

**Maharashtra State Electricity Distribution Co. Ltd.**

Prakashgad, Plot No.G-9, Bandra (East), Mumbai – 400 051

☎ (P) 26474753, (O) 26474211 / 26472131, Fax- 26472366,

E-Mail: cecomm@mahadiscom.in

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**REF. PR-3 / TARIFF/31779**

**DATE: 14 /10 /2010**

**COMMERCIAL CIRCULAR No. 124**

**Subject:** **Revision in tariff – Implementation thereof.**

**Reference:** MERC Tariff Order dt. 12/09/2010 in the Case No. 111 of 2009.

The Maharashtra Electricity Regulatory Commission, in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 (EA 2003) and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by MSEDCL, all the objections, responses of the MSEDCL, issues raised during the Public Hearing, and all other relevant material, and after review of Annual Performance for FY 2009-10, has determined the ARR and Detail Tariff Order dated **12<sup>th</sup> September 2010** for MSEDCL for FY 2010-11 in Case No. 111 of 2009. Hence, the guidelines as under are issued for implementation of the said order of the Commission without prejudice to the rights of MSEDCL to take any action as provided in the law.

**1. DATE OF IMPLEMENTATION:**

- i) The revised tariffs will be applicable from September 01, 2010 and will continue to be effective till the revised tariffs are determined for FY 2011-12 by MERC
- ii) In cases, where there is a billing cycle difference of a consumer with respect to the date of applicability of the revised tariffs, then the revised tariff should be made applicable on a pro-rata basis for the consumption.
- iii) The bills for the respective periods as per existing tariff and revised tariffs shall be calculated based on the pro-rata consumption (units consumed during respective period arrived at on the basis of average unit consumption per day multiplied by number of days in the respective period falling under the billing cycle).

**2. Applicability of BPL Category Tariff:**

The applicability of the BPL category tariffs has been retained as that specified in the previous Tariff Order. BPL category will be applicable to consumers with eligibility of (a) an annual limit of 360 units (b) The applicability of BPL category will have to be assessed at the end of each financial year (c) In case any BPL consumer has consumed more than 360 units in the previous financial year, the consumer to be levied LT I Residential tariff with no reclassification in BPL for all future periods.

**3. Applicability of Tariff to LT Residential:**

The Commission has introduced a new consumption slab for consumption above 1000 units per month, under LT I Residential category and the tariffs for this slab have been determined higher than that for the lower consumption slabs.

**4. Introducing Sub-category under LT-II Commercial Category:**

The Commission has introduced two sub-categories for load 0 to 20 kW under LT II as under:

1. LT II (A) (i) - Educational Institutions, Hospitals and Dispensaries
2. LT II (A) (ii) - Others, which have been determined in Tariff Booklet.

In this regards, the field officers are intimated to re-categorize the existing LT II Commercial consumers by carrying out physical verification and categorize the consumers in above two categories and update the data in the IT system within two months from the date of issue of this Commercial Circular.

**5. New sub-categories for Express and Non-express feeders under HT II Commercial Category:**

The Commission has created two sub-categories for Express and Non-express feeders under HT II Commercial, the revised consumer categorisation under HT II Commercial, will be as under:

HT II Commercial

(A) Express Feeders

(i) Educational Institutions and Hospitals

(ii) Others

(B) Non-Express Feeders

(i) Educational Institutions and Hospitals

(ii) Others



As per directives given by Hon. Commission, HT II Commercial consumers connected on express feeder will be given continuous supply without any load shedding and will be charged as per HT II Commercial (Express Feeder) tariff w.e.f. 01/09/2010.

In case any HT II Commercial (on express feeder) consumer communicates in writing that he does not want continuous supply, then load shedding should be undertaken in accordance with the prevalent load shedding protocol for such consumer and levy the tariff applicable for non-express feeder under HT II commercial category, for such time, as the non-continuous supply is continued.

Individual correspondence with all existing HT II Commercial (Express Feeder) and HT II Commercial (Non-Express Feeder) may be undertaken at Circle level to cover the above aspect for change from Express to Non-Express & vice versa.

Load shedding protocol should be quarterly monitored by Superintending Engineer and such report to be submitted to the Chief Engineer (O & M) for scrutiny.

The proper categorization of HT II consumers under HT II – A (Express Feeder) and HT II – B (Non-Express Feeder) should be carried out carefully to avoid revenue loss and Load Shedding Protocol be strictly implemented for all non-express category feeder.

**6. Fixed/Demand Charges applicable to Street Light:**

Since electricity used for Street Light category at Low/Medium Voltage for purpose of public street lighting, lighting in public gardens, traffic island, bus shelters, public sanitary conveniences, police chowkies, traffic lights, public fountains, and other such common public places irrespective of whether such facilities are being provided by the Government or other private parties, hence categorization should be done on the basis of geographical area i.e. a) Grampanchayat area, Municipal Council area b) Municipal Council area so as to apply the proper tariff.

Street Lightings having "Automatic Timers" for switching On/Off the street lights would be levied Demand Charges on lower of the following–

- a) 50 percent of "Contract Demand" or
- b) Actual "Recorded Demand"

All metering points of Street Light having "Automatic Timers" are to be detected and replace the normal meter with ToD meter to levy Demand Charges as per Commissions directives.

All field officers are directed to identify the connections having "Automatic Timers" & update the data in IT system and arrange to levy the demand charges as defined above.

**7. Applicability of Tariff to the Non Industrial Activities in or adjoining the factory premises:**

1. Within a Factory premises, there could be canteens, recreation rooms for staff, gymnasium, time office, crèche for employees' children, dormitory for workers, guest houses for visiting officers, etc., which are related to and are incidental to the main purpose and are within the factory premises, and are intended for use by the staff/workers employed within the factory premises, and are not offered on commercial payment basis to people not employed within the factory premises. In such cases, the categorization of such consumers should be 'Industrial' and sub-meters or separate meters should not be utilized for the billing purpose of such ancillary and incidental activities, and MSEDCL should not charge them at commercial or any other rate. However if sub meters are already provided, they should not be removed and may be used for determination of Electricity Duty purpose as may be specified by GoM.
2. In case there are full-fledged employee quarters spread across one or more buildings, wherein the employees employed in the factory are given accommodation, then the supply to such premises should be metered separately through a sub-meter, and such premises should be charged at appropriate HT residential or LT residential tariffs, depending on the level of metering.

**8. Tariff to commercial load of industrial consumers or educational institute:**

For commercial load (other than ancillary and incidental activities mentioned in Sr. No. 7 above) of industrial consumers or educational institutions taking supply at HT voltage with separate sub-meter, the HT II Commercial category tariff will be applicable, irrespective of whether metering is at HT side or LT side of the transformer. The HT VI Commercial category tariff will not be applicable in such cases, since the same is intended to be only an interim solution, since all such commercial category consumers taking supply at single point have to be converted either to franchisee or individual connections. This action shall be completed within 3 months and the Chief Engineer (O & M) shall submit a certificate to this effect to Chief Engineer (Commercial).



**9. Tariff to Individual Residential consumers taking supply at HT voltage:**

Individual residential consumers taking supply at HT voltage (large bungalows) will be charged at LT residential rates, since there is no HT residential tariff category. Further, "HT VI Group Housing Society" tariff is also applicable for such Housing Colonies of industrial consumers or educational institutions, taking supply at HT with separate sub-meter, irrespective of whether metering is at HT side or LT side of the transformer so long as the supply is at HT voltage.

**10. New sub-category under LT IV Agricultural Tariff Category:**

The Commission has created a new sub-category within the existing LT Agricultural sub-categories, and the tariff for consumers having agricultural pump-sets with 0-5 HP has been retained at the existing levels, while the tariff of the remaining agricultural consumers has been slightly increased.

At present, Zone-wise categorization of Agricultural consumer will remain same even though such consumers are diverted from one Zone/Circle to another due to creation of new Zone/Circle.

**11. Applicability of Agricultural Tariff category to pre-cooling & cold storage on HT and LT voltage level:**

HT or LT Agricultural Tariff category shall be applicable for pre-cooling & cold storage for agricultural produce irrespective of whether pre-cooling & cold storage are being used by farmers or traders, and irrespective of the ownership pattern in respect of supply on HT or LT side. In this case, care should be taken that this applicability is extended only to the Cold Storage of unprocessed agricultural produce only and not to any other Cold Storage and Ice Cream Parlors, Ice Factory etc.

**12. Wheeling Charges and Loss Compensation:**

Commission hence, rules that the wheeling loss applicable is 6% for open access transactions entailing drawal at 33 kV level, 9% for drawal at 22 kV/11 kV level, and 14% for drawal at LT level equivalent to estimated technical loss at LT level, considering that the overall distribution loss allowed for FY 2010-11 is 17.2%. Accordingly, approved Wheeling Charges and Wheeling Loss at HT and LT level for FY 2010-11 is summarised in the following Table:

Item Description	Approved for FY 2010-11	
	Wheeling Charge (Rs/kWh)	Wheeling Loss (%)
33 kV	0.04	6%
22 kV / 11 kV	0.21	9%
LT level	0.36	14%

In addition, the Commission reiterates that all other conditions and principles as regards Applicability of Wheeling Charges and Wheeling Losses (Ref. Cl. 6.6) and Cross-subsidy surcharge (Ref. Cl. 6.7) for open access transactions as outlined under MYT Order (Case No. 65 of 2006) and further elaborated vide Commission's Order dated November 20, 2007 (Case No. 33 of 2007) shall continue to be applicable under this Order for Wheeling Charges as approved for FY 2010-11.

### 13. **Determination of Transmission Tariff for FY 2010-11:**

The Commission has determined Transmission Tariff for use of Intra-State Transmission System for FY 2010-11 as under:

Item Description	Units	FY 2010-11
TTSC	Rs Cr	2653.73
Average Coincident Peak Demand (CPD)	MW	13429
<b>Transmission Tariff (long term)</b>	<b>Rs/kW/mth</b>	<b>164.68</b>
Transmission Tariff (long term)	Rs/MW/day	5414
Transmission Tariff (short term)	Rs/MW/day	1353.50
<b>Transmission Tariff (short term)</b>	<b>Rs/MW/hr.</b>	<b>56.40</b>

Further, it is clarified that Transmission Tariff in case of short-term open access transactions shall be 25% of that applicable for long-term open access transactions as stipulated under Para 3.2.5.6 of the Commission's Order dated June 27, 2006 in Case 58 of 2005. The relevant extract of said Order is as under:

*"3.2.5.6 The transmission charge in case of short term transmission open access transactions shall be denominated in Rs/MW/day or Rs/MW/Hr and shall be 25% of that applicable for long term transmission open access transactions. The short term transmission charges shall be payable for minimum 6 hours duration within a day and shall be accordingly 1/4th of short term transmission open access charge per day. The recovery from short term transmission open access charges shall be used to reduce total transmission system charge (TTSC) for the intra-State transmission system and in turn benefit long term transmission system users."*



Accordingly, Transmission Tariff for short-term open access transactions for FY 2010-11, shall be Rs 56.40 per MW per hour. Further, it is clarified as ruled under Commission's Order (Case 103 of 2009) that condition as stipulated under Para 3.2.5.6 reproduced above that short term transmission charges to be payable for minimum 6 hours duration within a day **shall no longer be applicable** and the short term open access charges shall be denominated in Rs/MWh as outlined above. The recovery from short term transmission open access charges shall be used to reduce total transmission system charge (TTSC) for the Intra-State Transmission System and in turn benefit long term transmission system users.

Transmission losses are considered as 4.85% for the year 2010-11.

**14. Restoration of Fixed/Demand Charges:**

The Commission has retained the fixed/demand charges for all consumer categories at the existing level.

**15. Interest on consumer's Security Deposit:**

The interest on consumers' security deposit is payable at the rate of 6%.

**16. Release of supply at a voltage below prescribed voltage:**

Commission has clarified in the Tariff Order dt. 12<sup>th</sup> September 2010 that, the Interim Relief of applicability /levy of 2% voltage surcharge for release of connection at voltage lower than specified in MERC SoP is applicable for the consumers connected on Non Express Feeders (more than one connection on the said feeder), and in case only one connection exists on the said dedicated feeder, the tariffs should be charged on the basis of consumption recorded by the meters installed at the source of supply (EHV Level) and at the consumer's end (Premises), whichever is higher, without any levy of voltage surcharge.

For the billing purpose of such consumers, separate billing code is required to be created and reading of both the meters should be fed to the IT billing software. This activity is to be completed & fed into IT system with in the period of 3 month from date of issue of this Circular.

**17. Refund of Regulatory Liability Charges (RLC):**

In addition to the refunds effected in the last two years, Rs. 500 crore is to be refunded in FY 2010-11 out of the total RLC collection of Rs. 3227 crore, the refund in FY 2010-11 will be in the same proportion of the contribution by that consumer. The percentage of refund works out to 16%. This will also ensure that consumers get the refund in the exact same proportion as their consumption, and consumers who have paid RLC for a

lower duration, would get lower refund on a monthly basis, such that all the consumers get their complete refund over the same period of time.

**18. Applicability of Time of Day (ToD) tariff:**

The Time of Day (ToD) tariffs will be applicable compulsorily to HT I, HT II, and HT IV categories among HT categories, and LT II (B), LT II (C), LT III, and LT V (B) category consumers having TOD meters, as well as optionally available to LT – II (A) and LT V (A) category consumers, who have TOD meters. The TOD tariffs have been retained at the existing levels as determined in Tariff Booklet.

**19. Demand Charges for CPP Holders:**

Additional demand charges of Rs 20 per kVA per month would be chargeable for the stand by component, for CPPs, only if the actual demand recorded exceeds the Contract Demand.

**20. OTHER PROVISIONS:**

- i) The rebates/incentives and disincentives have been retained at the existing levels.
- ii) The **Billing Demand definition for HT** has been retained at the existing level.

**ACTION PLAN:-**

For proper implementation of the revised tariff, all the I. T. management departments / field officers shall follow guidelines given below:-

1. The revised tariffs are to be applied from 1<sup>st</sup> September, 2010 till the revised tariffs are determined for FY 2011-12 under the APR framework and Orders issued there under.
2. ToD Meter are to be provided to all LT II Commercial category consumer having load above 20 kW with in one month and certificate of completion of installation of ToD meter to such consumers is to submitted by Zonal office.

All the LT V Industrial category consumer (more than 20 kW) are to be compulsorily billed on LTMD basis only as has been mandated by MERC.

3. It is directed to locate HT II Commercial consumers connected on express feeder and give them continuous supply without any load shedding and charge them as per HT II Commercial (Express Feeder) tariff w.e.f. 01/09/2010.



4. The Commission has approved the HT and LT tariff booklets (Annexure II of tariff order.) effective from 01/09/2010. All field officers are requested to download the same and adequate copies of these booklets should be printed and made available up to Section Level and also make available to outsider/consumer at the rate of Rs. 20/- per booklet.
5. The field officers are directed to ensure that where ever the tariff category is redefined or newly created by the Commission, the existing / prospective consumers should be properly categorized by actual field inspection immediately and the data to be immediately updated in the IT data base.
6. Since Commission has increased Agricultural tariff for load of more than 5 HP, it is directed that consumers should be checked for verification of connected load and should be charges appropriate tariff as per MERC Order.
7. It is also directed that, in respect of residential and commercial consumer, connected load is to be physically verified, and if connected load is found more than sanction load, connected load will be treated as sanction load and accordingly correction is to be made in billing software so as to levy appropriate fixed charges.
8. All other relevant issues are covered in the appended tariff booklet. In case of any clarification in this order, the field officers may contact the C. G. M. (IT) or C. E. (Commercial).
9. All the same category loads in one premises are to be clubbed if the same pertains to a single utility and the purpose is also same.

Apart from the above instructions, other general instructions are given by the Hon. Commission in the Tariff Order dated 12 September 2010. All the Head of the Departments in Head Office and Regional Executive Directors, Zonal Chief Engineers, Superintending Engineers, Executive Engineers of the field are directed to implement the directives given in the said tariff order by Hon. MERC within the stipulated time. Also they shall sensitize our staff about the various aspects of the Tariff Order and give proper guidance to all the officers and the staff members working under them.

All field officers are therefore requested to take due note of the revised tariff and should follow the same hereafter and compliance of the action taken report should be informed by the Regional Executive Directors to Chief Engineer (Commercial).

These are only the important guidelines and for actual implementation, the field officers are requested to refer the Detail Order of MERC dt. 12/09/2010 in Case No. 111 of 2009. All the stipulation & provisions are to be strictly followed.

Encl: Summary of HT/LT Tariffs

  
**Director (Operation), MSEDCL**

**Copy:** As per mailing list



## Revised Tariffs with effect from September 01, 2010

### Summary of LT Tariffs effective from September 1, 2010

Sl.	Consumer category & Consumption Slab	Tariffs	
		Fixed/ Demand Charge	Energy Charge (Rs/kWh)
1	<b>LT I - Residential (BPL)</b>	Rs. 3 per month	0.78
	<b>LT I – Residential</b>		
	0-100 units	Single Phase: Rs. 30 per month	2.47
	101-300 units	Three Phase: Rs. 100 per month <sup>ss</sup>	4.37
	301 - 500 units		6.25
	501 - 1000 units		7.25
	Above 1000 Units (balance units)		7.50
2	<b>LT II - LT Non-residential or Commercial</b>		
(A)	0-20 kW		
(i)	<u>Educational institutions, hospitals and dispensaries</u>		
	0 – 200 units per month	Rs. 150 per month	4.30
	Above 200 units per month (only balance consumption)	Rs. 150 per month	6.00
(ii)	<u>Others</u>		
	0 – 200 units per month	Rs. 150 per month	4.50
	Above 200 units per month (only balance consumption)	Rs. 150 per month	6.45

Sl.	Consumer category & Consumption Slab	Tariffs	
		Fixed/ Demand Charge	Energy Charge (Rs/kWh)
(B)	> 20 kW and $\leq$ 50 kW	Rs. 150 per kVA per month	6.50
(C)	> 50 kW		8.40
3	<b>LT III – Public Water Works &amp; Sewage Treatment Plants</b>		
(A)	0-20 kW	Rs. 40 per kVA per month	1.72
(B)	> 20 kW and $\leq$ 40 kW	Rs. 50 per kVA per month	2.22
(C)	> 40 kW and < 50 kW	Rs. 70 per kVA per month	3.02
4	<b>LT IV - Agriculture</b>		
4.1	Un-metered Tariff		
(A)	Category 1 Zones*		
(i)	0 - 5 HP	Rs. 276 per kW per month- (Rs 206 per HP per month)	
(ii)	Above 5 HP	Rs. 315 per kW per month- (Rs 235 per HP per month)	
(B)	Category 2 Zones#		
(i)	0 - 5 HP	Rs 237 per kW per month- (Rs. 176 per HP per month)	
(ii)	Above 5 HP	Rs 268 per kW per month- (Rs. 200 per HP per month)	
4.2	Metered Tariff (incl Poultry Farms)	Rs. 20 per kW per month (Rs. 15 per HP per month)	1.54
5	<b>LT V - LT Industry</b>		
(A)	0-20 kW	Rs. 150 per connection per month	3.90
(B)	Above 20 kW	Rs. 100 per kVA per month *	5.40
6	<b>LT VI – Streetlights</b>		
(A)	Grampanchayat, A, B, & C Class Municipal Council	Rs. 30 per kW per month	3.10
(B)	Municipal Corporation Areas		3.70
7	<b>LT VII – Temporary Supply</b>		



Sl.	Consumer category & Consumption Slab	Tariffs	
		Fixed/ Demand Charge	Energy Charge (Rs/kWh)
(A)	TSR – Temporary Supply Religious	Rs 200 per connection per month	2.52
(B)	TSO – Temporary Supply Others	Rs 250 per connection per month	11.50
8	LT VIII – Advertisement & Hoardings	Rs 400 per connection per month	16.00
9	LT IX – Crematoriums and Burial Grounds	Rs 200 per connection per month	2.52
<i>TOD Tariffs (in addition to above base tariffs) – compulsory for LT II (B) and (C), LT III, LT V (B), and optional for LT II (A) and LT V (A) category</i>			
	0600 hours to 0900 hours		0.00
	0900 hours to 1200 hours		0.80
	1200 hours to 1800 hours		0.00
	1800 hours to 2200 hours		1.10
	2200 hours to 0600 hours		-0.85

**\*Category 1 Zones (with consumption norm above 1318 hours/HP/year)**

1	Bhandup (U)	2	Pune	3	Nashik
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**#Category 2 Zones (with consumption norm below 1318 hours/HP/year)**

1	Amravati	2	Aurangabad	3	Kalyan
4	Konkan	5	Kolhapur	6	Latur
7	Nagpur(U)	8	Nagpur		

**Notes:**

- Fuel Adjustment Cost (FAC) will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula prescribed by the Commission, and computed on a monthly basis.
- \$\$: Additional Fixed Charge of Rs. 100 per 10 kW load or part thereof above 10 kW load shall be payable.
- #: Street lightings having 'automatic timers' for switching 'on/off' would be levied Demand Charges on the lower of the following:
  - 50% of the Contract Demand
  - Actual Recorded Demand
- Billing Demand for all LT categories where MD based tariff is applicable:

Monthly Billing Demand will be the higher of the following:

- A) 65% of the Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours
- B) 40% of the Contract Demand

**Summary of HT Tariffs effective from September 1, 2010**

Sl.	Consumer category & Consumption Slab	Tariffs	
		Fixed/ Demand Charge	Energy Charge (Rs/kWh)
1	<b>HT I – Industry</b>		
(A)	Express Feeders	Rs 150 per kVA per month	5.27
(B)	Non-express Feeders		4.80
(C)	Seasonal Industry		5.90
2	<b>HT II – Commercial</b>		
(A)	Express Feeders		
(1)	Educational Institutions & Hospitals	Rs 150 per kVA per month	7.65
(2)	Others		7.95
(B)	Non-express Feeders		
(1)	Educational Institutions & Hospitals	Rs 150 per kVA per month	7.15
(2)	Others		7.45
3	<b>HT III – Railways</b>		5.80



Sl.	Consumer category & Consumption Slab	Tariffs	
		Fixed/ Demand Charge	Energy Charge (Rs/kWh)
4	HT IV – Public Water Works & Sewage Treatment Plants		
(A)	Express Feeders	Rs 150 per kVA per month	3.75
(B)	Non-express Feeders		3.60
5	HT V - Agriculture	Rs. 25 per kVA per month	2.15
6	HT VI		
(A)	Group Housing Society	Rs 125 per kVA per month	3.72
(B)	Commercial Complex		6.30
7	HT VII – Mula Pravara Electric Co-op Society	Rs 100 per kVA per month	2.62
8	HT VIII – Temporary Supply	Rs 200 per connection per month	10.12
<i>TOD Tariffs (in addition to above base tariffs) for HT I, HT II and HT IV categories</i>			
	0600 hours to 0900 hours		0.00
	0900 hours to 1200 hours		0.80
	1200 hours to 1800 hours		0.00
	1800 hours to 2200 hours		1.10
	2200 hours to 0600 hours		-0.85

**Notes:**

- HT V category includes HT Lift Irrigation Schemes irrespective of ownership.
- FAC will be determined every month based on the FAC Formula approved by the Commission

**3. Billing Demand for all HT categories (except HT II seasonal category)**

**Monthly Billing Demand will be the higher of the following:**

- Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours
- 75% of the highest billing demand recorded during preceding eleven months
- 50% of the Contract Demand.

**4. Billing Demand for HT Seasonal Category (HT II)**

### **During Declared Season**

Monthly Billing Demand will be the higher of the following:

- i. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours
- ii. 75% of the Contract Demand
- iii. 50 kVA.

### **During Declared Off-season**

Monthly Billing Demand will be the following: i) Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours

5. HT Industrial consumers having captive generation facilities synchronized with the grid will pay additional demand charges of Rs. 20 per kVA per month only for the standby contract demand component.