

EXECUTIVE SUMMARY

A) Background

The Hon'ble Commission has issued the MYT Regulations 2015 for the 3rd Control Period from FY 2016-17 to FY 2019-20 on 8th December, 2015. As per the provisions of Regulation 5.1(b) of the said Regulations, Distribution Licensee has to file Mid Term Review Petition (MTR Petition) by 30th November 2017 which has subsequently been revised and extended to 21st December 2017 by the Hon'ble Commission vide its Order dated 30th November 2017.

Accordingly, MSEDCL hereby submits the MTR petition under section 62 of the Electricity Act, 2003 and MERC MYT Regulations, 2015 comprising of following:

- Truing-up for FY 15-16 based on Annual Audited Accounts under MERC (MYT) Regulations, 2011;
- Truing-up for FY 16-17 based on Annual Audited Accounts under MERC (MYT) Regulations, 2015;
- Provisional Truing-up for FY 17-18 based on provisional information available for FY 17-18 under MERC (MYT) Regulations, 2015;
- Revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff and charges, expected revenue gap, and proposed category-wise Tariff for the period FY 18-19 to FY 19-20;
- Revision in Schedule of Charges;

B) Final True Up for FY 2015-16

Based on the annual audited accounts of MSEDCL, the Aggregate Revenue Requirement (ARR) for FY 2015-16 is determined at Rs. **59,728 Cr.** based on all the cost parameters as specified in the following table. The final True Up for FY 15-16 comparing the actual audited data for FY 15-16 with those approved by the Hon'ble Commission vide MYT Order dated 3rd November 2016 in Case no. 48 of 2016 is summarized below.

Rs. Crs

Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
Power Purchase Expenses	44,034	43,626	(408)
Operation & Maintenance Expenses	6,533	6,842	309
Depreciation Expenses	1,857	1,876	19
Interest on Loan Capital	1,712	1,700	(12)
Interest on Working Capital	221	695	474
Interest on Consumers Security Deposit	470	432	(38)
Other Finance Charges	31	36	5
Provision for bad and doubtful debts	258	405	146
Other Expenses	14	36	22
Intra-State Transmission Charges MSLDC charge	4,070	4,070	-
Incentives/Discounts	258	249	(9)
Prior Period Expenses	-	(178)	(178)
DSM expenses	8	-	(8)
Return on Equity Capital	1,520	1,661	141
RLC refund	5	5	(1)
ASC refund	-	1	1
Effect of sharing of gains/losses	(2,286)	(716)	1,570
Past Period Surplus	(1,011)	(1,011)	-
Aggregate Revenue Requirement	57,695	59,728	2,033
Revenue from Sale of Power	54,911	50,517	(4,394)
Non-Tariff Income	2,123	2,882	759
Income from Open Access Charges	576	678	103
Income from Trading of Surplus Power	189	211	22
Income from Wheeling Charges	4	1	(3)
Total Revenue	57,802	54,290	(3,513)
Revenue Gap/(Surplus)	(107)	5,439	5,546

Major reasons for deviation are lower revenue from sale of power due to change in consumer mix; reduction in power purchase expenses and increase in O&M Expenses. MSEDCL submits that these deviations are beyond the reasonable control of MSEDCL but well within the regulatory provisions for consideration in true up. MSEDCL has also considered the impact of sharing of gains/ (losses) on account of change in distribution losses and other controllable parameters like O&M Expenses and Interest on Working Capital.

C) Final True Up for FY 2016-17

Based on the annual audited accounts of MSEDCL, the Aggregate Revenue Requirement (ARR) for FY 2016-17 is determined at Rs. **62,771** Cr. based on all the cost parameters as specified in the following table. The final True Up for FY 16-17 comparing the actual audited data for FY 16-17 with those approved by the Hon'ble Commission vide MYT Order dated 3rd November 2016 in Case no. 48 of 2016 is summarized below.

Rs. Crs

Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
Power Purchase Expenses	43,754	43,826	72
Operation & Maintenance Expenses	5,912	6,753	841
Depreciation Expenses	2,062	2,043	(19)
Interest on Loan Capital	1,937	1,602	(335)
Interest on Working Capital	124	771	647
Interest on Consumers Security Deposit	688	603	(84)
Other Finance Charges	-	29	29
Provision for bad and doubtful debts	258	492	233
Other Expenses	15	214	199
Intra-State Transmission Charges MSLDC charge	4,611	3,793	(818)
Incentives/Discounts	271	235	(37)
Contribution to Contingency Reserves	108	-	(108)
DSM expenses	2	13	11
Return on Equity Capital	1,602	1,768	167
RLC refund	284	177	(107)
ASC refund	-	5	5
Effect of sharing of gains/losses	(1,030)	49	1,079
Past Period Adjustment by Commission	399	399	-
Aggregate Revenue Requirement	60,998	62,771	1,774
Revenue from Sale of Power	59,284	53,956	(5,328)
Non-Tariff Income	826	574	(252)
Income from Open Access Charges	599	1,034	435
Income from Trading of Surplus Power	-	384	384
Income from Wheeling Charges	5	2	(2)
Income from Additional Surcharge	284	116	(168)
Total Revenue	60,998	56,067	(4,931)
Revenue Gap/(Surplus)	-	6,704	6,704

Major reasons for deviation are lower revenue from sale of power due to change in consumer mix; lower transmission charges than approved by Hon'ble Commission and higher normative O&M Expenses than approved by Hon'ble Commission. MSEDCL submits that these deviations are beyond the reasonable control of MSEDCL but well within the regulatory provisions for consideration in true up. MSEDCL has also considered the impact of sharing of gains/ (losses) on account of change in distribution losses and other controllable parameters like O&M Expenses and Interest on Working Capital.

D) Provisional True Up for FY 17-18

Aggregate Revenue Requirement of MSEDCL for FY 2017-18 is estimated considering the provisional data available for the financial year.

Based on the provisional true-up, the Aggregate Revenue Requirement (ARR) determined for FY 17-18 is Rs. **67,882** Cr. The provisional True Up for FY 17-18, comparing the

estimated data with that approved by the Hon'ble Commission vide MYT Order dated 3rd November 2016 in Case no. 48 of 2016 is summarized below:

Rs. Crs

Particulars	FY 2017-18 (Approved)	FY 2017-18 (Provisional)	Deviation
Power Purchase Expenses	47,958	49,130	1,172
Operation & Maintenance Expenses	6,088	7,162	1,074
Depreciation Expenses	2,309	2,724	415
Interest on Loan Capital	2,269	1,586	(683)
Interest on Working Capital	137	131	(6)
Interest on Consumers Security Deposit	722	664	(58)
Provision for bad and doubtful debts	258	492	234
Other Expenses	16	65	49
Intra-State Transmission Charges MSLDC charge	5,824	4,812	(1,012)
Incentives/Discounts	285	247	(38)
Contribution to Contingency Reserves	129	-	(129)
DSM expenses	-	1	1
Return on Equity Capital	1,687	1,938	251
Effect of sharing of gains/losses	(635)	-	635
Past Period Adjustment by Commission	(1,116)	(1,116)	-
Add: Impact of payment to MPECS in future years	46	46	-
Aggregate Revenue Requirement	65,977	67,882	1,904
Revenue from Sale of Power	63,775	60,539	(3,236)
Non-Tariff Income	864	1,086	222
Income from Open Access Charges	623	536	(87)
Income from Trading of Surplus Power	-	180	180
Income from Wheeling Charges	5	1	(4)
Income from Additional Surcharge	710	119	(591)
Total Revenue	65,977	62,461	(3,516)
Revenue Gap/(Surplus)	-	5,420	5,420

Major reasons for deviation are increase in power purchase expenses, lower revenue from sale of power due to change in consumer mix; lower transmission charges than approved by Hon'ble Commission, lower income from additional surcharge and change in capex related expenses. MSEDCL submits that these deviations are beyond the reasonable control of MSEDCL. MSEDCL has not considered the impact of sharing of gains/ (losses) on account of change in distribution losses since as per the provisions of the MYT Regulations 2015, it needs to be considered at the time of truing up only.

E) Aggregate Revenue Requirement for FY 2018-19 to FY 2019-20

The aggregate revenue requirement for the period i.e. FY 18-19 to FY 19-20 has been determined based on the provisions of the MYT Regulations, 2015 and certain assumptions.

1. Sales Projections

MSEDCL has used historical trend method and estimated energy consumption for various consumer categories using 3 year CAGR. Wherever it is observed that the trend is unreasonable/unsustainable, the growth factors have been corrected to arrive at more realistic projections.

It is seen that in FY 17-18, sales in HT Industry category has increased. This is mainly on account of sourcing more power by some of the Open Access consumers from MSEDCL as can be seen from the reduction in Open Access quantum in FY 17-18 as compared to FY 16-17. While calculating CAGR for HT Industry category, impact of such reduction in Open Access quantum has not been considered.

Considering the category wise CAGRs as discussed above, MSEDCL has projected the sales for the period FY 18-19 to FY 19-20. The projection of Sales for HT category is outlined in the following table:

Consumer Category	MUs	
	FY 2018-19 (Projected)	FY 2019-20 (Projected)
HT Category		
HT-IND 11 AND 22 KV	12,998	13,097
HT-IND 33 KV	8,611	8,673
HT-IND EHV	6,937	7,335
HT-SEASONAL	102	102
Total : HT-I Industries	28,648	29,208
HT-II Commercial		
HT-COMM 11 AND 22 KV	1,691	1,660
HT-COMM 33 KV	76	76
HT-COMM EHV	42	42
Total : HT-II Commercial	1,809	1,778
HT III Railways	59	59
HT IV-PWW	1,521	1,525
HT V Agricultural	785	804
HT VI Bulk Supply (Housing Complex)	217	216
HT Temporary	5	5
HT-IX Public services	993	1,017
MSPGCL AUX SUPPLY	218	218
HT AG Others (Poultry)	227	250
Total HT	34,481	35,080

In the LT Category, MSEDCL has taken a realistic view and proposed to convert 1,00,000 agriculture unmetered consumers per year to metered category. Considering average load of 5 HP and unmetered index of 1242 units/HP/Annum, MSEDCL has calculated the consumption of these unmetered consumers and the same is added to the metered category and reduced it from unmetered category. The projection of Sales for LT category is outlined in the following table:

Consumer Category	MUs	
	FY 2018-19	FY 2019-20
	Projected	Projected
LT Category		
LT-I (A) : LT- BPL	54	54
LT-I (B) : LT-Residential (Other than BPL)	19,510	20,282
1-100 Units	12,498	12,899
101-300 Units	4,985	5,197
301-500 Units	863	912
501-1000 Units	560	601
Above 1000 Units	603	673
LT-II : LT- Non Residential		
0-20 KW	4,235	4,653
>20-<=50 KW	850	929
>50 KW	493	540
LT-II : LT- Non Residential	5,578	6,123
LT-III : LT-Public Water Works	746	780
LT-IV: LT-Agriculture	30,778	32,002
LT-AG-Unmetered (Pumpsets)	10,469	9,848
LT-AG Metered (Pumpsets)	20,173	22,005
LT-AG Metered (Others)	136	150
LT V(A) : LT Industry- Power Looms	1,985	2,135
0-20 KW (Upto & including 27 HP)	715	692
Above 20 KW (above 27 HP)	1,270	1,443
LT V(B) : LT Industry- General	4,700	4,780
0-20 KW (Upto & including 27 HP)	1,488	1,410
Above 20 KW (above 27 HP)	3,212	3,370
Street Light (LT-VI)	1,883	2,014
Temporary Connection (LT-VII)	16	16
LT-VIII : LT-Advertisements & Hordings	5	5
LT-IX : LT-Crematorium and Burial Grounds	2	2
LT X - Public services - Govt	52	58
0-20 KW	35	38
>20-50 kW	9	10
>50 kW	8	9
LT X - Public services - Other	401	441
0-20 KW	234	257
>20-50 kW	78	85
>50 kW	90	98
Total LT	65,712	68,694
Total MSEDCL excl. DF	1,00,193	1,03,774

MSEDCL has projected the input level sales for two Distribution Franchisees for FY 18-19 and FY 19-20 as shown in the table given below.

Particulars	MUs	
	FY 18-19 (Projected)	FY 19-20 (Projected)
Bhiwandi		
Input Sales	3,846	3,974
Nagpur		
Input Sales	1,641	1,705

It is pertinent to note that Hon'ble Commission, in its MYT Order dated 3rd November 2016 has not shown the sales of Bhiwandi Franchisee area separately for FY 17-18 to FY 19-20.

2. Power Purchase

MSEDCL has projected the power purchase for the period FY 18-19 to FY 19-20 based on the availability, operational parameters; expected commissioning of upcoming projects in the FY 18-19 to FY 19-20 and estimated the power purchase cost based on merit order principles (MoD) for optimum utilization. The source-wise power purchase projection for the period FY 18-19 to FY 19-20 is summarised below:

Source	FY 18-19					
	MERC Approved		MSEDCL Estimated		Deviation	
	Quantum (MUs)	Cost (Rs. Crs)	Quantum (MUs)	Cost (Rs. Crs)	Quantum (MUs)	Cost (Rs. Crs)
MSPGCL	45,470	19,202	46,993	20,479	1,523	1,277
NTPC	25,585	7,365	29,834	9,243	4,250	1,879
NPCIL	5,471	1,283	5,380	1,378	(91)	95
SSP	1,210	248	1,210	248	(0)	(0)
Pench	136	28	136	28	0	0
Dodson	116	22	116	21	(0)	(0)
JSW	1,934	499	1,934	631	0	132
CGPL (Mundra UMPP)	5,158	1,232	5,158	1,321	(0)	89
Adani Power	20,601	7,146	21,110	6,528	509	(618)
EMCO Power	1,370	468	1,489	518	119	50
Rattan India	-	904	-	983	-	79
Renewable	17,066	9,830	15,580	8,329	(1,486)	(1,501)
PGCIL Charges		2,592		2,688	-	97
Total Power Purchase	1,24,116	50,817	1,28,940	52,394	4,824	1,577

FY 19-20						
Source	MERC Approved		MSEDCL Estimated		Deviation	
	Quantum (MUs)	Cost (Rs. Crs)	Quantum (MUs)	Cost (Rs. Crs)	Quantum (MUs)	Cost (Rs. Crs)
MSPGCL	46,787	19,700	45,884	20,888	(903)	1,188
NTPC	26,853	7,592	31,120	9,968	4,267	2,376
NPCIL	5,486	1,321	5,485	1,474	(1)	153
SSP	1,213	249	1,213	249	0	0
Pench	137	28	137	28	(0)	(0)
Dodson	116	22	116	16	0	(5)
JSW	1,940	503	1,940	632	(0)	129
CGPL	5,172	1,248	5,172	1,323	0	75
Adani Power	20,658	7,229	21,512	6,656	854	(573)
EMCO Power	1,374	472	1,493	516	119	44
Rattan India	-	907	-	983	-	76
Renewable	19,365	11,212	17,112	9,079	(2,253)	(2,134)
PGCIL Charges	-	2,851	-	2,928	-	77
Total Power Purchase	1,29,101	53,334	1,31,183	54,741	2,082	1,407

3. Distribution Losses

MSEDCL has achieved a significant reduction in distribution losses, during recent years. These efforts shall continue and will be enhanced. Hon'ble Commission in the MYT Order dated 3rd November 2016 had set the Distribution Loss reduction targets [excluding EHV sales]. MSEDCL has proposed the same trajectory.

Particulars	FY 2018-19		FY 2019-20	
	Approved	Projected	Approved	Projected
Distribution Losses	14.76%	14.76%	13.26%	13.26%

4. Segregation of Wires and Supply Business

The Regulation 68 of MERC (Multi Year Tariff) Regulations, 2015 mentions about separation of accounts of distribution licensee and that the Aggregate Revenue Requirement of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with the allocation matrix.

MSEDCL has segregated the expenses based on the allocation matrix as provided in the regulations.

5. ARR for the period FY 18-19 to FY 19-20

Aggregate Revenue Requirement of MSEDCL for the period FY 18-19 to FY 19-20 is projected considering projections for various components of ARR and provisions of

MERC MYT Regulations, 2015. Also, the Revenue has been considered based on the existing tariff and accordingly the revenue gap has been calculated as summarised in following table.

Rs. Crs

Particulars	FY 2018-19		Deviation	FY 2019-20		Deviation
	Approved	Projected		Approved	Projected	
Power Purchase Expenses	50,817	52,394	1,577	53,334	54,741	1,407
Operation & Maintenance Expenses	6,268	7,596	1,328	6,454	8,056	1,602
Depreciation Expenses	2,450	3,011	561	2,498	3,235	737
Interest on Loan Capital	2,341	1,536	(805)	2,176	1,311	(865)
Interest on Working Capital	144	135	(8)	143	134	(8)
Interest on Consumers Security Deposit	758	634	(124)	796	697	(98)
Provision for bad and doubtful debts	258	26	(232)	258	-	(258)
Other Expenses	16	68	52	17	71	54
Intra-State Transmission Charges MSLDC charge	6,539	5,418	(1,121)	6,619	5,499	(1,120)
Incentives/Discounts	299	259	(40)	314	272	(42)
Contribution to Contingency Reserves	143	-	(143)	149	-	(149)
DSM expenses	-	0.4	0.4	-	-	-
Return on Equity Capital	1,716	2,102	386	1,719	2,255	536
Effect of sharing of gains/losses	(311)	-	311	-	-	-
Past Period Adjustment by Commission	(1,032)	(1,032)	-	853	853	-
Add: Impact of payment to MPECS in future years	43	43	-	40	40	-
Aggregate Revenue Requirement	70,449	72,190	1,742	75,369	77,166	1,797
Revenue from Sale of Power	68,155	65,384	(2,771)	72,977	68,565	(4,412)
Non-Tariff Income	903	1,051	148	945	1,104	159
Income from Open Access Charges	648	641	(7)	674	675	1
Income from Wheeling Charges	5	2	(3)	5	2	(3)
Income from Additional Surcharge	738	122	(616)	768	126	(642)
Total Revenue	70,449	67,200	(3,249)	75,369	70,471	(4,899)
Revenue Gap/(Surplus)	-	4,990	4,990	-	6,695	6,695

Major reasons for deviation are increase in power purchase expenses, lower revenue from sale of power due to change in consumer mix; reduction in transmission charges, lower income from additional surcharge, increase in O&M Expenses and change in capex related expenses. MSEDCL submits that these deviations are beyond the reasonable control of MSEDCL. MSEDCL has not considered the impact of sharing of gains/ (losses) since it needs to be considered at the time of final truing up of the respective year.

F) Total Revenue gap

Considering the revenue gap for FY 15-16 to FY 17-18, impact of order on Review Petition (Case No 176 of 2016), difference in Sharing of Efficiency Loss due to higher Distribution Losses for FY 14-15, carrying cost, claim of penalty levied by MERC for non-fulfilling RPO requirement for FY 2015-16 along with the revenue gap projected for the period FY 18-19

to FY 19-20, the total revenue gap works out to be Rs. **34,646** Cr. as shown in the following table.

Particulars	Amount	Rs Cr.
True Up Requirement for FY 15-16		5,546
True Up Requirement for FY 16-17		6,704
Revenue Gap for FY 17-18		5,420
Revenue Gap for FY 18-19		4,990
Revenue Gap for FY 19-20		6,695
Impact of Review Order for FY 14-15		216
Difference in Sharing of Efficiency Loss (primarily distribution loss due disallowance of AG sales for FY 14-15)		935
Carrying Cost - on Revenue Gaps for previous years till FY 17-18		3,880
Claim of penalty levied by MERC for shortfall in RPO		260
Total Revenue Gap		34,646

G) Tariff Design

There is an urgent need for ensuring recovery of full cost of service from consumers to sustain the operations of the Company. Hon'ble Commission has been guided by the Electricity Act, 2003 and the National Tariff Policy while determining retail tariffs. Hon'ble Commission has always laid emphasis on parameters which encourages economy, efficiency, effective performance and improved supply conditions of supply for consumers. MSEDCL requests the Hon'ble Commission to apply similar principles considering the ground realities as well as to ensure the financial viability of the Company.

The Tariff design proposed by MSEDCL is based on the following factors:

- Rationalisation of Fixed Charges to ensure increase in recovery of fixed costs through fixed charges;
- kVAh based billing for HT Category consumers;
- Rationalisation of Incentives;
- Incentives for New as well as Existing consumers of certain categories;
- Revision in ToD Charges considering the actual demand curve;
- Recovery of Cross Subsidy Surcharge as per NTP formula without any ceiling;
- Applicability of Additional Surcharge extended to all OA consumers including those sourcing power from CPP as well;
- Introduction of separate category of Electric vehicle Charging stations/ centers;

- Same tariffs for FY 18-19 and FY 19-20 in order to bring stability in power tariffs and avoid any additional carrying cost;

H) Rationale of Tariff hike

MSEDCL has proposed a revision in fixed and energy charges for various categories in order to bridge the revenue gap. Such tariff revision is minimum requirement for MSEDCL to meet the inflation as well as the additional costs that have arisen due to increase in power purchase costs; Renewable Purchase Obligation (RPO) as per new RPO Regulations 2016, change in consumer mix and its impact on revenue, increase in PoC cost, reduction in revenue etc. The tariff revision is necessary for its survival and it is purely to meet the revenue gap emerged due to increase in cost on account of inflation as well as additional costs which are beyond the control of MSEDCL.

I) Wheeling Charges

Considering the Network and supply cost segregation as provided in MYT Regulations 2015, and the methodology adopted by Hon'ble Commission in its previous Orders, MSEDCL has proposed the wheeling charges and wheeling losses at HT and LT level for the period FY 18-19 to FY 19-20 as summarized in following table:

Particulars	FY 18-19		FY 19-20	
	Wheeling Loss %	Wheeling Charges (Rs./Unit)	Wheeling Loss %	Wheeling Charges (Rs./Unit)
33 kV level	6%	0.15	6%	0.15
22/11 kV level	9%	0.83	9%	0.78
LT Level	12%	1.26	12%	1.24

*Rs. /kVAh or Rs. /kWh as the case may be

J) Cross Subsidy Surcharge

The Cross Subsidy Surcharge (CSS) is compensatory charge to the Discom. As held by APTEL, New Delhi, CSS is not only to compensate the Discom for the loss of cross subsidy, it is also to compensate the remaining consumers of the Discom who have not taken Open Access. Therefore, CSS needs to be based on the current level of cross subsidy.

To examine the issues related to Open Access along with issues relating to amendments in provisions relating to captive Generating plants in the Electricity Rules, 2005, a Committee was constituted by CEA on the advice of Ministry of Power. In the Consultation

paper by MoP issued on 24th August 2017, which is based on the report of the said Committee, it has been proposed that:

“It is essential for SERCs to implement both Para 8.3 -2 and First proviso to para 8.5.1 of the Tariff Policy 2016 simultaneously. If one of the provisions could not be implemented due to some reason, the second provision should also not be implanted to that extent.”

Accordingly, MSEDCL has proposed CSS based on the formula in Tariff Policy 2016 without putting any ceiling. For representation purpose, the proposed CSS for HT Industrial category consumers has been provided in the following table:

Consumer Category	Rs. per kVAh	
	FY 18-19	FY 19-20
HT I(A) (i): HT - Industry		
11/22 KV	4.50	4.40
33 KV	3.53	3.38
EHV	4.62	4.40

K) Additional Surcharge

MSEDCL has tied up sufficient quantum of power, after approval of the Hon’ble Commission, by considering the overall growth in the State. However, on the other hand, a large number of consumers are buying power under Open Access instead of availing supply from MSEDCL. As a result, the generation capacity tied up by MSEDCL remains idle.

In this situation, MSEDCL needs to back down the generation and also required to pay Fixed Charges (or Capacity Charges) to the Generators irrespective of actual purchase. Thus, the need for recovery of the part of fixed cost towards the stranded capacity arising from the power purchase obligation through levy of Additional Surcharge from OA consumers has been underlined by Hon’ble Commission in the MYT Order.

In line with the methodology adopted by Hon’ble Commission in the MYT Order dated 3rd November 2016, MSEDCL computed the Additional Surcharge. The Additional Surcharge for FY 18-19 works out to be Rs. **1.25** /kVAh and Rs. **1.28** /kVAh for FY 19-20.

MSEDCL opines that increasing trend of ‘retrofitting’ oneself as captive power plant so as to somehow evade CSS and additional surcharge by misusing the provisions of Electricity Rules 2005 is alarming and requires to be taken judicial note of. Similarly, such evasion of CSS and additional surcharge affect the revenue of MSEDCL and such under recovery gets

passed on to its other common consumers resulting into increase in their tariff for no fault on their part. Therefore, MSEDCL has requested the Hon'ble Commission to make the additional surcharge applicable to all Open Access consumers including OA consumers sourcing power from Captive Power Plants as well.

L) Voltage wise Cost of Supply

In the absence of actual data on voltage wise cost, the bifurcation of the cost has been done on the basis of assumption in line with the APTEL Judgement. Considering the APTEL Judgement and derived allocation factors, a study based on the Embedded Cost Approach has been carried out by MSEDCL and standalone Voltage Wise Cost of Supply for FY 18-19 and FY 19-20 is as shown in following table.

	Rs/Unit	
Volatge level	FY 18-19	FY 19-20
EHV (66 kV & above)	5.52	5.65
HT Level (33 kV)	6.53	6.82
HT Level (22&/or 11 kV)	6.57	6.89
LT Level	6.91	7.10
Total	6.71	6.93

M) Tariff Applicability

Every consumer of electricity has a unique applicability of tariff, depending upon the nature of power supply, purpose of power usage etc. which determines the class of consumer or category of the consumer. The Hon'ble Commission has accordingly classified the consumers of electricity into various categories depending upon the nature of power supply i.e. (Low Tension or High Tension), purpose of power/type of usage i.e. (Domestic, Non-domestic, Industrial, Agricultural, etc.)

In the recent past, it is observed that classification of a consumer into a particular category has resulted in litigation since applicability of a particular category of tariff is not available in exhaustive nature. MSEDCL has therefore examined this issue and based on the feedback received during interactions with field officers

MSEDCL has proposed modification in applicability of tariff as appearing in the tariff booklet.

N) Tariff Schedule

A comparison of detailed Category/Sub-category wise Existing and Proposed Energy Charges (excl. Wheeling Charges) is shown in tables below:

Category	FY 17-18	FY 18-19			FY 19-20		
	Existing	Approved	Proposed		Approved	Proposed	
	Rs./kWh	Rs./kWh	Rs./kVAh	% Change over Approved	Rs./kWh	Rs./kVAh	% Change over FY 18-19 Proposed
HT I (A) (i): HT - Industry							
11/22 kV; 33 kV; EHV	7.07	6.98	7.09	2%	6.93	7.09	0%
HT I (A) (ii): HT - Industry New Connections							
11/22 kV; 33 kV; EHV			6.09			6.09	0%
HT I (B) (i): HT - Industry (Seasonal)							
11/22 kV; 33 kV; EHV	7.67	7.37	7.70	4%	7.20	7.70	0%
HT I (B) (ii): HT - Industry (Seasonal) New Connections							
11/22 kV; 33 kV; EHV			6.70			6.70	0%
HT II (A): HT - Commercial							
11/22 kV; 33 kV; EHV	11.40	11.45	11.56	1%	11.50	11.56	0%
HT II (B): HT - Commercial New Connections							
11/22 kV; 33 kV; EHV			10.56			10.56	0%
HT III (A): HT - Railways/Metro/Monorail Traction							
11/22 kV; 33 kV; EHV	6.01	5.80	5.91	2%	5.55	5.91	0%
HT III (B): HT - Railways/Metro/Monorail Traction (New Connections)							
11/22 kV; 33 kV; EHV			4.91			4.91	0%
HT IV: HT - Public Water Works (PWW)							
11/22 kV; 33 kV; EHV	5.75	5.85	6.02	3%	5.95	6.02	0%
HT V(A): HT - Agriculture Pumpsets							
11/22 kV; 33 kV; EHV	3.30	3.44	4.24	23%	3.65	4.24	0%
HT V(B): HT - Agriculture Others							
11/22 kV; 33 kV; EHV	4.56	4.75	5.91	24%	5.02	5.91	0%
HT VI: HT - Group Housing Societies (Residential)							
11/22 kV; 33 kV; EHV	5.82	5.82	5.93	2%	5.86	5.93	0%
HT VIII(A): HT - Temporary Supply Religious							
11/22 kV; 33 kV; EHV	3.10	3.20	3.63	13%	3.27	3.63	0%
HT VIII(B): HT - Temporary Supply Others (TSO)							
11/22 kV; 33 kV; EHV	10.14	10.27	11.61	13%	10.39	11.61	0%
HT IX(A): HT - Public Services-Government							
11/22 kV; 33 kV; EHV	7.20	7.20	7.74	8%	7.10	7.74	0%
HT IX(B): HT - Public Services-Others							
11/22 kV; 33 kV; EHV	9.10	9.07	9.72	7%	8.93	9.72	0%
HT X : Charging Stations/Centers for Electrical Vehicles			6.00			6.00	

**Final True Up for FY 15-16 & FY 16-17, Provisional True up for
FY 17-18 and Mid Term Review for FY 18-19 to FY 19-20**
Executive Summary

Rs./kWh

Category	FY 17-18	FY 18-19			FY 19-20		
	Existing	Approved	Proposed	% Change over Approved	Approved	Proposed	% Change over FY 18-19 Proposed
LT I: LT - Residential							
LT I(A): LT - Residential-BPL	1.05	1.06	1.07	1%	1.08	1.07	0%
LT I(B): LT - Residential							
0-100 Units	3.00	3.07	3.07	0%	3.18	3.07	0%
101-300 Units	6.73	6.81	7.19	6%	6.91	7.19	0%
301-500 Units	9.70	9.76	10.26	5%	9.86	10.26	0%
501-1000 Units	11.20	11.25	11.81	5%	11.37	11.81	0%
Above 1000 Units	12.48	12.53	13.14	5%	12.65	13.14	0%
LT II: LT - Non-Residential							
(A) (i): 0 - 20 kW (0 - 200 units)	6.09	6.10	7.96	3%	6.15	7.96	0%
(A) (i): 0 - 20 kW (above 200 units)	9.32	9.32			9.37		
(B): >20 kW and ≤ 50 kW	9.98	9.98	11.59	16%	9.98	11.59	0%
(C): >50 KW	12.55	12.58	14.19	13%	12.63	14.19	0%
LT III: LT - Public Water Works (PWW)							
(A): 0-20 KW	1.97	2.09	2.62	25%	2.31	2.62	0%
(B): > 20 kW and ≤ 40 kW	3.24	3.37	4.15	23%	3.54	4.15	0%
(C): > 40 kW	4.53	4.69	5.74	22%	4.81	5.74	0%
LT IV: LT - Agriculture							
LT IV(A): LT - AG Un-metered - Pumpsets*							
Category 1 Zones (Above 1318 Hrs/HP/Annum)							
(a) 0-5 HP	309	334	449	34%	363	449	0%
(b) Above 5 HP - 7.5 HP	341	365	490	34%	398	490	0%
(c) Above 7.5 HP	381	400	537	34%	443	537	0%
Category 2 Zones (Below 1318 Hrs/HP/Annum)							
(a) 0-5 HP	212	236	320	36%	251	320	0%
(b) Above 5 HP - 7.5 HP	247	266	362	36%	293	362	0%
(c) Above 7.5 HP	275	294	398	35%	321	398	0%
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	1.83	1.95	2.55	31%	2.14	2.55	0%
LT IV(C): LT - Agriculture Metered - Others	3.09	3.26	4.35	33%	3.51	4.35	0%

**Final True Up for FY 15-16 & FY 16-17, Provisional True up for
FY 17-18 and Mid Term Review for FY 18-19 to FY 19-20
Executive Summary**

Rs./kWh

Category	FY 17-18	FY 18-19			FY 19-20		
	Existing	Approved	Proposed	% Change over Approved	Approved	Proposed	% Change over FY 18-19 Proposed
LT V (A): LT - Industry - Powerlooms							
(i): 0-20 KW	4.54	4.59	4.70	2%	4.69	4.70	0%
(ii): Above 20 KW	5.91	5.95	6.06	2%	6.02	6.06	0%
LT V (B): LT - Industry - General							
(i): 0-20 KW	4.74	4.76	4.87	2%	4.81	4.87	0%
(ii): Above 20 KW	6.39	6.38	6.49	2%	6.42	6.49	0%
LT VI: LT - Street Light							
(A): Grampanchayat A B & C Class Municipal Council	4.29	4.39	5.16	18%	4.49	5.16	0%
(B): Municipal corporation Area	5.39	5.48	6.41	17%	5.58	6.41	0%
LT VII: LT - Temporary Connection							
(A): LT - Temporary Supply Religious (TSR)	3.10	3.20	3.79	18%	3.27	3.79	0%
(B): LT - Temporary Supply Others (TSO)	12.47	12.63	14.64	16%	12.79	14.64	0%
LT VIII: LT - Advertisements and Hoardings	12.42	12.58	12.58	0%	12.74	12.58	0%
LT IX: LT - Crematorium and Burial Grounds	3.07	3.14	3.78	21%	3.26	3.78	0%
LT X (A) - Public Services - Government							
(i): 0 - 20 kW (0 - 200 units)	3.17	3.15			3.12		
(i): 0 - 20 kW (above 200 units)	4.39	4.32	4.48	20%	4.26	4.48	0%
(ii): >20 - ≤ 50 kW	5.31	5.10	5.92	16%	5.03	5.92	0%
(iii): >50 kW	5.96	5.81	6.50	12%	5.74	6.50	0%
LT X (B) - Public Services - Others							
(i): 0 - 20 kW (0 - 200 units)	4.31	4.24			4.19		
(i): 0 - 20 kW (above 200 units)	6.84	6.79	5.91	7%	6.74	5.91	0%
(ii): >20 - ≤ 50 kW	6.90	6.85	8.00	17%	6.75	8.00	0%
(iii): >50 kW	7.26	7.21	8.06	12%	7.11	8.06	0%
LT XI Charging Stations/Centers for Electrical Vehicles			6.00			6.00	

A comparison of detailed Category/Sub-category wise Existing and Proposed Fixed/Demand Charges is shown in tables below:

**Final True Up for FY 15-16 & FY 16-17, Provisional True up for
FY 17-18 and Mid Term Review for FY 18-19 to FY 19-20
Executive Summary**

Category	Unit	FY 17-18	FY 18-19			FY 19-20		
		Existing	Approved	Proposed	% Change over Approved	Approved	Proposed	% Change over FY 18-19 Proposed
HT I (A) (i): HT - Industry								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT I (A) (ii): HT - Industry New Connections								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month			565			565	
HT I (B) (i): HT - Industry (Seasonal)								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT I (B) (ii): HT - Industry (Seasonal) New Connections								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month			565			565	
HT II (A): HT - Commercial								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT II (B): HT - Commercial New Connections								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month			565			565	
HT III (A): HT - Railways/Metro/Monorail Traction								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT III (B): HT - Railways/Metro/Monorail Traction (New Connections)								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month			565			565	
HT IV: HT - Public Water Works (PWW)								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT V(A): HT - Agriculture Pumpsets								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	40	45	125	178%	50	125	0%
HT V(B): HT - Agriculture Others								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	40	45	150	233%	50	150	0%
HT VI: HT - Group Housing Societies (Residential)								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	220	220	460	109%	220	460	0%
HT VIII(A): HT - Temporary Supply Religious								
11/22 kV; 33 kV; EHV	Rs./Connection/ Month	330	355	745	110%	385	745	0%
HT VIII(B): HT - Temporary Supply Others (TSO)								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	290	290	610	110%	290	610	0%
HT IX(A): HT - Public Services-Government								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT IX(B): HT - Public Services-Others								
11/22 kV; 33 kV; EHV	Rs. / kVA/Month	250	270	565	109%	290	565	0%
HT X: Charging Stations/Centers for Electrical Vehicles								
	Rs. / kVA/Month			565			565	

Category	Unit	FY 17-18	FY 18-19			FY 19-20		
		Existing	Approved	Proposed	% Change over Approved	Approved	Proposed	% Change over FY 18-19 Proposed
LT I: LT - Residential								
LT I(A): LT - Residential-BPL	Rs./Month	12	13	15	15%	15	15	0%
LT I(B): LT - Residential								
0-100 Units	Rs./Month	60	65	140	115%	70	140	0%
101-300 Units	Rs./Month	60	65	170	162%	70	170	0%
301-500 Units	Rs./Month	60	65	190	192%	70	190	0%
501-1000 Units	Rs./Month	60	65	205	215%	70	205	0%
Above 1000 Units	Rs./Month	60	65	220	238%	70	220	0%
Three Phase Connection	Rs./Month	170	185	400	116%	200	400	0%
LT II: LT - Non-Residential								
(A) (i): 0 - 20 kW	Rs./Month	250	270	580	115%	290	580	0%
(B): >20 kW and ≤ 40 kW	Rs. / kVA/Month	250	270	580	115%	290	580	0%
(C): >50 KW	Rs. / kVA/Month	250	270	580	115%	290	580	0%
LT III: LT - Public Water Works (PWW)								
(A): 0-20 KW	Rs. / kVA/Month	75	80	170	113%	85	170	0%
(B): > 20 kW and ≤ 40 kW	Rs. / kVA/Month	85	90	195	117%	100	195	0%
(C): > 40 kW	Rs. / kVA/Month	125	135	290	115%	145	290	0%
LT IV: LT - Agriculture								
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs. / HP/Month	22	24	50	108%	26	50	0%
LT IV(C): LT - Agriculture Metered - Others	Rs./kW/Month	60	65	140	115%	70	140	0%

Category	Unit	FY 17-18	FY 18-19		FY 19-20		% Change over FY 18-19 Proposed	
		Existing	Approved	Proposed	Approved	Proposed		
		Fixed/Demand Charges		% Change over Approved	Fixed/Demand Charges			
LT V (A): LT - Industry - Powerlooms								
(i): 0-20 KW	Rs./Connection/Month	250	270	580	115%	290	580	0%
(ii): Above 20 KW	Rs. / kVA/Month	170	185	400	116%	200	400	0%
LT V(B): LT - Industry - General								
(i): 0-20 KW	Rs./Connection /Month	250	270	580	115%	290	580	0%
(ii): Above 20 KW	Rs. / kVA/Month	170	185	400	116%	200	400	0%
LT VI: LT - Street Light								
(A): Grampanchayat A B & C Class Municipal Council	Rs. / kW/Month	60	65	140	115%	70	140	0%
(B): Municipal corporation Area	Rs. / kW/Month	60	65	140	115%	70	140	0%
LT VII: LT - Temporary Connection								
(A): LT - Temporary Supply Religious (TSR)	Rs./Connection/ Month	330	355	765	115%	385	765	0%
(B): LT - Temporary Supply Others (TSO)	Rs./Connection/ Month	360	360	775	115%	360	775	0%
LT VIII: LT - Advertisements and Hoardings								
LT IX: LT - Crematorium and Burial Grounds								
LT X (A) - Public Services - Government								
(i): 0-20 KW	Rs./Connection /Month	220	235	505	115%	250	505	0%
(ii): >20 - ≤ 50 kW	Rs. / kVA/Month	220	235	530	126%	250	530	0%
(iii): >50 kW	Rs. / kVA/Month	220	235	550	134%	250	550	0%
LT X(B) - Public Services - Others								
(i): 0-20 KW	Rs./Connection /Month	250	270	580	115%	290	580	0%
(ii): >20 - ≤ 50 kW	Rs. / kVA/Month	250	270	610	126%	290	610	0%
(iii): >50 kW	Rs. / kVA/Month	250	270	635	135%	290	635	0%
LT XI Charging Stations/Centers for Electrical Vehicles								
	Rs. / kVA/Month			580			580	

MSEDCL requests Hon'ble Commission to provide the tariff considering the Tariff Design principles, new categories proposed and Other Suggestions made by MSEDCL.

O) Prayers

MSEDCL most respectfully prays to the Hon'ble Commission:

- 1) To admit the MTR Petition as per the provisions of the MERC (MYT) Regulations 2015 and consider present Petition for further proceedings before Hon'ble Commission;
- 2) To approve the total recovery of Aggregate Revenue Requirement and revenue gap for FY 2015-16 to FY 2019-20 along with other claims as proposed by MSEDCL;
- 3) To allow the carrying cost on the revenue gap of FY 2015-16 to FY 2019-20;
- 4) To approve mechanism for recovery of computed revenue gap along with carrying cost and Tariff Schedule considering the Tariff Design principles and other suggestions proposed by MSEDCL;
- 5) To approve the AG sales for FY 2014-15 and FY 2015-16 without any disallowances;
- 6) To approve tariffs for individual categories as proposed by MSEDCL;
- 7) To allow the revision in criteria for Billing Demand as proposed by MSEDCL;

- 8) To allow kVAh based billing for HT category consumers;
- 9) To allow separate category for Charging Stations/Centers for Electrical Vehicles with Tariffs as proposed by MSEDCL;
- 10) To allow the creation of New Sub-Categories in HT for New Consumers as proposed by MSEDCL;
- 11) To allow a rebate for incremental consumption of existing HT consumers of selected categories as proposed by MSEDCL;
- 12) To allow to sell energy to the HT consumers in SEZ areas whosoever approach MSEDCL treating them at par with New Consumers in Sr. No. 10 above;
- 13) To consider the incentives/rebates proposed as above as part of ARR;
- 14) To rationalize the incentives and penalties as proposed by MSEDCL;
- 15) To allow the revision in ToD Charges as proposed by MSEDCL;
- 16) To approve Cross Subsidy Surcharge and all such other charges including wheeling charges and wheeling losses for Open Access consumers as proposed for FY 2018-19 to FY 2019-20;
- 17) To approve the Additional Surcharge for all Open Access consumers including those sourcing power from CPPs as proposed for FY 2018-19 to FY 2019-20;
- 18) To allow increase in standby charges for embedded CPP consumers;
- 19) To allow levy of compulsive regulatory provision for standby agreement for SEZ and railways;
- 20) To approve the suggested categorization for different type of activities as proposed by MSEDCL in applicability of tariff;
- 21) To allow recovery of wheeling charges from the consumers who are connected at a higher voltage level than as stipulated in MERC SOP Regulations
- 22) To allow levy of wheeling charges to rooftop system users;
- 23) To approve the schedule of charges as proposed by MSEDCL;
- 24) To approve the capex and capitalisation as submitted by MSEDCL;

- 25) To grant any other relief as the Hon'ble Commission may consider appropriate;
- 26) To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;
- 27) To condone any error/omission and to give opportunity to rectify the same;
- 28) To permit MSEDCL to make further submissions, addition and alteration to this Petition as may be necessary from time to time;

-Sd-

Satish Chavan
Director (Commercial)