per section 210 of the Companies Act, 1956 read with section 166, a company has to place the audited accounts within six months of the end of the financial year. MePDCL shall submit the audited result by 30.9.2015 with out which no investment plan shall be admitted.

10.9 Directive-8

MePDCL should conduct a man power study for optimum utilization of its resources, their training, placement of suitable person at each position etc. Report of compliance should be sent by 30.8.2015.

APPROVED TARIFF FOR 2015-16

A. LOW TENSION TARIFF:

1 Domestic (Low Tension).

This category shall be applicable to domestic consumption, which includes consumption

- a. For lighting, heating, cooling, fans and other household appliances in a private dwelling house;
- b. In temples, churches, mosques, gurudwaras and other places of religious worship;
- c. In hospitals, dispensaries, health centres run by Government or by charitable, religious or social organizations on a no-profit or non-commercial basis.
- d. In schools, colleges, hostels boarding houses for students run by Government or by charitable, religious or social organizations on a no-profit or non commercial basis; and
- e. In ashrams, dharamsalas, community halls and institutions run by recognized welfare organizations.
- f. MeECL officers and its employee's residences.

(1.1) Kutir Jyoti/BPL.

Kutir Jyoti connections have been covered under Domestic category with metered and unmetered sub categories.

(1.1.1) Unmetered Kutir Jyoti

The existing Tariff for this category of consumers is Rs.90 per connection per month. The MeECL has proposed a rate of Rs.180 per connection per month for this category. The Commission has approved Rs.100 per connection per month for all existing unmetered consumers.

Tariff for BPL (unmetered) for FY 2015-16			
Category	Existing Tariff (Rs./ connection /month)	Proposed Tariff (Rs./connection/ month)	Approved Tariff (Rs./connection/ month)
Kutir Jyoti (KJ-U)/BPLU	90	180	100

This Tariff is applicable for existing unmetered consumer under Kutir Jyoti unmetered category until they are metered. No new connection should be given without meter.

(1.1.2) Metered Kutir Jyoti

The MeECL has proposed tariff of metered Kutir Jyoti consumers at Rs.3.60 per unit for monthly consumption within 0-30 units. They have also proposed that if the monthly consumption in any month exceeds the limits of 30 units then their excess consumption over and above 30 units shall be done on the Tariff as prescribed for normal domestic consumers. The Commission has allowed Rs.2.50 per unit for BPL metered category up to a consumption of 30 units. In case, they consumes more than 30 Units then the billing of excess unit shall be done on the Tariff prescribed for normal domestic consumers for appropriate slab rates.

Tariff for BPL (metered) for FY 2015-16			
Category	Existing Tariff (Rs./ kWh)	Proposed Tariff (Rs./ kWh)	Approved Tariff (Rs./ kWh)
Kutir Jyoti (KJ-M)/BPLM	2.25	3.60	2.50

(1.1) Domestic Consumers

The existing Tariff is 2 part Tariff. The fixed charge is levied on the basis of KW load per month and energy charges are applicable in 3 slabs with different rates for each slab. The Commission has not made any changes in the structure and approved the same. However, the Commission has revised rates for each slab and fixed charges per KW which are given below in the Tariff.

Fixed Charges

Fixed Charges for Domestic consumers for FY 2015-16			
Category	Existing Tariff (Rs./KW/Month)	Proposed Tariff (Rs./KW/Month)	Approved Tariff (Rs./KW/Month)
Domestic (DLT)	40	80	45

Energy Charges

Energy charges for Domestic consumer for 2015-16				
Category	Slabs	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Domestic (DLT)	First 100 units	2.90	4.93	3.05
	Next 100 units	3.40	5.95	3.60
	Above 200 units	4.40	7.44	4.75

2 Non-Domestic (Low Tension)

The existing Tariff has a structure of 2 part Tariff. The fixed charges are levied on the basis of KW load per month and energy charges are applicable for two slabs with different rates for each slab. The Commission has not made any changes in the structure and approved the same. However, the Commission has approved different rate for each slab and fixed charges per KW which are given below in the Tariff.

Fixed charges

Fixed charges for Non domestic consumer for 2015-16			
Category	Existing Tariff (Rs/KW/Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
Non Domestic (CLT)	80	160	90

Energy charges

Energy charges for Non domestic consumer for 2015-16					
Category	Slabs	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Slabs	Approved Tariff (Rs/KWH)
Non Domestic (CLT)	First 100 Units	5.00	6.90	First 100 Units	5.20
	Above 100 Units	5.80	6.90	Above 100 Units	6.40

1. Industrial Low Tension

This category is applicable for small and medium industrial consumer who is given supply on low tension wires. The Commission has approved the following two parts without changing the structure of the current tariff keeping in view the present cross subsidy adjustment.

Fixed charges

Fixed charges for Industrial (LT) consumer for 2015-16			
Category	Existing Tariff (Rs/KW/Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
Industrial (ILT)	80	160	90

Energy charges

Energy charges for Industrial (LT) consumer for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Industrial (ILT)	4.75	6.18	5.20

2. Public Service Low Tension

This category comes under Public Service connections given supply through LT lines. The public lamps are generally unmetered and their Tariff is based on the fixed charges per KW per month. However, since no connection under the Act can be given without meters, the Licensee is required to install meters on all new

connections and progressively shall place meters on the existing connections. The approved Tariff for metered connections and unmetered connections is decided in a way to encourage metering at public lamps. The rates are given below:

3. Public Lighting (Metered)

Fixed charges

Fixed charges for Public Lighting (metered) for 2015-16			
Category	Existing Tariff (Rs/KW/Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
Public Lighting (PL)	80	160	90

Energy Charges

Energy charges for Public Lighting (metered) for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Public Lighting (PL)	5.40	8.64	5.90

4. Public Lighting (Unmetered)

Fixed charges for Public Lighting (unmetered) for 2015-16			
Type of lamp	Existing Tariff (Rs/Lamp/Point/Month)	Proposed Tariff (Rs/Lamp/Point/Month)	Approved Tariff (Rs/Lamp/Point/Month)
Incandescent lamps			
40 Watts	98		110
60 Watts	155		170
100 Watts	247		270
Florescent lamps			
Up to 40 Watts	155	264	170
Mercury vapour lamp			
80 Watts	213	362	250
125 Watts	322	547	350
250 Watts	673	1144	740
500 Watts	1254	2132	1370

Sodium vapour lamp		831	
Up to 150 Watts	489	1290	540
250 Watts	759	2151	830
400 watts	1265		1380
CFL fittings			
Up to 45 Watts	155	264	165
Above 45 Watts & Up to 85 Watts	247	420	265
LED fittings	477	811	515
Metal halide	575	978	625

5. Public Water Supply /Sewage Treatment Plants

This category is related to Public Water Supply and Sewage Treatment plants and comes under public consumption. The following rates are approved for water supply and sewage treatment plants. These rates are decided keeping their nature of use and cross subsidy level,

Fixed charges

Fixed charges for Public Water Supply for 2015-16			
Category	Existing Tariff (Rs/KW/ Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
Public Water Supply (WSLT) / Sewage Treatment Plants	80	160	90

Energy Charges

Energy charges for Public Water Supply for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Public Water Supply (WSLT) / Sewage Treatment Plants	5.40	8.80	5.90

6. General Purpose

This Tariff is made for Government connections which are not covered under any other category of Public connections. The approved Tariff for this category is as follows:

Fixed charges

Fixed charges for General purpose for 2015-16			
Category	Existing Tariff (Rs/KW/Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
General purpose (GP)	80	160	90

Energy Charges

Energy charges for General purpose for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
General Purpose (GP)	5.40	8.75	5.90

7. Agriculture

This category is meant for agriculture where there are only few consumers in the State.

Fixed charges

Fixed charges for Agriculture for 2015-16			
Category	Existing Tariff (Rs/KW/Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/KW/Month)
Agriculture (AP)	45	90	50

Energy Charges

Energy charges for Agriculture for 2014-15			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Agriculture (AP)	2.00	2.80	2.25

8. Crematorium

This category is meant for crematorium using electricity for their day to day operation. As per the proposal there is only one consumer in this category. In the last Tariff Order the Commission has considered the nature and purpose of this crematorium which is meant for service to the society and operating on no profit no loss basis. The commission has held that on the basis of their nature of job their rates are considered equivalent to domestic consumers. The similar treatment has been given this year to this category with fixed charges on per connection basis and energy charges on metered consumption.

Fixed charges

Fixed charges for Crematorium for 2015-16			
Category	Existing Tariff (Rs/Connection/ Month)	Proposed Tariff (Rs/KW/Month)	Approved Tariff (Rs/Connection/ Month)
Crematorium (CRM)	5800	11600	6000

Energy Charges

Energy charges for Crematorium for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KWH)	Approved Tariff (Rs/KWH)
Crematorium (CRM)	3.35	5.86	3.60

B High Tension Supply

As per the supply code this category is meant for those consumers who get supply from HT wires. The billing of this type of consumers is being done on the basis of provision of supply code.

9. Domestic High Tension

This tariff is applicable to domestic consumer having supply from HT system of the licensee. Their tariff is approved as follows.

Fixed charges

Fixed charges for Domestic (HT) for 2015-16
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Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)
Domestic HT (DHT)	150	300	175

Energy Charges

Energy charges for Domestic (HT) for 2015-16					
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KVAH)	Approved Tariff (Rs/KWH)		
Domestic HT (DHT)	5.10	7.40	5.40		

10. Non Domestic High Tension

This tariff is applicable to Commercial consumer having supply from HT system of the licensee. Their tariff is revised keeping in view of their present level of cross subsidy and its suitable correction. The Commission has approved their tariff as follows

Fixed charges

Fixed charges for Non Domestic (HT) for 2015-16					
Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)		
Non Domestic HT (CHT)	150	300	175		

Energy Charges

Energy charges for Non Domestic (HT) for 2014-15					
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KVAH)	Approved Tariff (Rs/KVAH)		
Non Domestic HT (CHT)	5.25	6.06	5.80		

11. Industrial High Tension

These are industrial consumers taking supply on HT. These consumers are charged on KVAh basis. This tariff was introduced so as to improve the power factor in the system. This tariff cares for the power factor of the industries and reward those performs efficiently. However in case of leading power factor suitable correction

should be made. This matter shall be dealt with separately after a proper hearing.
The tariff is revised as follows.

Fixed charges

Fixed charges for Industrial (HT) for 2015-16			
Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)
Industrial High Tension	150	300	175

Energy Charges

Energy charges for Industrial (HT) for 2015-16			
Category	Existing Tariff (Rs/KVAH)	Proposed Tariff (Rs/KVAH)	Approved Tariff (Rs/KVAH)
Industrial High Tension (IHT)	5.24	7.60	5.64

12. General Purpose Bulk Supply (BS)

Fixed charges

Fixed charges for General Purpose Bulk (HT) for 2015-16			
Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)
General Purpose Bulk Supply (BS)	150	300	175

Energy Charges

Energy charges for General Purpose Bulk (HT) for 2015-16			
Category	Existing Tariff (Rs/KWH)	Proposed Tariff (Rs/KVAH)	Approved Tariff (Rs/KWH)
General Purpose Bulk Supply (BS)	5.10	8.42	5.40

13. Public Water Supply/Sewage Treatment Plant

Fixed charges

Fixed charges for Public Water Supply (HT) for 2015-16			
Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)
Public Water Supply (WSHT)	150	300	175

Energy Charges

Energy charges for Public Water Supply (HT) for 2015-16					
Category	Existing Tariff (Rs/KVAH)	Proposed Tariff (Rs/KVAH)	Tariff	Approved Tariff (Rs/KVAH)	Tariff
Public Water Supply	5.10	8.42		5.40	

C Extra High Tension Supply**14. Industrial Extra High Tension****Fixed charges**

Fixed charges for Industrial (EHT) for 2015-16			
Category	Existing Tariff (Rs/KVA/Month)	Proposed Tariff (Rs/KVA/Month)	Approved Tariff (Rs/KVA/Month)
Industrial (IEHT)	150	300	175

Energy Charges

Energy charges for Industrial (EHT) for 2015-16			
Category	Existing Tariff (Rs/KVAH)	Proposed Tariff (Rs/KVAH)	Approved Tariff (Rs/KVAH)
Industrial (IEHT)	5.10	7.34	5.40

D Others**15. Temporary supply (HT & LT)**

MeECL has proposed to continue their existing arrangement where the fixed and energy charges shall continue to be double of the normal applicable rates for all categories. The Commission has agreed to their proposal. Remaining terms and conditions of the tariff rate schedule shall be same as approved last year.