

## **EXECUTIVE SUMMARY**

### **A. Background**

The Hon'ble Commission has issued the MYT Regulations 2019 for the 4th Control Period from FY 2020-21 to FY 2024-25 on 01st August, 2019. As per the provisions of Regulation 5.1(a) of the said Regulations, Distribution Licensee has to file Multi Year Tariff Petition (MYT Petition) by 30<sup>th</sup> November 2019. Accordingly, MSEDCL has submitted the MYT Petition on 26<sup>th</sup> November 2019.

The MYT Petition under section 62 of the Electricity Act, 2003 and MERC MYT Regulations, 2019 comprises of following:

- Truing-up for FY 2017-18 based on Audited Annual Accounts under MERC (MYT) Regulations, 2015;
- Truing-up for FY 2018-19 based on Audited Annual Accounts under MERC (MYT) Regulations, 2015;
- Provisional Truing-up for FY 2019-20 based on provisional information available for FY 2019-20 under MERC (MYT) Regulations, 2015;
- Aggregate Revenue Requirement, expected revenue from existing Tariff and charges, expected revenue gap, and proposed category-wise Tariff for the period FY20 20-21 to FY 2024-25 under MYT Regulations, 2019;
- Revision in Schedule of Charges;

### **B. Final True Up for FY 2017-18**

Based on the Audited Annual Accounts of MSEDCL, the Aggregate Revenue Requirement (ARR) for FY 2017-18 is determined at Rs. **66,010.58** Cr. based on all the cost parameters as specified in the following table. The final True Up for FY 2017-18 comparing the actual audited data for FY 2017-18 with those approved by the Hon'ble Commission vide MTR Order dated 12th September 2018 in Case no. 195 of 2017 is summarized below.

Rs. Crs

Particulars	FY 2017-18 (Approved)	FY 2017-18 (Actual)	Deviation
Power Purchase Expenses	49,129.74	48,422.63	(707.11)
Operation & Maintenance Expenses	6,990.67	6,807.02	(183.64)
Depreciation Expenses	2,183.38	2,118.85	(64.54)
Interest on Loan Capital	1,586.38	1,372.34	(214.05)
Interest on Normative Working Capital	129.90	130.48	0.58
Interest on Consumers Security Deposit	740.35	632.60	(107.75)
Other Finance Charges	-	28.34	28.34
Provision for bad and doubtful debts	491.53	680.73	189.20
Other Expenses	63.30	386.47	323.18
Intra-State Transmission Charges MSLDC charge	4,812.17	4,812.17	-
Incentives/Discounts	246.58	242.40	(4.19)
DSM expenses	0.88	4.30	3.42
Return on Equity Capital	1,826.01	1,739.62	(86.39)
RLC refund	-	0.70	0.70
ASC refund	-	0.49	0.49
Effect of sharing of gains/losses	-	(299.01)	(299.01)
Past Period Adjustment by Commission	(1,116.00)	(1,116.00)	-
Impact of payment to MPECS in future years	46.20	46.46	0.26
<b>Aggregate Revenue Requirement</b>	<b>67,131.10</b>	<b>66,010.58</b>	<b>(1,120.52)</b>
Revenue from Sale of Power	60,538.76	61,146.03	607.27
Non-Tariff Income	447.80	380.33	(67.46)
Income from Open Access Charges	536.17	546.56	10.40
Income from Trading of Surplus Power	179.94	186.27	6.33
Income from Wheeling Charges	1.46	1.46	-
Income from Additional Surcharge	118.88	118.88	-
<b>Total Revenue</b>	<b>61,823.01</b>	<b>62,379.54</b>	<b>556.53</b>
<b>Revenue Gap/(Surplus)</b>	<b>5,308.08</b>	<b>3,631.04</b>	<b>(1,677.05)</b>

MSEDCL submits that at the time of Provisional True up for FY 2017-18, MSEDCL had submitted provisional numbers. As the MSEDCL's Accounts have been audited subsequently, MSEDCL is submitting the final true-up based on the audited accounts.

### C. Final True Up for FY 2018-19

Based on the Audited Annual Accounts of MSEDCL, the Aggregate Revenue Requirement (ARR) for FY 2018-19 is determined at Rs. **76,942.44** Cr. based on all the cost parameters as specified in the following table. The final True Up for FY 2018-19 comparing the actual audited data for FY 2018-19 with those approved by the Hon'ble Commission vide MTR Order dated 12th September 2018 in Case no. 195 of 2017 is summarized below.

Rs. Crs

Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Deviation
Power Purchase Expenses	50,589.49	56,260.34	5,670.85
Operation & Maintenance Expenses	7,344.40	6,912.20	(432.20)
Depreciation Expenses	2,329.48	2,464.00	134.52
Interest on Loan Capital	1,592.72	1,350.25	(242.47)
Interest on Normative Working Capital	124.43	132.39	7.96
Interest on Consumers Security Deposit	741.41	665.28	(76.13)
Other Finance Charges	-	26.11	26.11
Provision for bad and doubtful debts	26.33	732.63	706.30
Other Expenses	66.47	65.07	(1.40)
Income Tax	-	215.08	215.08
Intra-State Transmission Charges MSLDC charge	4,302.54	4,775.50	472.96
Incentives/Discounts	258.91	287.38	28.47
Contribution to Contingency Reserves	-	126.00	126.00
Return on Equity Capital	1,985.60	1,812.34	(173.26)
RLC refund	-	1.67	1.67
Revenue Gap Allowed	2,256.56	2,256.56	-
Effect of sharing of gains/losses	-	(152.29)	(152.29)
Past Period Adjustment by Commission	(1,031.50)	(1,031.50)	-
Impact of payment to MPECS in future years	43.18	43.43	0.25
<b>Aggregate Revenue Requirement</b>	<b>70,630.03</b>	<b>76,942.44</b>	<b>6,312.41</b>
Revenue from Sale of Power	68,813.54	72,591.72	3,778.18
Non-Tariff Income	1,051.19	609.35	(441.84)
Income from Open Access Charges	641.33	387.11	(254.22)
Income from Trading of Surplus Power	-	408.82	408.82
Income from Wheeling Charges	1.53	1.79	0.26
Income from Additional Surcharge	122.44	108.44	(14.00)
<b>Total Revenue</b>	<b>70,630.02</b>	<b>74,107.23</b>	<b>3,477.21</b>
<b>Revenue Gap/(Surplus)</b>		<b>2,835.21</b>	<b>2,835.20</b>

Major reasons for deviation are higher power purchase cost due to increased sales and increase in power purchase cost, higher revenue from sale of power, change in actual consumer mix vis-à-vis that approved by Hon'ble Commission; revision in normative O&M Expenses approved by Hon'ble Commission as the applicable WPI & CPI indices being different than those considered by Hon'ble Commission.

#### **D. Provisional True-up for FY 2019-20**

Aggregate Revenue Requirement of MSEDCL for FY 2019-20 is estimated considering the provisional data available for the first six months of the FY 2019-20 and projections for the remaining six months.

Based on the provisional true-up, the Aggregate Revenue Requirement (ARR) for FY 2019-20 is Rs. **79,850.07** Cr. The provisional True Up for FY 2019-20, comparing the estimated data with that approved by the Hon'ble Commission vide

MTR Order dated 12th September 2018 in Case no. 195 of 2017 is summarized below.

Rs. Crs

Particulars	FY 2019-20 (Approved)	FY 2019-20 (Estimated)	Deviation
Power Purchase Expenses	52,738.26	56,305.45	3,567.19
Operation & Maintenance Expenses	7,715.47	7,107.96	(607.51)
Depreciation Expenses	2,411.41	2,594.37	182.96
Interest on Loan Capital	1,471.03	1,349.54	(121.49)
Interest on Normative Working Capital	126.77	127.89	1.11
Interest on Consumers Security Deposit	815.54	796.03	(19.52)
Other Finance Charges	-	31.10	31.10
Provision for bad and doubtful debts	-	845.43	845.43
Other Expenses	69.79	50.08	(19.71)
Intra-State Transmission Charges MSLDC charge	4,863.74	4,867.55	3.81
Incentives/Discounts	271.86	307.03	35.17
Contribution to Contingency Reserves	-	142.85	
Return on Equity Capital	2,145.59	1,866.79	(278.80)
RLC refund	-	1.84	1.84
Past Period Adjustment by Commission	853.08	853.08	-
Revenue Gap Allowed	2,562.93	2,562.93	-
Impact of payment to MPECS	40.17	40.17	-
<b>Aggregate Revenue Requirement</b>	<b>76,085.65</b>	<b>79,850.07</b>	<b>3,764.43</b>
Revenue from Sale of Power	74,179.45	76,371.19	2,191.74
Non-Tariff Income	1,103.75	361.66	(742.09)
Income from Open Access Charges	674.71	211.92	(462.80)
Income from Trading of Surplus Power	-	298.18	298.18
Income from Wheeling Charges	1.62	1.79	0.17
Income from Additional Surcharge	126.12	317.14	191.03
<b>Total Revenue</b>	<b>76,085.65</b>	<b>77,561.88</b>	<b>1,476.24</b>
<b>Revenue Gap/(Surplus)</b>		<b>2,288.19</b>	<b>2,288.19</b>

Major reasons for deviation are increase in power purchase expenses, change in revenue from sale of power due to change in consumer mix; and change in capex related expenses. MSEDCL submits that these deviations are beyond the reasonable control of MSEDCL.

#### **E. Aggregate Revenue Requirement for FY 2020-21 to FY 2024-25**

The aggregate revenue requirement for the period i.e. FY 2020-21 to FY 2024-25 has been determined based on the provisions of the MYT Regulations, 2019 and certain assumptions.

##### **1. Sales Projection**

MSEDCL has used historical trend method and estimated energy consumption for various consumer categories mostly 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.

MSEDCL has projected the sales for the period FY 2020-21 to FY 2024-25 considering the historical sales. The projection of Sales for HT category is outlined in the following table:

Category	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Projected	Projected	Projected	Projected	Projected
HT-I Industries	33,586	34,929	36,326	37,779	39,290
HT-II Commercial	1,850	1,887	1,925	1,963	2,003
HT III Railways	80	82	84	85	87
HT IV-PWW	1,745	1,832	1,924	2,020	2,121
HT V Agricultural	1,486	1,685	1,919	2,192	2,512
HT VI Bulk Supply (Housing Complex)	239	242	244	246	249
HT Temporary	5	5	5	5	5
HT-IX Public services	1,044	1,065	1,086	1,108	1,130
MSPGCL AUX SUPPLY	184	184	184	184	184
HT Ag Others	299	332	368	410	456
HT EV Charging Stations	0.31	0.31	0.31	0.31	0.31
<b>Total -HT Sales</b>	<b>40,519</b>	<b>42,243</b>	<b>44,065</b>	<b>45,993</b>	<b>48,037</b>

The projection of Sales for LT category is outlined in the following table:

Category	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Projected	Projected	Projected	Projected	Projected
<b>LT Category</b>					
LT I -BPL	140	154	169	186	205
LT I Domestic	21,583	22,120	22,674	23,242	23,827
LT II Non Domestic	6,360	6,900	7,491	8,141	8,854
LT III PWW	886	932	981	1,033	1,088
LT IV Agriculture	31,374	32,185	33,028	33,904	34,816
LT V Powerloom	2,132	2,217	2,306	2,398	2,494
LT V Industrial General	5,265	5,475	5,694	5,922	6,159
LT VI Streetlight	2,383	2,610	2,863	3,145	3,458
LT VII- Temporary Connection	24	24	24	24	24
LT VIII Advertisement & Hoardings	5	5	5	6	6
LT IX – Crematoriums & Burial Grounds	2	2	2	2	2
LT X - Public services	569	609	652	698	748
LT XI EV Charging Stations	0.23	0.23	0.23	0.23	0.23
<b>Total LT Sales</b>	<b>70,722</b>	<b>73,233</b>	<b>75,889</b>	<b>78,701</b>	<b>81,682</b>
<b>Total Sales</b>	<b>1,11,241</b>	<b>1,15,476</b>	<b>1,19,954</b>	<b>1,24,694</b>	<b>1,29,719</b>

## 2. Power Purchase

Considering the sales projections, MSEDCL has projected the power purchase for the period FY 2020-21 to FY 2024-25 based on the availability, operational parameters; expected commissioning of upcoming projects, decommissioning of old generating units in the period FY 2020-21 to FY 2024-25 and projected the power purchase cost based on MYT Petition filed by MSPGCL and merit order principles (MoD) for optimum utilization. The source-wise power purchase projection for the period FY 2020-21 to FY 2024-25 is summarised below:

Particulars	FY 2020-21			FY 2021-22			FY 2022-23		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	MU	Rs. Cr.	Rs/Unit	MU	Rs. Cr.	Rs/Unit	MU	Rs. Cr.	Rs/Unit
MSPGCL	55,307.12	24,806.74	4.49	55,262.53	25,654.11	4.64	55,144.56	26,397.72	4.79
NTPC	25,598.81	9,815.06	3.83	26,667.17	10,389.47	3.90	26,742.79	10,611.73	3.97
NPCIL	4,884.58	1,396.92	2.86	4,884.58	1,430.57	2.93	4,884.58	1,465.12	3.00
SSP	1,209.94	248.05	2.05	1,209.94	248.06	2.05	1,209.94	248.06	2.05
Pench	136.50	27.98	2.05	136.50	27.98	2.05	136.50	27.98	2.05
Dodson	115.72	17.78	1.54	115.72	17.92	1.55	115.72	18.11	1.57
JSW	1,913.18	692.67	3.62	1,913.18	731.78	3.82	810.03	417.68	5.16
CGPL (Mundra UMPP)	5,157.89	1,515.68	2.94	5,157.89	1,568.26	3.04	5,157.89	1,623.54	3.15
Adani Power	20,937.22	7,869.57	3.76	20,784.14	7,962.99	3.83	20,937.22	8,254.69	3.94
EMCO Power	1,355.17	613.16	4.52	1,355.17	650.26	4.80	1,355.17	679.87	5.02
Rattan India	-	692.48	-	-	692.48	-	-	692.48	-
Renewable	20,272.00	9,862.29	4.86	24,164.00	10,660.92	4.41	30,151.00	12,965.83	4.30
PGCIL Charges	-	3,676.18	-	-	3,859.99	-	-	4,052.99	-
<b>Total Power Purchase</b>	<b>1,36,888.13</b>	<b>61,234.57</b>	<b>4.47</b>	<b>1,41,650.83</b>	<b>63,894.79</b>	<b>4.51</b>	<b>1,46,645.40</b>	<b>67,455.81</b>	<b>4.60</b>

EMCO Rate will reduce after shifting connectivity from CTU to STU.

Particulars	FY 2023-24			FY 2024-25		
	Quantum	Cost	Rate	Quantum	Cost	Rate
	MU	Rs. Cr.	Rs/Unit	MU	Rs. Cr.	Rs/Unit
MSPGCL	55,908.76	27,636.92	4.94	57,779.78	28,717.14	4.97
NTPC	27,610.48	11,094.73	4.02	28,847.51	11,759.78	4.08
NPCIL	4,897.96	1,504.72	3.07	4,884.58	1,537.05	3.15
SSP	1,213.26	248.75	2.05	1,209.94	248.07	2.05
Pench	136.87	28.06	2.05	136.50	27.98	2.05
Dodson	116.04	27.68	2.39	115.72	32.93	2.85
JSW	736.28	410.60	5.58	413.29	334.63	8.10
CGPL (Mundra UMPP)	5,172.02	1,684.98	3.26	5,157.89	1,742.82	3.38
Adani Power	20,917.77	8,265.39	3.95	20,937.22	8,050.30	3.84
EMCO Power	1,358.88	712.34	5.24	1,355.17	744.72	5.50
Rattan India	-	692.48	-	142.19	748.55	-
Renewable	33,882.00	14,355.53	4.24	36,593.00	15,405.57	4.21
PGCIL Charges	-	4,255.64	-	-	4,468.42	-
<b>Total Power Purchase</b>	<b>1,51,950.32</b>	<b>70,917.81</b>	<b>4.67</b>	<b>1,57,572.78</b>	<b>73,817.97</b>	<b>4.68</b>

EMCO Rate will reduce after shifting connectivity from CTU to STU.

### 3. Distribution Losses

MSEDCL has achieved a significant reduction in distribution losses during recent years. Accordingly, MSEDCL has projected the Distribution Loss trajectory for the 4th Control Period considering year on year 0.25% reduction as given below:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Projected	Projected	Projected	Projected	Projected
Distribution Losses (Excluding EHV)	13.01%	12.76%	12.51%	12.26%	12.01%

### 4. Segregation of Wires and Supply Business

The Regulation 71 of MERC (Multi Year Tariff) Regulations, 2019 mentions about apportioning of Aggregate Revenue Requirement between the Distribution Wires Business and Retail Supply Business.

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

### 5. Aggregate Revenue Requirement (ARR) for the period FY 2020-2021 to FY 2024-2025

Aggregate Revenue Requirement of MSEDCL for the period FY 2020-21 to FY 2024-25 is projected considering projections for various components of ARR and provisions of MERC MYT Regulations, 2019. Also, the Revenue has been considered based on the existing tariff and accordingly the year wise revenue gap has been calculated as summarised in following table.

Rs. Cr.

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Projected	Projected	Projected	Projected	Projected
Power Purchase Expenses	61,234.57	63,894.79	67,455.81	70,917.81	73,817.97
Operation & Maintenance Expenses	6,978.91	7,246.35	7,524.04	7,812.38	8,111.76
Depreciation Expenses	2,756.88	2,966.30	3,155.21	3,221.66	3,280.93
Interest on Loan Capital	1,407.20	1,463.59	1,357.48	1,112.36	856.88
Interest on Working Capital	130.10	139.50	145.20	145.16	144.64
Interest on Consumers Security Deposit	540.58	567.61	595.99	625.79	657.08
Provision for bad and doubtful debts	891.59	941.10	994.24	1,051.34	1,112.72
Other Expenses	52.58	55.21	57.97	60.87	63.91
Intra-State Transmission Charges MSLDC charge	10,293.78	6,352.56	6,715.36	7,344.34	7,999.76
Incentives/Discounts	322.38	338.50	355.43	373.20	391.86
Contribution to Contingency Reserves	159.27	176.64	189.60	199.32	208.02
Opex Scheme	117.21	117.40	117.62	117.88	118.17
Return on Equity Capital	1,735.95	1,806.60	1,867.86	1,916.55	1,962.93
Add: Impact of payment to MPECS in future years	37.16	34.15	31.14	28.13	21.14
<b>Aggregate Revenue Requirement</b>	<b>86,658.16</b>	<b>86,100.30</b>	<b>90,562.95</b>	<b>94,926.77</b>	<b>98,747.77</b>
Revenue from Sale of Power	76,997.55	79,927.39	83,017.87	86,309.90	89,801.46
Non-Tariff Income	379.75	398.73	418.67	439.60	461.59
Income from Open Access Charges	388.89	388.89	388.89	388.89	388.89
Income from Additional Surcharge	108.44	108.44	108.44	108.44	108.44
<b>Total Revenue</b>	<b>77,874.63</b>	<b>80,823.46</b>	<b>83,933.87</b>	<b>87,246.84</b>	<b>90,760.38</b>
<b>Revenue Gap/(Surplus)</b>	<b>8,783.54</b>	<b>5,276.84</b>	<b>6,629.08</b>	<b>7,679.93</b>	<b>7,987.39</b>

## F. Additional Claims

Hon'ble Commission in Order dated 24<sup>th</sup> December 2018 in case no. 321 of 2018 on review petition of MSEDCL on the MTR Order dated 12<sup>th</sup> Sept 2018 has approved certain costs for capital expenditure for the past years and restated the GFA for the respective period. MSEDCL has now claimed the impact of reinstatement of GFA In addition to this, MSEDCL has also claimed the costs allowed by Hon'ble Commission due to certain error apparent in the said order as provided below:

Particulars	Amount (Rs. Crs)
Impact of reinstatement of GFA	606.55
Impact of Review order	216.68
<b>Total</b>	<b>823.22</b>

## G. Impact of Change in Law

Supreme Court in the Energy Watchdog matter in Civil Appeal No. 5399-5400 vide its Judgement dated 11.04.2017 ruled that NCDP 2013 is a "Change in Law" and further elaborated that the party affected due to the Change in law be restituted to its' same economical position. In line with this Judgement, Hon'ble Commission has issued various Orders in respect of M/s. APLM for approval of various claims

under change in Law. Hon'ble Commission in these orders has allowed NCDP policy, SHAKTI policy, Cancellation of Lohara Coal Block as a Change in Law and has allowed relief to M/s. APML for past period from year 2013. In line with the Hon'ble Supreme Court order for Rajasthan Discoms to make payment of 50% of claim and considering the already paid amount of Rs.2266 Crore, MSEDCL is liable to pay amount of Rs. 4192 Crore to avoid the carrying cost impact and contempt of Court Order. Accordingly, the said amount of Rs. 4192 Crore to be paid is added to the revenue gap for the Control Period. MSEDCL also submits that the Appeals against above Orders on different grounds are pending at Appellate Authority and whenever above Appeals get finality in the respective courts and the Court issues Orders in the above matter of change in law for NCDP policy, SHAKTI policy, Cancellation of Lohara Coal Block, etc., MSEDCL shall pass on or recover such impact through FAC mechanism from consumers. Similarly, CERC issued Order on 16.05.2019 and has allowed claims to GMR Warora in respect of NCDP Policy considering SHR as per CERC Regulations and GCV on as received basis and MSEDCL has made payment of Rs. 81.34 Crores (i.e. 50 % of claim) to GMR as per the APTEL Judgment.

#### **H. Liquidation of Regulatory Assets**

MSEDCL submits that the Hon'ble Commission in its MTR Order approved total revenue gap of Rs. 20,651 Crs. However, recovery of only Rs. 8,268 Crs was allowed over a period of two years. Hon'ble Commission created Regulatory Assets of Rs. 12,382 Crs. Accordingly, MSEDCL has considered the recovery of Regulatory Assets along with its Carrying Cost.

#### **I. Carrying Cost**

Hon'ble Commission has been allowing carrying cost/holding cost on the revenue gap/surplus respectively. Also Hon'ble Commission in the MTR order in Case no.195 of 2017 dated 12th September 2018 has created Regulatory assets and has allowed the recovery of the same with carrying costs. Accordingly MSEDCL has computed carrying cost on previous regulatory assets, unrecovered gaps, impact of the review order and impact of reinstatement of GFA.

#### **J. Net recovery required from tariff**

Considering the revenue gap for FY 2017-18 to FY 2019-20, impact of order on

Review Petition (Case No 321 of 2018), impact of revised GFA, Regulatory Asset, carrying cost, along with the revenue gap projected for the period FY 2020-21 to FY 2024-25, the net recovery required from tariff works out to be Rs. **60,313.11** Cr. as shown in the following table.

<b>Particulars</b>	<b>Amount Rs. Cr</b>
Final True Up Requirement for FY17-18	(1,677.05)
Final True Up Requirement for FY 18-19	2,835.21
Provisional True Up Requirement for FY 19-20	2,288.19
Projected Revenue Gap for FY 20-21	8,783.54
Projected Revenue Gap for FY 21-22	5,276.84
Projected Revenue Gap for FY 22-23	6,629.08
Projected Revenue Gap for FY 23-24	7,679.93
Projected Revenue Gap for FY 24-25	7,987.39
Impact of Review Order on MTR Order	216.68
Impact of Reinstatement of GFA of Rs. 927 Crs	606.55
Carrying Cost for previous gaps/impact and unrecovered gaps during Control Period	5,850.30
<b>Total Revenue Gap for the MYT Period</b>	<b>46,476.66</b>
Impact of Change in Law	4,192.00
<b>Regulatory Assets</b>	
Carrying Cost on Regulatory Assets upto Mar-20	1,176.33
<b>Recovery for Regulatory Assets</b>	<b>12,382.45</b>
<b>Total Recovery</b>	<b>64,227.44</b>
Incremental Revenue from Cross Subsidy Surcharge	(1,129.33)
Incremental Revenue from Additional Surcharge	(2,785.00)
<b>Net recovery from Tariff</b>	<b>60,313.11</b>

## K. 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 principles:

- Rationalisation of Fixed Charges to ensure appropriate recovery of fixed costs through fixed charges;
- Revision in Billing Demand definition for appropriate recovery of Contract Demand expenses;
- kVAh based billing for HT Category consumers;
- Revision in Load Factor Formula for more clarity;
- Rebate for Incremental Consumption for HT Industrial, Commercial, Public services & railways to incentivise the additional sales;
- Grid Support Charges for Rooftop Net Metering Systems;
- Additional Fixed/Demand Charges for Rooftop RE Systems not opting for Net Metering or Net Billing Arrangement;
- Revision in Standby Charges for CPP;
- Revision in ToD Charges in view of the solar capacity addition;
- Introduction of Harmonics Penalty for HT industrial & Commercial category for power quality improvement;
- Revision in Schedule of charges;
- Provision of mandatory standby arrangement for SEZ and railways;
- Recovery of Cross Subsidy Surcharge as per NTP formula without any ceiling from Open Access consumers;
- Applicability of Additional Surcharge extended to all OA consumers including those sourcing power from CPP;

#### **L. Rationale for Tariff revision**

MSEDCL has proposed a revision in fixed and energy charges for various categories in order to bridge revenue gap. The tariff revision is necessary for meeting additional costs due to increase in generation & transmission costs, regulatory assets and legitimate expenses of MSEDCL. The revenue gap has emerged due to additional costs, which are beyond the control of MSEDCL.

#### **M. Cross-Subsidy Surcharge (CSS)**

Section 2 (47) of the Electricity Act defines “Open Access”, while Section 42 of the said Act inter – alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of “Cross Subsidy Surcharge”, “Additional

Surcharge” & other applicable charges.

As per the provisions of Section 42(2) of the Electricity Act 2003, the CSS needs to be based on the current levels of cross subsidy. Accordingly, the consumers who opted for Open Access need to be charged for the compensation of current level of Cross Subsidy, which prevailed during that period and in order to avoid the burden of the same being passed on other consumers who are with the Distribution Licensee.

Accordingly, MSEDCL has determined the cross subsidy surcharge based on the Tariff Policy formula without putting any ceiling. A representative Cross Subsidy Surcharge for HT Industrial Category is tabulated below:

Consumer Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Rs/kVAh	Rs/kVAh	Rs/kVAh	Rs/kVAh	Rs/kVAh
<b>HT   HT - Industry</b>					
HT	2.57	3.09	3.19	3.31	3.46
EHV	2.83	3.35	3.45	3.57	3.71

#### **N. Wheeling Charges**

Considering the provisions of MYT Regulations 2019, MSEDCL has proposed the Wheeling charges for HT (excluding EHV) and LT voltage levels as per the table given below:

Particulars	Units	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
HT (Excl EHV)	Rs./kVAh	0.77	0.78	0.78	0.77	0.75
LT Level	Rs./kWh	1.15	1.17	1.17	1.14	1.11

For the purpose of commercial settlement, MSEDCL proposes to continue following Wheeling Losses which are already approved in previous Tariff Orders.

Particulars	Wheeling Losses
33 kV	6.00%
22 kV	7.50%
11 kV	9.00%
LT	12.00%

**O. Additional Surcharge**

Section 42(4) provides for the levy of Additional Surcharge to a consumer who receives supply of electricity from a person other than the distribution licensee of his area of supply. Regulation 14.8 of the MERC Distribution OA Regulations, 2016 outlines the principles for determination and levy of Additional Surcharge.

MSEDCL has proposed Additional Surcharge for Open Access Consumers irrespective of Source i.e. Captive Power Plants, IPP, RE based power plants etc. in addition to the conventional open access consumers. CPPs existing prior to FY15-16, originally set up the plant for self-consumption and still continuing the same arrangement of captive use, shall be exempted from applicability of additional surcharge.

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Proposed Additional Surcharge (Rs/kVAh)	1.33	1.37	1.40	1.43	1.42

**P. Grid Support Charges for Net Metering Systems**

As per MERC Grid Interactive Rooftop Renewable Energy Generating Systems Regulations, 2019, MSEDCL has proposed the Grid support charges for Net Metering Systems for the Control Period. A representative Grid Support Charge for HT Industrial Category is tabulated below:

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Rs./kVAh	Rs./kVAh	Rs./kVAh	Rs./kVAh	Rs./kVAh
<b>HT   HT - Industry</b>					
HT	4.08	4.07	4.05	4.03	3.96
EHV	3.60	3.59	3.57	3.57	3.52

The Grid Support Charges for Rooftop Net Metering Arrangements shall vary depending on approval of any cost component that affects MSEDCL's tariff, prevailing REC Rates etc. The RPO benefits shall be adjusted at the year-end i.e. at the time of settlement of banked units and after assessment of REC requirement, as per the actual monthly REC Rates and consumption by consumer during the respective month.

Net Metering Regulations 2019 provides that the consumers having Sanctioned Load up to 10 kW shall be exempted from payment of Grid Support Charges for Net Metering systems. Such loss for exemption from paying the Grid Support Charges needs to be recovered from the consumers having Sanctioned Load above 10 kW so as to avoid the burden on consumers not opting for Net Metering.

**Q. Additional Fixed/Demand Charges for Rooftop Solar Systems not opting for Net Metering or Net Billing Arrangement**

As per MERC Grid Interactive Rooftop Renewable Energy Generating Systems Regulations, 2019, MSEDCL has proposed the Additional Fixed/Demand Charges for the Control Period.

Particulars	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Actual FC Recovery Required (Rs/Unit)	4.23	3.86	3.83	3.81	3.73
Monthly units generated by 1 kw rooftop SPV (CUF-19%)	138.7	138.7	138.7	138.7	138.7
Fixed Charges to be recovered (Rs./kW/Month)	645	589	584	581	568

In addition to the above, the subsidising consumers shall pay Cross Subsidy Surcharge as proposed by MSEDCL for the respective year of the Control Period for compensating the common consumers of MSEDCL for the current level cross subsidy.

**R. 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.)

MSEDCL has examined the tariff applicability and based on the feedback received during interactions with field officers, MSEDCL has proposed certain modifications in applicability of tariff.

## **S. Tariff Schedule**

In MYT Regulations, the Hon'ble Commission has merged various HT voltage levels (11kV, 22kV etc.) into one and has kept only two categories. (HT and EHV). Accordingly MSEDCL has proposed tariffs for HT and EHV category. Further, in order to rationalise tariff categories, MSEDCL has proposed the following changes:

- Merged sub slabs in 0-20 kVA slab for Commercial and Public Services;
- kVA based demand charges for loads less than 20kW;
- Merging of 500-1000 units & above 1000 units slab into a slab of 500 units and above for Residential category;
- Slab wise fixed charges for Residential category consumers.

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

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for HT Category (1/2)**

Particulars	FY 2020-21			FY 2021-22	
	Energy Charges (Rs/Unit)			Energy Charges (Rs/Unit)	
	Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>HT I HT - Industry</b>					
HT	7.07	7.11	1%	7.20	1%
EHV	7.07	7.11	1%	7.20	1%
<b>HT I (B): HT - Industry (Seasonal)</b>					
HT	7.34	7.40	1%	7.50	1%
EHV	7.34	7.40	1%	7.50	1%
<b>HT II: HT – Commercial</b>					
HT	11.73	11.70	0%	11.70	0%
EHV	11.73	11.70	0%	11.70	0%
<b>HT III : HT - Railways/Metro/Monorail Traction</b>					
HT	7.00	7.20	3%	7.40	3%
EHV	7.00	7.20	3%	7.40	3%
<b>HT IV: HT - Public Water Works</b>					
HT	6.30	6.50	3%	6.70	3%
EHV	6.30	6.50	3%	6.70	3%
<b>HT V(A): HT - Agriculture Pumpsets</b>					
HT	3.77	3.90	3%	4.00	3%
EHV	3.77	3.90	3%	4.00	3%
<b>HT V(B): HT - Agriculture - Others</b>					
HT	5.20	5.40	4%	5.60	4%
EHV	5.20	5.40	4%	5.60	4%
<b>HT VI: HT - Group Housing Societies (Residential)</b>					
HT	5.82	6.00	3%	6.20	3%
EHV	5.82	6.00	3%	6.20	3%
<b>HT VIII(A): HT - Temporary Supply Religious (TSR)</b>					
HT	3.75	3.90	4%	4.00	3%
EHV	3.75	3.90	4%	4.00	3%
<b>HT VIII(B): HT - Temporary Supply Others (TSO)</b>					
HT	12.00	12.40	3%	12.80	3%
EHV	12.00	12.40	3%	12.80	3%
<b>HT IX: HT - Public Services</b>					
<b>HT IX(A): HT - Public Services-Govt.</b>					
HT	7.90	8.00	1%	8.10	1%
EHV	7.90	8.00	1%	8.10	1%
<b>HT IX(B): HT - Public Services-Others</b>					
HT	9.70	9.90	2%	10.00	1%
EHV	9.70	9.90	2%	10.00	1%
<b>HT X: HT – Electric Vehicle Charging Station</b>					
HT	5.24	5.40	3%	5.60	4%
EHV	5.24	5.40	3%	5.60	4%

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for HT Category (2/2)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Energy Charges (Rs/Unit)		Energy Charges (Rs/Unit)		Energy Charges (Rs/Unit)	
	Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>HT I HT - Industry</b>						
HT	7.30	1%	7.40	1%	7.47	1%
EHV	7.30	1%	7.40	1%	7.47	1%
<b>HT I (B): HT - Industry (Seasonal)</b>						
HT	7.60	1%	7.70	1%	7.80	1%
EHV	7.60	1%	7.70	1%	7.80	1%
<b>HT II: HT – Commercial</b>						
HT	11.70	0%	11.70	0%	11.70	0%
EHV	11.70	0%	11.70	0%	11.70	0%
<b>HT III : HT - Railways/Metro/Monorail Traction</b>						
HT	7.60	3%	7.80	3%	8.00	3%
EHV	7.60	3%	7.80	3%	8.00	3%
<b>HT IV: HT - Public Water Works</b>						
HT	6.90	3%	7.10	3%	7.30	3%
EHV	6.90	3%	7.10	3%	7.30	3%
<b>HT V(A): HT - Agriculture Pumpsets</b>						
HT	4.10	2%	4.20	2%	4.30	2%
EHV	4.10	2%	4.20	2%	4.30	2%
<b>HT V(B): HT - Agriculture - Others</b>						
HT	5.80	4%	6.00	3%	6.20	3%
EHV	5.80	4%	6.00	3%	6.20	3%
<b>HT VI: HT - Group Housing Societies (Residential)</b>						
HT	6.40	3%	6.60	3%	6.80	3%
EHV	6.40	3%	6.60	3%	6.80	3%
<b>HT VIII(A): HT - Temporary Supply Religious (TSR)</b>						
HT	4.10	2%	4.20	2%	4.30	2%
EHV	4.10	2%	4.20	2%	4.30	2%
<b>HT VIII(B): HT - Temporary Supply Others (TSO)</b>						
HT	13.20	3%	13.60	3%	14.00	3%
EHV	13.20	3%	13.60	3%	14.00	3%
<b>HT IX: HT - Public Services</b>						
<b>HT IX(A): HT - Public Services-Govt.</b>						
HT	8.20	1%	8.30	1%	8.40	1%
EHV	8.20	1%	8.30	1%	8.40	1%
<b>HT IX(B): HT - Public Services-Others</b>						
HT	10.10	1%	10.20	1%	10.30	1%
EHV	10.10	1%	10.20	1%	10.30	1%
<b>HT X: HT – Electric Vehicle Charging Station</b>						
HT	5.80	4%	6.00	3%	6.20	3%
EHV	5.80	4%	6.00	3%	6.20	3%

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for LT Category (1/4)**

Particulars	FY 2020-21			FY 2021-22	
	Energy Charges (Rs/unit)			Energy Charges (Rs/unit)	
	Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>LT Residential</b>					
LT I(A): LT - Residential-BPL	1.10	1.36	24%	1.40	3%
<i>LT I(B): LT - Residential</i>					
1-100 units	3.05	3.30	8%	3.50	6%
101-300 units	6.95	7.30	5%	7.50	3%
301-500 units	9.90	9.90	0%	9.90	0%
>500 units	11.50	11.50	0%	11.50	0%
<b>LT II: LT - Non-Residential</b>					
(A1) (i): 0 – 20 kVA (Upto 200 units per month)	6.10	7.90		8.10	3%
(A1) (ii): 0 – 20 kVA (Above 200 units per month)	9.25				
(A1) (iii) 0-20 kVA (Single phase)	6.10-9.25	7.90		8.10	3%
(B): >20 kVA and ≤ 50 kVA	9.30	9.50	2%	9.80	3%
(C): >50 kVA	11.60	11.60	0%	11.80	2%
<b>LT III: LT - Public Water Works (PWW)</b>					
(A): 0-20 KVA	2.15	2.30	7%	2.40	4%
(B): >20 kVA and ≤ 40 kVA	3.50	3.60	3%	3.70	3%
(C): >40 KVA	4.80	4.90	2%	5.00	2%
<b>LT IV: LT - Agriculture</b>					
<b>LT IV(A): LT - AG Un-metered - Pumpsets</b>		<b>Rs./HP/Month</b>		<b>Rs./HP/Month</b>	
<b>Category 1 Zones (Above 1318 Hrs/HP/Annum)</b>					
(a) 0-5 HP	374	400	7%	420	5%
(b) Above 5 HP - 7.5 HP	403	430	7%	455	6%
(c) Above 7.5 HP	452	480	6%	505	5%
<b>Category 2 Zones (Below 1318 Hrs/HP/Annum)</b>					
(a) 0-5 HP	288	310	8%	330	6%
(b) Above 5 HP - 7.5 HP	316	335	6%	355	6%
(c) Above 7.5 HP	366	390	7%	410	5%
<b>LT IV(B): LT - Agriculture Metered Tariff - Pumpsets</b>	2.09	2.20	5%	2.30	5%
<b>LT IV(C): LT - Agriculture Metered – Others</b>	3.51	3.70	5%	3.80	3%

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for LT Category (2/4)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Energy Charges (Rs/unit)		Energy Charges (Rs/unit)		Energy Charges (Rs/unit)	
	Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>LT Residential</b>						
LT I(A): LT - Residential-BPL	1.50	7%	1.60	7%	1.70	6%
LT I(B): LT - Residential						
1-100 units	3.70	6%	3.90	5%	4.10	5%
101-300 units	7.70	3%	7.90	3%	8.10	3%
301-500 units	9.90	0%	9.90	0%	9.90	0%
>500 units	11.50	0%	11.60	1%	11.70	1%
<b>LT II: LT - Non-Residential</b>						
(A1) (i): 0 – 20 kVA (Upto 200 units per month)	8.30	2%	8.50	2%	8.70	2%
(A1) (ii): 0 – 20 kVA (Above 200 units per month)						
(A1) (iii) 0-20 kVA (Single phase)	8.30	2%	8.50	2%	8.70	2%
(B): >20 kVA and ≤ 50 kVA	10.10	3%	10.40	3%	10.70	3%
(C): >50 KVA	12.00	2%	12.10	1%	12.20	1%
<b>LT III: LT - Public Water Works (PWW)</b>						
(A): 0-20 KVA	2.50	4%	2.60	4%	2.70	4%
(B): >20 kVA and ≤ 40 kVA	3.80	3%	3.90	3%	4.00	3%
(C): >40 KVA	5.20	4%	5.40	4%	5.60	4%
<b>LT IV: LT - Agriculture</b>						
<b>LT IV(A): LT - AG Un-metered - Pumpsets</b>						
<b>Category 1 Zones (Above 1318 Hrs/HP/Annum)</b>	Rs./HP/Month		Rs./HP/Month		Rs./HP/Month	
(a) 0-5 HP	445	6%	470	6%	495	5%
(b) Above 5 HP - 7.5 HP	480	5%	505	5%	535	6%
(c) Above 7.5 HP	535	6%	565	6%	595	5%
<b>Category 2 Zones (Below 1318 Hrs/HP/Annum)</b>						
(a) 0-5 HP	350	6%	370	6%	390	5%
(b) Above 5 HP - 7.5 HP	375	6%	395	5%	415	5%
(c) Above 7.5 HP	435	6%	460	6%	485	5%
<b>LT IV(B): LT - Agriculture Metered Tariff - Pumpsets</b>	2.40	4%	2.50	4%	2.60	4%
<b>LT IV(C): LT - Agriculture Metered – Others</b>	4.00	5%	4.20	5%	4.40	5%

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for LT Category (3/4)**

Particulars	FY 2020-21			FY 2021-22	
	Energy Charges (Rs/unit)			Energy Charges (Rs/unit)	
	Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>LT V (A): LT - Industry - Powerlooms</b>					
(i): 0-20 KVA	4.69	4.90	4%	5.10	4%
(ii): Above 20 KVA	6.02	6.30	5%	6.40	2%
(iii) 0-20 kVA (Single phase)	4.69	4.90	4%	5.10	4%
<b>LT V(B): LT - Industry - General</b>					
(i): 0-20 KVA	4.81	5.00	4%	5.30	6%
(ii): Above 20 KVA	5.70	5.90	4%	6.20	5%
(iii) 0-20 kVA (Single phase)	4.81	5.00	4%	5.30	6%
<b>LT VI: LT - Street Light</b>					
(A): Grampanchayat; A B & C Class Municipal Council	4.80	4.90	2%	5.00	2%
(B): Municipal corporation Area	5.85	6.00	3%	6.20	3%
<b>LT VII: LT - Temporary Connection</b>					
(A): LT - Temporary Supply Religious (TSR)	3.27	3.40	4%	3.50	3%
(B): LT - Temporary Supply Others (TSO)	12.79	13.20	3%	13.60	3%
<b>LT VIII: LT - Advertisements and Hoardings</b>	12.00	12.40	3%	12.80	3%
<b>LT IX: LT - Crematorium and Burial Grounds</b>	3.26	3.40	4%	3.50	3%
<b>LT X (A) - Public Services – Govt.</b>					
(i): ≤ 20 kVA Upto 200 units)	3.00	3.70		3.90	5%
(i): ≤ 20 kVA (Above 200 units)	4.20				
(ia) ≤ 20 kVA (Single phase)	3.00-4.20	3.70		3.90	5%
(ii): >20 - ≤ 50 kVA	4.30	4.50	5%	4.70	4%
(iii): >50 kVA	5.40	5.70	6%	6.00	5%
<b>LT X(B) - Public Services - Others</b>					
(i): ≤ 20 kVA Upto 200 units)	4.25	5.80		6.10	5%
(i): ≤ 20 kVA (Above 200 units)	6.90				
(ia) ≤ 20 kVA (Single phase)	4.25-6.90	5.80		6.10	5%
(ii): >20 - ≤ 50 kVA	6.80	7.10	4%	7.50	6%
(iii): >50 kVA	7.20	7.60	6%	8.00	5%
<b>LT XI – Electric Vehicle Charging Station</b>	4.72	5.00	6%	5.30	6%

**Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for LT Category (4/4)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Energy Charges (Rs/unit)		Energy Charges (Rs/unit)		Energy Charges (Rs/unit)	
	Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>LT V (A): LT - Industry - Powerlooms</b>						
(i): 0-20 KVA	5.40	6%	5.70	6%	6.00	5%
(ii): Above 20 KVA	6.60	3%	6.80	3%	7.00	3%
(iii) 0-20 kVA (Single phase)	5.40	6%	5.70	6%	6.00	5%
<b>LT V(B): LT - Industry - General</b>						
(i): 0-20 KVA	5.60	6%	5.90	5%	6.20	5%
(ii): Above 20 KVA	6.50	5%	6.80	5%	7.10	4%
(iii) 0-20 kVA (Single phase)	5.60	6%	5.90	5%	6.20	5%
<b>LT VI: LT - Street Light</b>						
(A): Grampanchayat; A B & C Class Municipal Council	5.20	4%	5.40	4%	5.60	4%
(B): Municipal corporation Area	6.40	3%	6.60	3%	6.80	3%
<b>LT VII: LT - Temporary Connection</b>						
(A): LT - Temporary Supply Religious (TSR)	3.60	3%	3.70	3%	3.80	3%
(B): LT - Temporary Supply Others (TSO)	14.00	3%	14.40	3%	14.80	3%
<b>LT VIII: LT - Advertisements and Hoardings</b>	13.20	3%	13.60	3%	14.00	3%
<b>LT IX: LT - Crematorium and Burial Grounds</b>	3.60	3%	3.70	3%	3.80	3%
<b>LT X (A) - Public Services – Govt.</b>						
(i): ≤ 20 kVA *Upto 200 units)						
(i): ≤ 20 kVA (Above 200 units)	4.10	5%	4.30	5%	4.50	5%
(ia) ≤ 20 kVA (Single phase)	4.10	5%	4.30	5%	4.50	5%
(ii): >20 - ≤ 50 kVA	4.90	4%	5.10	4%	5.40	6%
(iii): >50 kVA	6.30	5%	6.60	5%	6.90	5%
<b>LT X(B) - Public Services - Others</b>						
(i): ≤ 20 kVA Upto 200 units)						
(i): ≤ 20 kVA (Above 200 units)	6.40	5%	6.70	5%	7.00	4%
(ia) ≤ 20 kVA (Single phase)	6.40	5%	6.70	5%	7.00	4%
(ii): >20 - ≤ 50 kVA	7.90	5%	8.30	5%	8.70	5%
(iii): >50 kVA	8.40	5%	8.80	5%	9.20	5%
<b>LT XI – Electric Vehicle Charging Station</b>	5.60	6%	5.90	5%	6.20	5%

**Comparison of Existing and Proposed Fixed Charges for HT Category (1/2)**

Particulars	FY 2020-21			FY 2021-22	
	Fixed Charges (Rs/kVA/mth)			Fixed Charges (Rs/kVA/mth)	
	Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>HT I HT - Industry</b>					
HT, EHV	391	431	10%	475	10%
<b>HT I (B): HT - Industry (Seasonal)</b>					
HT, EHV	391	431	10%	464	8%
<b>HT II: HT – Commercial</b>					
HT, EHV	391	421	8%	453	8%
<b>HT III : HT - Railways/Metro/Monorail Traction</b>					
HT, EHV	391	431	10%	464	8%
<b>HT IV: HT - Public Water Works</b>					
HT, EHV	391	421	8%	453	8%
<b>HT V(A): HT - Agriculture Pumpsets</b>					
HT, EHV	69	87	26%	94	8%
<b>HT V(B): HT - Agriculture - Others</b>					
HT, EHV	69	87	26%	94	8%
<b>HT VI: HT - Group Housing Societies (Residential)</b>					
HT, EHV	313	337	8%	363	8%
<b>HT VIII(A): HT - Temporary Supply Religious (TSR)</b>					
HT, EHV	418	460	10%	495	8%
<b>HT VIII(B): HT - Temporary Supply Others (TSO)</b>					
HT, EHV	391	431	10%	464	8%
<b>HT IX: HT - Public Services</b>					
<b>HT IX(A): HT - Public Services-Govt.</b>					
HT, EHV	391	421	8%	453	8%
<b>HT IX(B): HT - Public Services-Others</b>					
HT, EHV	391	421	8%	453	8%
<b>HT X: HT – Electric Vehicle Charging Station</b>					
HT, EHV	70	76	9%	82	8%

**Comparison of Existing and Proposed Fixed Charges for HT Category (2/2)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Fixed Charges (Rs/kVA/mth)		Fixed Charges (Rs/kVA/mth)		Fixed Charges (Rs/kVA/mth)	
	Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>HT I HT - Industry</b>						
HT, EHV	523	10%	576	10%	634	10%
<b>HT I (B): HT - Industry (Seasonal)</b>						
HT, EHV	499	8%	537	8%	578	8%
<b>HT II: HT – Commercial</b>						
HT, EHV	487	8%	524	8%	564	8%
<b>HT III : HT - Railways/Metro/Monorail Traction</b>						
HT, EHV	499	8%	537	8%	578	8%
<b>HT IV: HT - Public Water Works</b>						
HT, EHV	487	8%	524	8%	564	8%
<b>HT V(A): HT - Agriculture Pumpsets</b>						
HT, EHV	102	9%	110	8%	119	8%
<b>HT V(B): HT - Agriculture - Others</b>						
HT, EHV	102	9%	110	8%	119	8%
<b>HT VI: HT - Group Housing Societies (Residential)</b>						
HT, EHV	391	8%	421	8%	453	8%
<b>HT VIII(A): HT - Temporary Supply Religious (TSR)</b>						
HT, EHV	533	8%	573	8%	616	8%
<b>HT VIII(B): HT - Temporary Supply Others (TSO)</b>						
HT, EHV	499	8%	537	8%	578	8%
<b>HT IX: HT - Public Services</b>						
<b>HT IX(A): HT - Public Services-Govt.</b>						
HT, EHV	487	8%	524	8%	564	8%
<b>HT IX(B): HT - Public Services-Others</b>						
HT, EHV	487	8%	524	8%	564	8%
<b>HT X: HT – Electric Vehicle Charging Station</b>						
HT, EHV	89	9%	96	8%	104	8%

**Comparison of Existing and Proposed Fixed Charges for LT Category (1/4)**

Particulars	Units (Existing)	Units (Proposed)	FY 2020-21			FY 2021-22	
			Fixed Charges			Fixed Charges	
			Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>LT Residential</b>							
LT I(A): LT - Residential-BPL	Rs/conn/mth	Rs/conn/mth	25	25	0%	25	0%
<i>LT I(B): LT - Residential</i>							
1-100 units	Rs/conn/mth	Rs/conn/mth	90	100	11%	105	5%
101-300 units	Rs/conn/mth	Rs/conn/mth	90	110	22%	116	5%
301-500 units	Rs/conn/mth	Rs/conn/mth	90	110	22%	116	5%
>500 units	Rs/conn/mth	Rs/conn/mth	90	120	33%	132	10%
Three Phase Charges	Rs/conn/mth	Rs/conn/mth	320	350	9%	382	9%
<b>LT II: LT - Non-Residential</b>							
(A1) (i): 0 – 20 kVA (Upto 200 units per month)	Rs/Conn/mth	Rs/kVA/mth	391	207	-	218	5%
(A1) (ii): 0 – 20 kVA (Above 200 units per month)	Rs/Conn/mth	Rs/kVA/mth	391				
(A2) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	391	411	5%	432	5%
(B): >20 kVA and ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	391	411	5%	432	5%
(C): >50 KVA	Rs/kVA/mth	Rs/kVA/mth	391	411	5%	432	5%
<b>LT III: LT - Public Water Works (PWW)</b>							
(A): 0-20 kVA	Rs/kVA/mth	Rs/kVA/mth	97	102	5%	108	6%
(B): >20 kVA and ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	117	123	5%	130	6%
(C): >50 KVA	Rs/kVA/mth	Rs/kVA/mth	146	154	5%	162	5%
<b>LT IV: LT - Agriculture</b>							
<i>LT IV(B): LT - Agriculture Metered Tariff - Pumpsets</i>	Rs/HP/mth	Rs/HP/mth	40	42	5%	45	7%
<i>LT IV(C): LT - Agriculture Metered – Others</i>	Rs/kW/mth	Rs/kW/mth	108	114	6%	120	5%

**Comparison of Existing and Proposed Fixed Charges for LT Category (2/4)**

Particulars	Units (Existing)	Units (Proposed)	FY 2022-23		FY 2023-24		FY 2024-25	
			Fixed Charges		Fixed Charges		Fixed Charges	
			Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>LT Residential</b>								
LT I(A): LT - Residential-BPL	Rs/conn/mth	Rs/conn/mth	25	0%	25	0%	25	0%
<i>LT I(B): LT - Residential</i>								
1-100 units	Rs/conn/mth	Rs/conn/mth	111	6%	117	5%	123	5%
101-300 units	Rs/conn/mth	Rs/conn/mth	122	5%	129	6%	136	5%
301-500 units	Rs/conn/mth	Rs/conn/mth	122	5%	129	6%	136	5%
>500 units	Rs/conn/mth	Rs/conn/mth	146	11%	161	10%	178	11%
Three Phase Charges	Rs/conn/mth	Rs/conn/mth	417	9%	455	9%	497	9%
<b>LT II: LT - Non-Residential</b>								
(A1) (i): 0 – 20 kVA (Upto 200 units per month)	Rs/Conn/mth	Rs/kVA/mth	229	5%	241	5%	254	5%
(A1) (ii): 0 – 20 kVA (Above 200 units per month)	Rs/Conn/mth	Rs/kVA/mth						
(A2) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	454	5%	477	5%	501	5%
(B): >20 kVA and ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	454	5%	477	5%	501	5%
(C): >50 KVA	Rs/kVA/mth	Rs/kVA/mth	454	5%	477	5%	501	5%
<b>LT III: LT - Public Water Works (PWW)</b>								
(A): 0-20 kVA	Rs/kVA/mth	Rs/kVA/mth	114	6%	120	5%	126	5%
(B): >20 kVA and ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	137	5%	144	5%	152	6%
(C): >50 KVA	Rs/kVA/mth	Rs/kVA/mth	171	6%	180	5%	189	5%
<b>LT IV: LT - Agriculture</b>								
<i>LT IV(B): LT - Agriculture Metered Tariff - Pumpsets</i>	Rs/HP/mth	Rs/HP/mth	48	7%	51	6%	54	6%
<i>LT IV(C): LT - Agriculture Metered – Others</i>	Rs/kW/mth	Rs/kW/mth	126	5%	133	6%	140	5%

**Comparison of Existing and Proposed Fixed Charges for LT Category (3/4)**

Particulars	Units (Existing)	Units (Proposed)	FY 2020-21			FY 2021-22	
			Fixed Charges			Fixed Charges	
			Existing	Proposed	% Change over FY 2019-20 Approved	Proposed	% Change over FY 2020-21 Proposed
<b>LT V (A): LT - Industry - Powerlooms</b>							
(i): 0-20 KVA	Rs/Conn/mth	Rs/kVA/mth	441	158	-	166	5%
(ii): Above 20 KVA	Rs/kVA/mth	Rs/kVA/mth	294	309	5%	325	5%
(iii) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	441	463	5%	486	5%
<b>LT V(B): LT - Industry - General</b>							
(i): 0-20 KVA	Rs/Conn/mth	Rs/kVA/mth	441	158	-	166	5%
(ii): Above 20 KVA	Rs/kVA/mth	Rs/kVA/mth	294	309	5%	325	5%
(iii) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	441	463	5%	486	5%
<b>LT VI: LT - Street Light</b>							
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	Rs/kW/mth	108	114	6%	120	5%
(B): Municipal corporation Area	Rs/kW/mth	Rs/kW/mth	108	114	6%	120	5%
<b>LT VII: LT - Temporary Connection</b>							
(A): LT - Temporary Supply Religious (TSR)	Rs/Conn/mth	Rs/Conn/mth	443	466	5%	490	5%
(B): LT - Temporary Supply Others (TSO)	Rs/Conn/mth	Rs/Conn/mth	449	472	5%	496	5%
<b>LT VIII: LT - Advertisements and Hoardings</b>	Rs/Conn/mth	Rs/Conn/mth	833	875	5%	919	5%
<b>LT IX: LT - Crematorium and Burial Grounds</b>	Rs/Conn/mth	Rs/Conn/mth	438	460	5%	483	5%
<b>LT X (A) - Public Services – Govt.</b>							
(i): ≤ 20 kVA (Upto 200 units)	Rs/Conn/mth	Rs/kVA/mth	323	161	-	170	6%
(i): ≤ 20 kVA (Above 200 units)	Rs/Conn/mth	Rs/kVA/mth	323				
(ia) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	323	340	5%	357	5%
(ii): >20 - ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	323	340	5%	357	5%
iii): >50 kVA	Rs/kVA/mth	Rs/kVA/mth	323	340	5%	357	5%
<b>LT X(B) - Public Services - Others</b>							
(i): ≤ 20 kVA (Upto 200 units)	Rs/Conn/mth	Rs/kVA/mth	351	252	-	265	5%
(i): ≤ 20 kVA (Above 200 units)	Rs/Conn/mth	Rs/kVA/mth	351				
(ia) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	351	369	5%	388	5%
(ii): >20 - ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	351	369	5%	388	5%
iii): >50 kVA	Rs/kVA/mth	Rs/kVA/mth	351	369	5%	388	5%
<b>LT XI – Electric Vehicle Charging Station</b>	Rs/kVA/mth	Rs/kVA/mth	70	74	6%	78	5%

**Comparison of Existing and Proposed Fixed Charges for LT Category (4/4)**

Particulars	Units (Existing)	Units (Proposed)	FY 2022-23		FY 2023-24		FY 2024-25	
			Fixed Charges		Fixed Charges		Fixed Charges	
			Proposed	% Change over FY 2021-22 Proposed	Proposed	% Change over FY 2022-23 Proposed	Proposed	% Change over FY 2023-24 Proposed
<b>LT V (A): LT - Industry - Powerlooms</b>								
(i): 0-20 KVA	Rs/Conn/mth	Rs/kVA/mth	175	5%	184	5%	194	5%
(ii): Above 20 KVA	Rs/kVA/mth	Rs/kVA/mth	342	5%	360	5%	378	5%
(iii) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	510	5%	536	5%	563	5%
<b>LT V(B): LT - Industry - General</b>								
(i): 0-20 KVA	Rs/Conn/mth	Rs/kVA/mth	175	5%	184	5%	194	5%
(ii): Above 20 KVA	Rs/kVA/mth	Rs/kVA/mth	342	5%	360	5%	378	5%
(iii) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	510	5%	536	5%	563	5%
<b>LT VI: LT - Street Light</b>								
(A): Grampanchayat: A B & C Class Municipal Council	Rs/kW/mth	Rs/kW/mth	126	5%	133	6%	140	5%
(B): Municipal corporation Area	Rs/kW/mth	Rs/kW/mth	126	5%	133	6%	140	5%
<b>LT VII: LT - Temporary Connection</b>								
(A): LT - Temporary Supply Religious (TSR)	Rs/Conn/mth	Rs/Conn/mth	515	5%	541	5%	569	5%
(B): LT - Temporary Supply Others (TSO)	Rs/Conn/mth	Rs/Conn/mth	521	5%	548	5%	576	5%
<b>LT VIII: LT - Advertisements and Hoardings</b>	Rs/Conn/mth	Rs/Conn/mth	965	5%	1,014	5%	1,065	5%
<b>LT IX: LT - Crematorium and Burial Grounds</b>	Rs/Conn/mth	Rs/Conn/mth	508	5%	534	5%	561	5%
<b>LT X (A) - Public Services – Govt.</b>								
(i): ≤ 20 kVA (Upto 200 units)	Rs/Conn/mth	Rs/kVA/mth	179	5%	188	5%	198	5%
(i): ≤ 20 kVA (Above 200 units)	Rs/Conn/mth	Rs/kVA/mth						
(ia) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	375	5%	394	5%	414	5%
(ii): >20 - ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	375	5%	394	5%	414	5%
(iii): >50 kVA	Rs/kVA/mth	Rs/kVA/mth	375	5%	394	5%	414	5%
<b>LT X(B) - Public Services - Others</b>								
(i): ≤ 20 kVA (Upto 200 units)	Rs/Conn/mth	Rs/kVA/mth	279	5%	293	5%	308	5%
(i): ≤ 20 kVA (Above 200 units)	Rs/Conn/mth	Rs/kVA/mth						
(ia) 0-20 kVA (Single phase)	Rs/Conn/mth	Rs/Conn/mth	408	5%	429	5%	451	5%
(ii): >20 - ≤ 50 kVA	Rs/kVA/mth	Rs/kVA/mth	408	5%	429	5%	451	5%
(iii): >50 kVA	Rs/kVA/mth	Rs/kVA/mth	408	5%	429	5%	451	5%
<b>LT XI – Electric Vehicle Charging Station</b>	Rs/kVA/mth	Rs/kVA/mth	82	5%	87	6%	92	6%

MSEDCL requests Hon'ble Commission to approve the tariff considering the Tariff Design principles and Other Suggestions made by MSEDCL.

### T. Average Tariff Hike

Following table provides the average tariff hike for the Control Period.

Financial Year	Approved for FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Revenue at Existing Tariff (Rs. Crs)	69,086	76,998	79,927	83,018	86,310	89,801
Revenue at Proposed Tariff (Rs. Crs)	74,179	82,925	88,887	95,051	1,01,390	1,08,160
Revenue Recovery (Rs. Crs)	5,093	5,928	8,960	12,033	15,080	18,358
Sales (MU)	1,08,369	1,14,510	1,18,884	1,23,506	1,28,397	1,33,580
Average Cost of Supply (ACoS) (Rs/kWh)	6.85	7.24	7.48	7.70	7.90	8.10
<b>% Increase/Decrease</b>		<b>5.80%</b>	<b>3.25%</b>	<b>2.93%</b>	<b>2.61%</b>	<b>2.54%</b>

### U. Cross Subsidy Trajectory

MSEDCL submits that for certain categories such as HT Industrial, HT Commercial, HT Public Services etc., there is a reducing trend in cross subsidy. Further, for LT Residential, LT Public Services etc. there is increasing trend in cross subsidy. However, considering the recovery of proposed revenue gap, changes in tariff design and philosophy, there is a need to revise the tariff for various categories. Accordingly, MSEDCL has proposed the tariffs to recover the proposed revenue gap.

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Projected	Projected	Projected	Projected	Projected
HT I (A): HT - Industry	125%	124%	123%	122%	122%
HT II: HT - Commercial	211%	207%	203%	200%	197%
HT III: HT - Railways/Metro/Monorail Traction	146%	147%	148%	150%	152%
HT IV: HT - Public Water Works (PWW)	113%	114%	114%	115%	115%
HT V: HT - Agriculture Pumps	62%	61%	61%	60%	59%
HT VI: HT - Group Housing Societies	116%	118%	120%	123%	125%
HT VIII: HT - Temporary Supply	233%	238%	243%	250%	257%
HT IX : HT - Public Services Govt	148%	148%	148%	149%	150%
HT IX : HT - Public Services Others	175%	174%	172%	171%	170%
<b>HT Total</b>	<b>126%</b>	<b>124%</b>	<b>123%</b>	<b>122%</b>	<b>121%</b>
LT I: LT - Residential	100%	100%	100%	101%	101%
LT II: LT - Non-Residential	158%	157%	155%	154%	152%
LT III: LT - Public Water Works (PWW)	58%	58%	57%	57%	57%
LT IV: LT - Agriculture Metered	51%	51%	51%	51%	51%
LT V (A): LT - Industry - Power Looms	101%	101%	101%	102%	102%
LT V (B): LT - Industry – General	122%	123%	125%	127%	128%
LT VI: LT - Street Light	90%	88%	88%	88%	88%
LT VIII: LT - Advertisements and Hoardings	282%	285%	289%	294%	299%
LT IX: LT - Crematorium and Burial Grounds	71%	71%	70%	69%	69%
LT X- Public Services Govt.	98%	99%	99%	99%	100%
LT X- Public Services Others	130%	131%	132%	134%	135%
<b>LT Total</b>	<b>85%</b>	<b>86%</b>	<b>86%</b>	<b>87%</b>	<b>87%</b>

## V. 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 2019 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 2017-18 to FY 2024-25 along with other claims including Regulatory Assets as proposed by MSEDCL;
3. To allow the carrying cost on the proposed recovery required during the control period;
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 allow to charge 60% of approved fixed charges for single shift HT Industrial consumers as proposed by MSEDCL;
6. To allow the revision in definition of Billing Demand as proposed by MSEDCL;

7. To allow kVAh based billing for HT category consumers;
8. To allow a rebate for incremental consumption to HT consumers of selected categories as proposed by MSEDCL;
9. To consider the incentives/rebates proposed as part of ARR;
10. To rationalize the incentives and penalties as proposed by MSEDCL;
11. To approve the revision in Load Factor Formula as proposed by MSEDCL;
12. To approve the revision in the Load Factor Incentive with a ceiling of 7.50%;
13. To approve the revision in ToD Charges as proposed by MSEDCL;
14. To approve the levy of Grid Support charges on generated energy for Net Metering systems as proposed by MSEDCL;
15. To approve the Additional Fixed/Demand Charges along with CSS for Grid Connected Renewable Energy Generating Systems connected behind the Consumer's meter, and not opting for either Net Metering Arrangement or Net Billing Arrangement as proposed by MSEDCL;
16. To approve the kVA based Fixed Charges for 3 phase consumers having loads less than 20 kVA as proposed by MSEDCL;
17. To allow the levy of slab wise charges to LT three phase consumers based on the actual demand recorded;
18. To allow MSEDCL to retain the transmission charges collected from partial Open access consumers;
19. To approve levy of harmonics penalty through additional charge equivalent to 5% of Variable Charges (Wheeling Charges plus Energy Charges) for HT Industrial and HT Commercial consumers;
20. To approve Cross Subsidy Surcharge and all such other charges including wheeling charges and wheeling losses for Open Access consumers as proposed for the Control Period;
21. To approve the Additional Surcharge for Open Access Consumers irrespective of Source i.e. Captive Power Plants, IPP, RE based power plants etc. in addition to the conventional open access consumers but exempting CPPs existing prior to FY15-16, originally set up the plant for self-consumption and still continuing the same arrangement of captive use as proposed by MSEDCL
22. To allow revision in standby charges for consumers having CPP;
23. To make provision for mandatory standby arrangement by SEZ and other Deemed Licensees;
24. To allow the slab wise fixed charges for Residential category consumers as

- proposed by MSEDCL;
25. To approve the suggested categorization for different type of activities as proposed by MSEDCL;
  26. To approve the schedule of charges as proposed by MSEDCL;
  27. To approve the CAPEX and Capitalisation as submitted by MSEDCL;
  28. To approve the OPEX as proposed by MSEDCL;
  29. To grant any other relief as the Hon'ble Commission may consider appropriate;
  30. 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;
  31. To condone any error/omission and to give opportunity to rectify the same;
  32. 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)  
MSEDCL