

EXECUTIVE SUMMARY

A. Background

The Hon'ble Commission has issued the MYT Regulations 2015 for the 3rd Control Period FY 2016-17 to FY 2019-20 on 8th December, 2015. As per the provisions of Regulation 5.1(a) of the said Regulations, Distribution Licensee has to file MYT Petition by 15th January 2016 which was subsequently revised and extended to 15th February 2016 by the Hon'ble Commission vide its Order dated 15th January 2016.

However, considering the policy issues and deliberations involved in tariff philosophy/structure, MSEDCL required additional time for filing. MSEDCL requested the Hon'ble Commission to sympathetically consider MSEDCL's request and condone the delay in filing of MYT Petition. Accordingly, MSEDCL filed its Multi Year Tariff Petition for FY 2016-17 to FY 2019-20 before the Hon'ble Commission on 3rd March, 2016.

Hon'ble Commission and Consumer Representatives raised certain data gaps on MSEDCL's MYT Petition which have been replied by MSEDCL. Further, Hon'ble Commission conducted Technical Validation Session (TVS) on 21st March 2016 & Second Technical Validation Session on 29th April 2016. As per Minutes of Meeting issued by its letter dated 5th May 2016, the Hon'ble Commission directed MSEDCL to file its revised Petition incorporating replies to the data gaps as well as issues raised during TVS.

Accordingly, MSEDCL hereby submits the MYT petition for aggregate revenue requirement along with determination of tariff for the Third Control Period under section 62 of the Electricity Act, 2003 and MERC MYT Regulations, 2015 along with the petition for

- Final True up for FY 2014-15 based on Annual Audited Accounts;
- Provisional True Up for FY 2015-16 (based on the available provisional data till December 2015 (For Sales and Power Purchase);
- Aggregate Revenue Requirement for each year of the Control Period under these Regulations (i.e. FY 2016-17 to FY 2019-20);

- Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;
- Proposed category-wise Tariff for each year of the Control Period under these Regulations;

B. Final Truing Up for FY 2014-15

Based on the annual audited accounts of MSEDCL, the Aggregate Revenue Requirement (ARR) for FY 2014-15 is determined as Rs. **56,594** Crs based on all the cost parameters as specified in the table. The final True Up for FY 2014-15 comparing the actual audited data for FY 2014-15 with those approved by the Hon'ble Commission vide MYT Order dated 26th June 2015 in Case no. 121 of 2014 (Approval of Multi Year Tariff for Second Control Period FY 2013-14 to FY 2015-16) is summarized below.

Rs. Crs

Particulars	FY 2014-15 (Approved)	FY 2014-15 (Actual)	Deviation
Power Purchase Expenses	39,694	43,614	3,920
Operation & Maintenance Expenses	5,957	6,158	201
Depreciation Expenses	1,940	2,081	141
Interest on Loan Capital	1,591	1,511	(80)
Interest on Working Capital & Interest on deposit from Consumers and Distribution System Users	728	891	163
Other Finance Charges	38	30	(8)
Provision for bad and doubtful debts	210	347	137
Other Expenses	20	40	20
Income Tax	0	-	(0)
Intra-State Transmission Charges MSLDC charge	5,490	5,475	(15)
Incentives/Discounts	230	246	16
Prior Period Expenses and exceptional items	-	(2,720)	(2,720)
DSM expenses	1		(1)
Total Revenue Expenditure	55,899	57,672	1,773
Add: Return on Equity Capital	1,412	1,447	35
Aggregate Revenue Requirement	57,311	59,119	1,808
Less: Non-Tariff Income	1,761	1,958	197
Less: Income from Wheeling Charges	20	3	(17)
Less: Income from Open Access Charges	296	380	84
Less: Deemed Revenue on account of change of category	102	-	(102)
Add: RLC refund	38	46	8
Add: ASC refund	-	2	2
Add: Effect of sharing of gains/losses		(232)	(232)
Aggregate Revenue Requirement from Retail Tariff	55,170	56,594	1,424
Less: Revenue from Sale of Power	55,259	55,135	(124)
Less: Revenue from Trading Surplus	180	189	9
Revenue Gap/(Surplus)	(269)	1,271	1,540

The major deviation in the ARR from approved figures of the Hon'ble Commission is in power purchase expenses which are beyond the reasonable control of MSEDCL but well within the regulatory provisions for consideration in true up. Also, the deviation in the power purchase cost is due to the impact of Rs. 2823 Crs of the cost disallowed against the alleged higher Agriculture sales by the Hon'ble Commission in the Tariff Order dated 26th June 2015.

Hon'ble Commission conducted Second TVS on 29th April 2016. During the TVS, Prayas Energy Group raised the issue of Agriculture Sales and Distribution Loss. Minutes of said TVS 2 along with the submissions made by Prayas are attached as Annexure 17 to the main Petition.

C. Provisional True-up for FY 2015-16

Aggregate Revenue Requirement of MSEDCL for FY 2015-16 is projected considering the provisional data available till December 2015 (For Sales and Power Purchase) & estimated for balance three months (estimated) and Provisions of MERC MYT Regulations, 2011.

Based on the provisional true-up, the aggregate revenue requirement (ARR) determined for FY 2015-16 is Rs. **59,144** Crs as against Rs. **56,613** as approved by the Hon'ble Commission. The provisional True Up for FY 2015-16, comparing the estimated data with those approved by the Hon'ble Commission vide MYT Order dated 26th June 2015 in Case no. 121 of 2014 (Approval of Multi Year Tariff for Second Control Period FY 2013-14 to FY 2015-16) is summarized below.

Particulars	Rs. Crs		
	FY 2015-16 (Approved)	FY 2015-16 (Estimated)	Deviation
Power Purchase Expenses	41,249	44,034	2,785
Operation & Maintenance Expenses	6,712	6,725	13
Depreciation Expenses	2,134	2,333	199
Interest on Loan Capital	1,680	1,544	(136)
Interest on Working Capital & Interest on deposit from Consumers and Distribution System Users	788	722	(66)
Other Finance Charges	39	31	(8)
Provision for bad and doubtful debts	210	258	48
Other Expenses	21	42	21
Income Tax	0.04		(0)
Intra-State Transmission Charges MSLDC charge	3,627	4,070	443
Incentives/Discounts	242	258	16
Contribution to Contingency Reserves	101		(101)
DSM expenses	8		(8)
Total Revenue Expenditure	56,812	60,019	3,207
Add: Return on Equity Capital	1,530	1,582	52
Aggregate Revenue Requirement	58,342	61,601	3,259
Less: Non-Tariff Income	1,847	2,055	208
Less: Income from Wheeling Charges	21	3	(18)
Less: Income from Open Access Charges	311	399	88
Add: RLC refund	450		(450)
Aggregate Revenue Requirement from Retail Tariff	56,613	59,144	2,531
Less: Revenue from Sale of Power	58,978	54,911	(4,067)
Less: Revenue from Trading Surplus	-	189	189
Revenue Gap/(Surplus)	(2,365)	4,044	6,409

The resultant gap of Rs. **4,044** Crs is due to major deviations in expenses from the figures approved by the Hon'ble Commission on account of power purchase expenses, Intra-State Transmission Charges and revenue from sale of power.

D. Annual Revenue Requirement for FY 2016-17 to FY 2019-20

The Annual revenue requirement for the Third Control Period i.e. FY 2016-17 to FY 2019-20 has been determined based on the MERC MYT Regulations, 2015 and certain assumptions.

1. Sales Projections

For projecting sales for the Third Control Period, MSEDCL has considered the CAGRs approved by the Hon'ble Commission recently in its MYT Order dated 26th June, 2015 as the same and 5 year CAGR of MSEDCL sales is more or less similar barring few categories.

Considering the category wise CAGRs and sales estimated for FY 2015-16, MSEDCL has projected the sales for the Third Control Period as shown in following Table.

Consumer Category	MUs			
	FY 16-17 (Projected)	FY 17-18 (Projected)	FY 18-19 (Projected)	FY 19-20 (Projected)
HT Category				
HT I Industries	23,629	24,574	25,557	26,579
HT II Commercial	2,254	2,435	2,629	2,840
HT III Railways	77	77	77	77
HT IV PWW	1,541	1,695	1,865	2,051
HT V Agriculture	1,041	1,093	1,148	1,205
HT VI Bulk Supply Residential	226	226	226	226
HT VIII Temporary Supply	5	5	5	5
HT IX Public Services	934	1,009	1,090	1,177
HT X Ports	76	80	84	88
HT MSPGCL Aux. Supply)	83	83	83	83
Total HT	29,867	31,277	32,763	34,331
Growth		5%	5%	5%

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 4 HP and unmetered index of 1185, MSEDCL has calculated the consumption of these unmetered consumers and

the same is added to the metered category. The projection of Sales for LT category is outlined in the following table:

MUs

Consumer Category	FY 16-17 (Projected)	FY 17-18 (Projected)	FY 18-19 (Projected)	FY 19-20 (Projected)
LT Category				
LT I Residential	19,403	20,950	22,619	24,423
LT II Non Residential	4,314	4,529	4,756	4,994
LT III PWW	712	755	800	848
LT IV Ag Unmetered	11,529	11,055	10,581	10,107
LT IV Ag Metered	17,680	20,099	22,784	25,764
LT V Industry Powerloom	1,740	1,932	2,144	2,380
LT V Industry General	4,974	5,272	5,588	5,924
LT VI Street Lights	1,776	1,953	2,148	2,363
LT VII Temporary Supply	18	18	18	18
LT VIII Advt. and Hoardings	3	3	3	3
LT IX Crematorium	1	1	1	1
LT X Public Services	317	339	363	388
LT - Prepaid	15	16	18	20
P.D. Consumers	-	-	-	-
Total LT	62,483	66,924	71,826	77,234
MSEDCL Total	92,350	98,201	104,589	111,566
Growth Rate		6%	7%	7%
DF Category wise	4,461	4,852	5,280	5,749
MSEDCL Total incl. DF	96,811	103,053	109,870	117,315
Growth Rate		6%	7%	7%

2. Power Purchase

MSEDCL intends to procure power from all contracted sources. MSEDCL has projected the power purchase for the control period based on the actual availability, considering upcoming projects in the FY 2016-17 to 2019-20 and estimated the power purchase cost based on merit order principles for optimum utilization of the sources at least cost. The source-wise power purchase projection for the Third Control Period is summarised below:

**Final True Up of FY 14-15, Provisional True Up of FY 15-16 &
Multi Year Tariff for FY 16-17 to FY 19-20**
Executive Summary

Source	FY 16-17			FY 17-18			FY 18-19			FY 19-20		
	Quantum (MUs)	Cost (Rs. Crs)	Rate (Rs./Unit)	Quantum (MUs)	Cost (Rs. Crs)	Rate (Rs./Unit)	Quantum (MUs)	Cost (Rs. Crs)	Rate (Rs./Unit)	Quantum (MUs)	Cost (Rs. Crs)	Rate (Rs./Unit)
MSPGCL	46,683	19,722	4.22	50,173	20,828	4.15	54,116	22,622	4.18	59,106	24,084	4.07
NTPC	24,229	6,981	2.88	24,581	7,318	2.98	25,656	7,397	2.88	26,217	7,536	2.87
NPCLL	5,470	1,318	2.41	5,470	1,318	2.41	5,470	1,283	2.35	5,485	1,322	2.41
SSP	1,210	248	2.05	1,210	248	2.05	1,210	248	2.05	1,213	249	2.05
Pench	136	28	2.05	136	28	2.05	136	28	2.05	137	28	2.05
JSW Power	1,934	510	2.64	1,934	504	2.61	1,934	500	2.58	1,940	503	2.59
Dodson	116	26	2.29	116	27	2.33	116	28	2.41	116	23	1.97
Renewable	12,957	7,319	5.65	15,617	8,928	5.72	18,256	10,508	5.76	21,192	12,267	5.79
CGPL	5,158	1,213	2.35	5,158	1,222	2.37	5,158	1,231	2.39	5,172	1,248	2.41
Adani	18,358	6,197	3.38	19,054	6,874	3.61	19,228	6,953	3.62	18,996	6,958	3.66
RattanIndia	48	997		-	983		-	983		211	1,045	
EMCO	1,489	496	3.33	1,489	499	3.35	1,489	502	3.37	1,493	506	3.39
Powergrid		2,240			2,600			2,840			3,080	
Total	117,789	47,297	4.02	124,939	51,376	4.11	132,769	55,124	4.15	141,278	58,848	4.17

However, while considering the power purchase from the various tied-up scenario, it was decided to procure power from the most efficient sources and to discard the unit having higher cost from the power purchase requirement in such a way so that no fixed cost obligation arises in the case the plant is shut down. Also, following generation units of MSPGCL are proposed to be shut down:

Name of the Generating unit	Arrangement for Fixed cost
Chandrapur Unit 1 & 2	Shut down of the unit without any fixed cost obligation
Koradi Unit 5 & 6	Koradi Unit 6 shut down for FY 2016-17 and Unit 5 for FY 2017-18 to FY 2019-20. Fixed Cost @20% or as approved by MERC.
Parli Unit 3	Total Shut down for all 4 years with no Fixed Charges payable
Parli Unit 4 & 5	20% Capacity Charges (as provided by GENCO) or as approved by MERC.
Bhusawal Unit 2	Shut down for all 4 years with no Fixed Charges payable

3. Distribution Loss

MSEDCL has achieved a significant reduction in distribution losses, during recent years. These efforts shall continue and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as the loss levels come down. In view of this, it is proposed that the distribution loss will reduce by 0.25% per year during the control period from approved level of distribution loss for FY 15-16.

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 not undertaken actual accounting separation between distribution wires business and retail supply business and has segregated the expenses based on the allocation matrix as provided in the regulations.

Particulars	Distribution Wires Business	Retail Supply Business
Power Purchase Expenses	0%	100%
Operation & Maintenance Expenses	65%	35%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%
Interest on Working Capital	10%	90%
Interest on Consumer Security Deposits	10%	90%
Provision for Bad and Doubtful Debts	10%	90%
Income Tax	90%	10%
Contribution to contingency reserves	90%	10%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%
Inter-State Transmission Charges	0%	100%
Intra-State Transmission Charges	0%	100%

5. ARR for Third Control Period

Aggregate Revenue Requirement of MSEDCL for Third Control Period 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 gap has been calculated for the third control period.

**Final True Up of FY 14-15, Provisional True Up of FY 15-16 &
Multi Year Tariff for FY 16-17 to FY 19-20**
Executive Summary

Rs. Crs

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Power Purchase Expenses	47,297	51,376	55,124	58,848
Operation & Maintenance Expenses	7,388	8,192	9,410	10,394
Depreciation Expenses	2,723	3,202	3,628	4,003
Interest on Loan Capital	1,734	1,892	1,867	1,717
Interest on Working Capital & Interest on deposit from Consumers and Distribution System Users	842	903	979	1,038
Provision for bad and doubtful debts	258	258	258	258
Other Expenses	44	46	49	51
Intra-State Transmission Charges MSLDC charge	4,212	4,730	5,511	5,796
Incentives/Discounts	271	285	299	314
Contribution to Contingency Reserves	119	142	165	183
Total Revenue Expenditure	64,888	71,026	77,290	82,603
Add: Return on Equity Capital	817	868	1,849	1,859
Aggregate Revenue Requirement	65,705	71,894	79,140	84,462
Less: Non-Tariff Income	758	796	836	878
Less: Income from Wheeling Charges	3	3	3	4
Less: Income from Open Access Charges	419	440	462	485
Aggregate Revenue Requirement from Retail Tariff	64,525	70,655	77,838	83,096
Less: Revenue from Sale of Power	55,226	58,671	62,392	66,416
Less: Income from Additional Surcharge	1,015	788	899	930
Revenue Gap/(Surplus)	8,284	11,196	14,548	15,750

6. Total Revenue gap

Considering the revenue gap for FY 2014-15 and FY 2015-16, impact of review of MYT Order including carrying cost, carrying cost on gap of FY 2014-15 and FY 2015-16 along with the revenue gap projected for the control period, the total revenue gap works out to be Rs. **56,372** Crs as shown in the following table.

Particulars	Amount (Rs. Crs)
Revenue Gap for FY 2014-15	1,271
Revenue Gap for FY 2015-16	4,044
Revenue Gap for FY 2016-17	8,284
Revenue Gap for FY 2017-18	11,196
Revenue Gap for FY 2018-19	14,548
Revenue Gap for FY 2019-20	15,750
Impact of Review of MYT Order incl. carrying cost	177
Carrying Cost on Gap of FY 14-15 and FY 15-16	424
Impact of Mula Pravra Case	679
Total Revenue Gap	56,372

E. Tariff Design

MSEDCL submits that there is an urgent need for ensuring recovery of cost of service from consumers to make all the sectors viable. The Hon'ble Commission has been guided by the Electricity Act, 2003 and the National Tariff Policy while determining retail tariffs across the State of Maharashtra. Hon'ble Commission has always laid emphasis on adoption of factors that encourages economy, efficiency, effective performance and improved conditions of supply for the consumers. On the similar guidelines Hon'ble Commission may apply similar principles considering the ground realities as well as to ensure the financial viability of the Licensee. The Tariff design as proposed by MSEDCL is based on the following factors:

- Full Cost Recovery;
- Rationalization of Fixed Cost;
- Additional Surcharge applicability;

F. Rationale of Tariff hike

MSEDCL has proposed a hike in fixed and energy charges for various categories in order to bridge the revenue gap over the Control Period. Such tariff hike is minimum requirement for MSEDCL to meet the inflation as well as the additional costs that have arisen due to Renewable Purchase Obligation (RPO) as per new RPO Regulations 2016, power purchase on monthly MoD principle, Change in consumer mix, MERC Order on MPECS related to wheeling charges, increase in PoC cost, reduction in revenue etc. MSEDCL submits that the tariff hike is necessary for its survival and it is purely to meet the revenue gap emerged due to increase in cost on account of inflation existing in the Country and the additional costs which are beyond the control of MSEDCL.

The rationale of considering Tariff hike is in line with the past and future trend of the cost as well as inflation. The following indexes are submitted for justification:

- The CAGR of WPI Index of Fuel/Power and Coal for last 10 years is 6.69% and 5.46% respectively;
- The Six monthly average DA hike is ~8%;

- The CAGR of WPI Index of Copper wires, Electrical Machinery and Transformers for carrying out R&M expenses for last 10 years is 8.31%, 3.35%, and 4.97% respectively;
- The Average yearly Inflation rate is ~5.88% and for last 15 years is ~6.98%.
- The Cost of MSEDCL has also witnessed an escalation of 8% in last 5 years.

Considering the inflation in the range of 5% to 8%, MSEDCL is expected to have same trend in near future and hence proposed the tariff hike.

G. Wheeling Charges

Considering the Network and supply cost segregation ratio and the methodology approved by Hon'ble Commission in its Review Order dated 2nd December 2010 and distribution loss for consumers seeking open access at LT level, MSEDCL has proposed the wheeling charges and wheeling losses at HT and LT level for the control period as summarized in following table:

Particulars	FY 16-17		FY 17-18		FY 18-19		FY 19-20	
	Wheeling Loss %	Wheeling Charges (Rs./kWh)	Wheeling Loss %	Wheeling Charges (Rs./kWh)	Wheeling Loss %	Wheeling Charges (Rs./kWh)	Wheeling Loss %	Wheeling Charges (Rs./kWh)
33 kV level	6%	0.15	6%	0.17	6%	0.20	6%	0.22
22/11 kV level	9%	0.86	9%	0.96	9%	1.15	9%	1.22
LT Level	12%	1.33	12%	1.49	12%	1.77	12%	1.89

H. Cross Subsidy Surcharge

Based on the computation methodology notified in the revised National Tariff Policy dated 28th January, 2016, MSEDCL has proposed Cross Subsidy Surcharge (CSS). For representation purpose, the proposed CSS for Industrial category consumers has been provided in the following table:

Consumer Category	Rs. Per Unit			
	FY 16-17	FY 17-18	FY 18-19	FY 19-20
HT Category				
HT I: HT - Industry				
HT I (A): HT - Industry (Express Feeder)	1.77	1.90	2.04	2.14
HT I (B): HT - Industry (Non-Express Feeder)	1.65	1.77	1.90	1.99
HT I (C): HT - Seasonal Industry	2.49	2.68	2.91	3.07
LT Category				
LT V (A): LT - Industry - Power Looms				
LT (V) (A) (i): 0-20 KW	-	-	-	-
LT (V) (A) (ii): Above 20 kW	1.12	1.43	1.65	1.82
LT V (B): LT - Industry - General				
LT (V) (A) (i): 0-20 KW	-	-	-	0.13
LT (V) (A) (ii): Above 20 kW	1.75	1.88	2.01	2.09

As stipulated in the Open Access Regulations, the cross-subsidy surcharge shall be based on the current level of cross subsidy of the tariff category / tariff slab and/ or voltage level to which such consumer or person belong or are connected to. Accordingly, the consumers who opt for Open Access during the third control period needs to be charged to compensate the level of cross subsidy which will prevail during the control period and to avoid the burden of the same on other consumers.

I. Additional Surcharge

MSEDCL has implemented Intra State ABT in the state of Maharashtra since 1st August 2011 and SLDC / Discom are granting approvals / consent to open access consumers for purchase and sale of power through open access as per Open Access Regulations. The Open Access so granted has resulted into revenue loss to MSEDCL whereby MSEDCL has tied up considerable quantum of power considering the overall growth in the license area which has resulted into stranded generation capacity and under recovery of fixed cost.

Therefore, in line with the provisions of the National Electricity Policy, National Tariff Policy and Distribution Open Access Regulations, 2016 MSEDCL has proposed to claim the Additional Surcharge from the open access consumers on the stranded generation capacity. Additional Surcharge has been estimated based on the Fixed Charges obligation due to open access capacity resulting in the generating assets being backed down.

Particulars	Units	Formula	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Back down Capacity	MW	1	6,379	8,961	7,257	6,463
Capacity Charges related to Back down	Rs. Crs	2	3,998	4,357	4,027	3,710
Open Access Quantum	MW	3	1,620	1,620	1,620	1,620
	MUs	4	6,348	6,348	6,348	6,348
Additional Surcharge proposed on Pro-rata basis on stranded capacity	Rs. Crs	5 = (2)/(1)*(3)	1,015	788	899	930
	Rs./Unit	6 = (5)/(4)*10	1.60	1.24	1.42	1.46

J. Voltage wise Cost of Supply

MSEDCL submits that since the actual data based on voltage wise cost has not been maintained, the bifurcation of the cost has been undertaken on the basis of assumptions in line with the APTEL Order, which are as follows:

- The Power Purchase and transmission cost was bifurcated on the basis of input at voltage level which is computed based on the energy loss of 0% at EHV level, 3.0% at HT and balance 20.86% at LT Level.
- All other cost is at present computed in the ratio of sales.

Based on the above assumptions, the voltage wise Cost to serve for the Third Control Period is outlined in the following table:

	Rs./Unit			
Voltage Level	FY 16-17	FY 17-18	FY 18-19	FY 19-20
EHV	5.85	6.06	6.28	6.30
HT	6.13	6.35	6.58	6.59
LT	7.02	7.24	7.46	7.46
Total	6.71	6.93	7.16	7.16

K. Tariff Applicability

Every consumer of electricity has a unique applicability of tariff, depending upon the nature of power supply, purpose of power supply 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 supply 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 hereby proposes to define applicability of tariff to different category of consumer in exhaustive manner, to the extent possible.

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

L. Tariff Schedule

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

**Final True Up of FY 14-15, Provisional True Up of FY 15-16 &
Multi Year Tariff for FY 16-17 to FY 19-20**
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Category	Energy Charges (Paise per Unit)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
HT-I - Industries									
HT-I - Cont (Express Feeders)	721	761	5.50%	811	6.55%	864	6.56%	902	4.44%
HT-I - NonCont (Non Express Feeders)	671	708	5.50%	754	6.56%	804	6.56%	839	4.45%
HT-I - Seasonal Category	780	823	5.50%	877	6.56%	934	6.56%	976	4.45%
HT-II Commercial									
Express Feeder	1,115	1,188	6.56%	1,266	6.56%	1,349	6.56%	1,409	4.45%
B) Non-Express Feeder	1,062	1,132	6.56%	1,206	6.56%	1,285	6.56%	1,342	4.44%
HT III Railways	846	893	5.50%	951	6.56%	1,013	6.56%	1,058	4.45%
HT-IV Public Water Works (PWW)									
Express Feeders	564	595	5.50%	654	9.98%	720	9.98%	752	4.45%
Non-Express Feeders	542	572	5.50%	629	9.98%	692	9.98%	722	4.44%
HT-V Agricultural									
Pumpsets	332	350	5.50%	385	9.98%	424	9.98%	443	4.45%
Agriculture - Others		450		495	9.98%	545	9.98%	569	4.45%
HT-VI Bulk Supply	581	613	5.50%	674	9.98%	741	9.98%	774	4.44%
HT VIII - Temporary Supply	1,250	1,319	5.50%	1,450	9.98%	1,595	9.98%	1,666	4.44%
HT-IX Public services-Government									
Express feeders	720	760	5.50%	835	9.98%	919	9.98%	960	4.45%
Non-Express feeders	660	696	5.50%	766	9.98%	842	9.98%	880	4.45%
HT-IX Public services-Others									
Express feeders	889	938	5.50%	1,032	9.98%	1,135	9.98%	1,185	4.44%
Non-Express feeders	841	887	5.50%	976	9.98%	1,073	9.98%	1,121	4.45%
HT X Ports	1,091	1,151	5.50%	1,266	9.98%	1,392	9.98%	1,454	4.45%
HT XI MonoRail/Metro	846	893	5.50%	982	9.98%	1,080	9.98%	1,128	4.45%

Category	Energy Charges (Paise per Unit)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
Domestic (LT-I)									
BPL (0-30 Units)	87	92	5.50%	101	9.83%	111	9.83%	116	4.45%
Consumption > 30 Units per month									
1-100 Units	376	397	5.50%	436	9.83%	478	9.83%	500	4.44%
101-300 Units	721	761	5.50%	835	9.83%	917	9.83%	958	4.44%
301-500 Units	995	1,050	5.50%	1,153	9.83%	1,266	9.83%	1,322	4.45%
500-1000 Units	1,131	1,193	5.50%	1,310	9.83%	1,439	9.83%	1,503	4.44%
Above 1000 Units	1,250	1,319	5.50%	1,448	9.83%	1,591	9.83%	1,661	4.44%
Non Domestic (LT-2)									
0-20 KW									
0-100 Units	660	762	15.52%	837	9.72%	920	9.98%	961	4.45%
Above 100 units	962	1,111	15.52%	1,219	9.72%	1,341	9.98%	1,401	4.44%
>20-50 KW	1,020	1,194	17.11%	1,313	9.93%	1,444	9.98%	1,508	4.44%
>50 KW	1,301	1,373	5.50%	1,491	8.66%	1,621	8.66%	1,693	4.45%
Public Water Works (LT-III)									
0-20 KW	270	285	5.50%	313	9.98%	345	9.98%	360	4.44%
20-40 KW	380	401	5.50%	441	9.98%	485	9.98%	507	4.45%
>40 KW	500	528	5.50%	580	9.98%	638	9.98%	666	4.45%

**Final True Up of FY 14-15, Provisional True Up of FY 15-16 &
Multi Year Tariff for FY 16-17 to FY 19-20
Executive Summary**

Category	Energy Charges (Paise per Unit)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
Agriculture (LT-IV)									
Unmetered Tariff (Rs./HP/Month)									
Zones with (Above 1318 Hrs/HP/Annum)									
0-5 HP	374	395	5.50%	434	9.96%	477	9.97%	498	4.44%
Above 5 HP	406	428	5.50%	471	9.95%	518	9.99%	541	4.44%
Zones with (Below 1318 Hrs/HP/Annum)									
0-5 HP	283	299	5.50%	327	9.66%	359	9.54%	375	4.44%
Above 5 HP	310	327	5.50%	359	9.75%	394	9.67%	411	4.44%
Metered Tariff Pumpsets	258	272	5.50%	299	9.98%	329	9.98%	344	4.45%
Agriculture Metered - Others	360	380	5.50%	418	9.98%	459	9.98%	480	4.45%
LT Industries (LT-V) Powerloom									
0-20 KW	543	573	5.50%	610	6.56%	650	6.56%	679	4.44%
Above 20 KW	688	726	5.50%	773	6.56%	824	6.56%	861	4.45%
LT Industries (LT-V) General									
0-20 KW	551	581	5.50%	619	6.56%	660	6.56%	689	4.45%
Above 20 KW	698	736	5.50%	785	6.56%	836	6.56%	873	4.44%
Street Light (LT-VI)									
Grampanchayat A B & C Class Municipal Council	478	504	5.50%	555	9.98%	610	9.98%	637	4.44%
Municipal corporation Area	580	612	5.50%	673	9.98%	740	9.98%	773	4.44%
Temporary Connection (LT-VII)									
Temporary Connection (Other Purposes)	1,500	1,583	5.50%	1,740	9.98%	1,914	9.98%	1,999	4.44%
Temporary Connection (Religious)	371	391	5.50%	430	9.98%	473	9.98%	495	4.44%
Advertising and Hording (LT-VIII)	1,700	1,794	5.50%	1,973	9.98%	2,169	9.98%	2,266	4.44%
Crematorium & Burial (LT-IX)	391	413	5.50%	454	9.98%	499	9.98%	521	4.45%
LT X - Public services Govt.									
0-200 Units	454	479	5.50%	527	9.98%	579	9.98%	605	4.45%
>200 units	584	616	5.50%	678	9.98%	745	9.98%	778	4.45%
>20-50 kW	650	686	5.50%	754	9.98%	830	9.98%	866	4.45%
>50 kW	720	760	5.50%	835	9.98%	919	9.98%	960	4.45%
LT X - Public services									
0-200 Units	492	519	5.50%	571	9.98%	628	9.98%	656	4.45%
>200 units	722	762	5.50%	838	9.98%	921	9.98%	962	4.44%
>20-50 kW	732	772	5.50%	849	9.98%	934	9.98%	976	4.45%
>50 kW	768	810	5.50%	891	9.98%	980	9.98%	1,024	4.45%
LT XI Port		1,151		1,266	9.98%	1,392	9.98%	1,454	4.45%

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

**Final True Up of FY 14-15, Provisional True Up of FY 15-16 &
Multi Year Tariff for FY 16-17 to FY 19-20**
Executive Summary

Category	Fixed Charges (Rs./kVA/Month)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
HT-I - Industries									
HT-I - Cont (Express Feeders)	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-I - NonCont (Non Express Feeders)	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-I - Seasonal Category	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-II Commercial									
Express Feeder	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
B) Non-Express Feeder	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-IV Public Water Works (PWW)									
Express Feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
Non-Express Feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-V Agricultural									
Pumpsets	30	35	15.50%	45	28.59%	55	23.46%	58	5.50%
Others		50		64	28.59%	79	23.46%	83	5.50%
HT-VI Bulk Supply	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT VIII - Temporary Supply	290	310	6.88%	335	8.24%	365	8.93%	386	5.50%
HT-IX Public services-Government									
Express feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
Non-Express feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT-IX Public services-Others									
Express feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
Non-Express feeders	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT Ports	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
HT XI MonoRail/Metro	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%

Category	Fixed Charges (Rs./Connection/Month) or (Rs./kW/Month)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
Domestic (LT-I)									
BPL (0-30 Units)	10	11	5.50%	12	9.98%	13	9.98%	13	5.50%
Consumption > 30 Units per month									
1-100 Units	50	75	50%	100	33%	125	25%	150	20%
101-300 Units	50	100	100%	125	25%	150	20%	175	17%
301-500 Units	50	100	100%	125	25%	150	20%	175	17%
500-1000 Units	50	125	150%	150	20%	175	17%	200	14%
Above 1000 Units	50	125	150%	150	20%	175	17%	200	14%
Three Phase Connection	150	160	6.83%	185	15.48%	210	13.61%	235	11.68%
Non Domestic (LT-2)									
0-20 KW									
0-100 Units	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
Above 100 units	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
>20-50 KW	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
>50 KW	220	235	6.86%	255	8.48%	280	9.81%	295	5.50%
Public Water Works (LT-III)									
0-20 KW	60	65	8.83%	80	22.35%	95	19.27%	101	5.50%
20-40 KW	70	75	6.93%	90	20.20%	105	16.62%	111	5.50%
>40 KW	105	115	9.31%	135	17.70%	155	14.38%	163	5.50%

Category	Fixed Charges (Rs./Connection/Month) or (Rs./kW/Month)								
	Existing	FY 17	% Change over FY 16	FY 18	% Change over FY 17	FY 19	% Change over FY 18	FY 20	% Change over FY 19
Agriculture (LT-IV)									
Metered Tariff Pumpsets	20	22	10.50%	25	14.55%	30	17.35%	31	5.50%
Agriculture Metered – Others	50	55	9.50%	70	27.42%	85	21.27%	89	5.50%
LT Industries (LT-V) Powerloom									
0-20 KW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
Above 20 KW	150	160	6.83%	180	12.36%	200	11.33%	211	5.50%
LT Industries (LT-V) General									
0-20 KW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
Above 20 KW	150	160	6.83%	180	12.36%	200	11.33%	211	5.50%
Street Light (LT-VI)									
Grampanchayat A B & C Class Municipal Council	50	55	9.50%	70	27.42%	85	21.27%	89	5.50%
Municipal corporation Area	50	55	9.50%	70	27.42%	85	21.27%	89	5.50%
Temporary Connection (LT-VII)									
Temporary Connection (Other Purposes)	360	380	5.50%	415	9.32%	450	8.39%	475	5.50%
Temporary Connection (Religious)	290	310	6.88%	340	9.69%	370	8.74%	390	5.50%
Advertising and Hording (LT-VIII)	575	610	6.02%	655	7.47%	705	7.64%	744	5.50%
Crematorium & Burial (LT-IX)	290	310	6.88%	340	9.86%	370	8.58%	390	5.50%
LT X - Public services Govt.									
0-200 Units	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>200 units	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>20-50 kW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>50 kW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
LT X - Public services									
0-200 Units	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>200 units	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>20-50 kW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
>50 kW	220	235	6.86%	260	10.39%	285	9.74%	300	5.50%
LT XI Port		235		255	8.48%	280	9.81%	295	5.50%

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

M. Prayers

MSEDCL most respectfully prays to the Hon'ble Commission:

- 1) To admit the MYT Petition as per the provisions of the MERC (MYT) Regulations 2015 and present Petition may please be considered for further proceedings before Hon'ble Commission;
- 2) To condone the delay in filing the Present Petition
- 3) To approve the total recovery of Aggregate Revenue Requirement and revenue gap for FY 2014-15 to FY 2019-20 along with other claims as proposed by MSEDCL;

- 4) To allow to recover the additional charges in case of any variation in the cost of the Central Government Power Station as approved by CERC in line with the CERC (Terms & Conditions of Tariff) Regulations, 2014;
- 5) To approve mechanism for recovery of computed revenue gap and Tariff Schedule considering the Tariff Design principles and other suggestions proposed by MSEDCL;
- 6) To approve the separate category of HT Agriculture Others and LT Ports along with the tariffs proposed by MSEDCL;
- 7) To approve the classification for 0-20 kW in LT Non Domestic as proposed;
- 8) To provide tariffs for individual categories as proposed by MSEDCL;
- 9) To approve cross subsidy surcharge and all such other charges including Wheeling Charges and Losses for Open Access consumers as proposed for FY 2016-17 to FY 2019-20.
- 10) To approve the Additional Surcharge for Open Access consumers as proposed for FY 2016-17 to FY 2019-20.
- 11) To approve the suggested categorization for different type of activities as proposed by MSEDCL in applicability of tariff;
- 12) To allow MSEDCL to file a separate Petition seeking revision in present Schedule of Charges as and when need arises;
- 13) To grant any other relief as the Hon'ble Commission may consider appropriate;
- 14) 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;
- 15) To condone any error/omission and to give opportunity to rectify the same;
- 16) To permit MSEDCL to make further submissions, addition and alteration to this Petition as may be necessary from time to time;