

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

REF. PR – 3 / TARIFF/ 24556

DATE: 10th May 2008

COMMERCIAL CIRCULAR No. 80

Subject: Revision in tariff (2008-09) – Implementation thereof.

**Reference: 1) Tariff Order 31st May 2008 in Case No. 72 of 2007
2) Errata and Corrigendum dated 5th June 2008 in Case No. 72 of 2007**

The Maharashtra Electricity Regulatory Commission, by its Operative Order dated 31st May, 2008 has revised the tariffs for retail sale of electricity. The guidelines in respect of the said Operative Order as under are issued for implementation with immediate effect.

1. DATE OF IMPLEMENTATION:

- 1.1 The revised tariffs that are applicable to the various categories of consumers have come into force with effect **from 1st June, 2008** and will remain in force **till 31st March, 2009**.
- 1.2 In case there is any delay in applying the revised tariffs to some of the consumers, suitable adjustment shall be carried out in the energy bills of such consumers for the month of July, 2008; or immediate subsequent month.
- 1.3 In respect of billing involving periods prior to and after 1st June 2008, pro – rata consumption up to 31st May, 2008 and from 1st June 2008 onwards shall be worked out and appropriate tariff shall be applied for such consumption.

2. ADDITIONAL SUPPLY CHARGE:

The Hon. Commission has discontinued the concept of “**Additional Supply Charge**” vide the above said Operative Order.

3. Revision of Fixed Charges / Demand Charges:-

The Commission has reduced Fixed Charges / Demand Charges applicable for different consumer categories and correspondingly increased the Energy Charges.

4. APPLICABILITY OF BPL CATEGORY TARIFF :-

- 4.1 BPL category will be applicable only to such residential consumers who have a sanctioned load of **up to and less than 0.1 KW and have consumed less than or equal to 360 units per annum in the previous financial year**. In case any BPL consumer has consumed more than 360 units in the previous financial year, then the consumer will henceforth be considered under LT-1 residential category and is not eligible for the tariff of BPL category. This provision is applicable only for those

consumers who are availing supply from MSEDCL for full period of twelve months in the previous financial year.

- 4.2 For the consumers who have not availed supply / were not the consumers of MSEDCL, for the full period of twelve months in the last Financial Year or for the new consumers who will avail supply in this year, he will be eligible for BPL Tariff only if the sanctioned load of **up to and less than 0.1 KW and subject to the proportionate consumption of less than or equal to 30 units per month.**
- 4.3 The BPL tariff applicability is only based on the above criterion of sanctioned load and monthly/annual consumption.

5. APPLICABILITY OF LT-I RESIDENTIAL CATEGORY :-

The Commission has continued with the practice of charging higher tariffs for residential consumers having monthly consumption above 300 units per month and above 500 units per month, since, the Commission feels that in the residential category, such consumption should be classified as luxurious use, and an economic signal in terms of higher tariff has to be given to such consumers to encourage them to make efforts for energy conservation.

The Commission has modified the applicability of tariff to telephone booths operated by handicapped persons and such booths will henceforth, be charged as per tariffs applicable to the LT-1 residential category.

6. DISCONTINUANCE OF LT-IX CATEGORY:-

In view of ATE's decision in this regard, the Commission has done away with LT-IX category. All these consumers are to be classified under LT-2 Non-Domestic Category (to be reclassified in its appropriate category i.e. LT-2 Non-Domestic / HT-II Commercial). Further, three new sub-categories has been created viz. 0 to 20 kW, 21 kW to 50 kW and above 50 kW based on the sanctioned loads for the consumers under this category.

7. HT –II COMMERCIAL:-

The Commission has created new category, viz, HT-II Commercial, to cater to all Commercial Category consumers availing supply at HT voltages, and currently classified under existing HT –I Industrial or LT –IX (Multiplexes and Shopping Malls). This category will includes Hospitals getting supply at HT voltages irrespective of whether they are Charitable Trust, Government owned and operated etc.

The consumers need to be classified under this new category based on the usage of electricity as above and those availing supply on HT Voltages.

8. LT –IX (Crematoriums and Cremation and Burial Grounds):-

The Commission has created new category, viz, LT –IX which will include all crematoriums and cremation and burial grounds, irrespective of whether these are electric crematoriums, or otherwise, and the tariffs have been specified at lower levels. However, this lower tariff will be applicable only to the portion catering to such activities, and in case part of the area is being used for other commercial purposes, then a separate meter will have to be provided for the same, and the consumption in this meter will be chargeable under LT-II Non-Domestic rates.

9. DEMAND CHARGES OF CPP HOLDERS:-

Additional demand charges of Rs.20 per kVA per month would be chargeable for the standby component for CPPs, only if the actual demand recorded exceeds the contract demand.

10. MD TARIFF FOR LT-V INDUSTRIAL CONSUMERS :-

Since MSEDCL is yet to achieve 100 % M. D. Metering for LT-V Industrial Consumers above 20 kW, the MD tariffs for LT-V industrial consumers will not be made effective till the MD meters are installed. MSEDCL will be allowed to charge only the earlier HP based tariffs though the revenue has been assessed based on MD based tariffs.

MSEDCL is thus allowed to charge MD based tariff immediately on completion of 100% metering. All the Zonal Chief Engineers to immediately inform the IT centers under their jurisdiction about such completion and may also send a certificate to that effect to Chief Engineer (Dist).

It is informed that since MD based tariff is most scientific / realistic and is also likely to generate a higher revenue, all out efforts may be made to ensure that MD based metering and billing is immediately resorted to.

11. HT-VI RESIDENTIAL AND COMMERCIAL CATEGORY :-

- 1.1 HT-VI residential would be applicable **only to the Group Housing Society.**
- 1.2 HT-VI commercial category consumers requiring a single point supply will have to either operated through a franchisee route or take individual connections under relevant category.

12. HT CONTINUOUS / NON-CONTINUOUS :-

In line with the MYT Order, only HT industries connected on express feeders and demanding continuous supply will be deemed as HT Continuous Industry and given continuous supply, while all other HT industrial consumers will be deemed as HT-Non-Continuous Industries.

It has to be very explicitly monitored and ensured that except the consumers on express feeders, the load shedding for all other consumers shall be strictly in line with the Principles and Protocols of Load Shedding and no deviation/withdrawal of Load Shedding for this category shall be resorted to, for any reason whatsoever.

Also, in some cases, there are a group of consumers who are availing uninterrupted supply without any load shedding akin to availing supply on express feeder. Utmost care may be taken to ensure that all consumers in such group shall now be categorized only under HT-I Industry and further under sub-category- Continuous Industry on express feeder

13. AGRICULTURAL TARIFF:

- 13.1 The Hon. Commission has retained the existing tariff applicable to LT as well as HT Agricultural Consumers;
- 13.2 In order to incentivise consumers to adopt metering, the metered tariffs have been specified lower than the effective flat rate tariffs.

- 13.3 The Hon'ble Commission has retained the slabs for un-metered agricultural consumers, as consumers having consumption above 1318 hours per HP per year and consumers having consumption below 1318 hours per HP per year;
- 13.4 The Hon'ble Commission has also retained the area (Zones) depending upon the consumption norms of that respective area;

Category – I: Zones (with consumption norm above 1318 hours/HP/year)
Bhandup (Urban), Pune (Urban & rural) and Nasik

Category – II: Zones (with consumption norm below 1318 hours/HP/year)
Amaravti, Aurangabad, Kalyan, Konkan, Kolhapur, Latur, Nagpur (Urban) & Nagpur.

14. OPEN ACCESS & WHEELING CHARGES :-

- 14.1 The Commission has determined the Wheeling Charges for eligible Open Access Consumers for each voltage level based on the voltage-wise asset base and capacity levels at each voltage.

Consumers connected directly to the transmission network would not be required to pay the wheeling charges. Open access consumers will pay the wheeling charges and the wheeling loss in kind linked to distribution loss at respective voltage level.

- 14.2 The cross subsidy surcharge for eligible open access consumers will continue to be zero as per previous tariff order.

15. TOD TARIFF FOR LT CATEGORY:-

TOD Tariff (in addition to base tariff, after installation of MD meter) compulsorily applicable for LT V Industrial, LT II Non-Domestic for sanctioned load above 20 kW, and optionally available to LT II Non-Domestic for sanctioned load below 20 kW. Thus MD based tariff and TOD tariff is now compulsory for all consumers in LT-V Industrial and LT- II Non-Domestic categories having sanctioned loads above 20 kW.

Also the consumers under these two categories having sanctioned loads less than 20 kW may be monitored (if MD meter is installed) for its demand and the sanctioned load shall be immediately modified if the same is found to exceed.

16. REFUND OF REGULATORY LIABILITY CHARGES (RLC) :-

The refund mechanism will be incorporated in the billing software as may be directed by the Commission. The same will be incorporated after the Detailed Order is issued. The field offices may not take any action on this issue and may await further directions from H.O. Also any correspondence pertaining to this issue of RLC may please be forwarded to the Commercial / TRC section.

17. REBATES / INCENTIVES :-

Power Factor Calculation

Wherever, the average power factor measurement is not possible through already installed meter, the following method for calculating the average power factor during the billing period shall be adopted-

$$\text{Average Power Factor} = \frac{\text{Total}(kWH)}{\text{Total}(kVAh)}$$

Wherein the kVAh is the square root of the summation of the squares of kWh and RkVAh

Power Factor Incentive (Applicable for all HT categories, except HTP III with specific dispensation, and LT III, LT V and LT IX categories)

Whenever the average power factor is more than 0.95, an incentive shall be given at the rate of 1% (one percent) of the amount of the monthly bill including energy charges, FAC, and Fixed/Demand Charges, but excluding Taxes and Duties for every 1% (one percent) improvement in the power factor (PF) above 0.95. For PF of 0.99, the effective incentive will amount to 5% (five percent) reduction in the monthly bill and for unity PF, the effective incentive will amount to 7% (seven percent) reduction in the monthly bill.

Power Factor Penalty (Applicable for all HT categories, except HTP III with specific dispensation, and LT III, LT V and LT IX categories)

Whenever the average PF is less than 0.9, penal charges shall be levied at the rate of 2% (two percent) of the amount of the monthly bill including energy charges, FAC, and Fixed/Demand Charges, but excluding Taxes and Duties for the first 1% (one percent) fall in the power factor below 0.9, beyond which the penal charges shall be levied at the rate of 1% (one percent) for each percentage point fall in the PF below 0.89.

Prompt Payment Discount

A prompt payment discount of one percent on the monthly bill (excluding Taxes and Duties) shall be available to the consumers if the bills are paid within a period of 7 days from the date of issue of the bill or with in 5 days of the receipt of the bill, whichever is later.

However, it is practically not possible to obtain acknowledgement from the consumers who are served with the bills. MSEDCL will be approaching the Hon'ble Commission on this issue. Till such time, the Prompt Payment Discount will be available to the consumers if the bills are paid within a period of 7 days from the date of issue of bill or within 5 days of receipt of bill only if the date of receipt can be clearly established, whichever is earlier.

Under any circumstances, this discount is not available in case the full bill as raised by MSEDCL is not paid (for any reason whatsoever) within the stipulated time frame of this clause.

Delayed Payment Charges (DPC)

In case the electricity bills are not paid within the due date mentioned on the bill, delayed payment charges of 2 percent on the total electricity bill (including Taxes and Duties) shall be levied on the bill amount. For the purpose of computation of time limit

for payment of bills, "the day of presentation of bill" or "the date of the bill" or "the date of issue of the bill", etc. as the case may be, will not be excluded.

Rate of Interest on Arrears

The rate of interest chargeable on arrears will be as given below for payment of arrears-

Sr. No.	Delay in Payment (months)	Interest Rate p.a. (%)
1	Payment after due date upto 3 months (0 - 3)	12%
2	Payment made after 3 months and before 6 months (3 - 6)	15%
3	Payment made after 6 months (> 6)	18%

Load Factor Incentive

The Commission has retained the Load factor incentive for consumers having Load Factor above 75% based on contract demand. Consumers having load factor over 75% upto 85% will be entitled to a rebate of 0.75% on the energy charges for every percentage point increase in load factor from 75% to 85%. Consumers having a load factor over 85 % will be entitled to rebate of 1% on the energy charges for every percentage point increase in load factor from 85%. The total rebate under this head will be subject to a ceiling of 15% of the energy charges for that consumer.

This incentive is limited to HT-I category only.

Further, the load factor rebate will be available only if the consumer has no arrears with the MSEDCL, and payment is made within seven days from the date of the bill or within 5 days of the receipt of the bill, whichever is later. However, this incentive will be applicable to consumers where payment of arrears in installments has been granted by the MSEDCL, and the same is being made as scheduled.

The Load Factor has been defined as below:

$$\text{Load Factor} = \frac{\text{Consumption during the month in MU}}{\text{Maximum Consumption Possible during the month in MU}}$$

Maximum consumption possible = Contract Demand (kVA) x Actual Power Factor x (Total no. of hrs during the month less planned load shedding hours*)

* - Interruption/non-supply to the extent of 60 hours in a 30 day month has been built in the scheme.

In case the billing demand exceeds the contract demand in any particular month, then the load factor incentive will not be payable in that month. (The billing demand definition excludes the demand recorded during the non-peak hours i.e. 22:00 hrs to 06:00 hrs and therefore, even if the maximum demand exceeds the contract demand in that duration, load factor incentives would be applicable. However, the consumer would be subjected to the penal charges for exceeding the contract demand and has to pay the applicable penal charges).

IMPLEMENTATION:

For proper implementation of the revised tariff, all the I. T. Department / field officers shall follow the provisions of this circular.

Also immediate steps may be taken with regards to compliance of MERC directives (metering and other allied issues) , proper categorization of consumers as specified in the Tariff Order dated 31st May, 2008, billing as specified etc., for overall effective implementation of the Tariff Order.

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 to the Office of Chief Engineer (Commercial) and the Office of Chief Engineer (Distribution).

It may please be noted that this Circular is issued in line with the provisions of the MERC Operative Order dated 31st May, 2008 (in Case no. 72 of 2007) and the Errata/Corrigendum dated 05th June, 2008 in the same case. In case of any doubt/clarification, you may refer the MERC Operative Order and Errata/Corrigendum.

Director (Operations) MSEDCL.

To:
The Chief Engineers of all O&M Zones, MSEDCL.

To:
The CGM (IT):
You may please release the modified software immediately and also instruct the IT centers about its implementation.

Copy to:

- 1) The Superintending Engineers of all O&M Circles, MSEDCL.
- 2) The Executive Engineers of all O&M Divisions, MSEDCL.
- 3) The Dy.Executive Engineers of all O&M Sub.Divisions and Flying Squads MSEDCL.
- 4) The Assistant Engineers of all O&M Sub-Divisions, MSEDCL

Copy Submitted with respect to:

- 1) The Managing Director, MSEDCL.
- 2) The Director (Finance), MSEDCL.
- 3) The Director (V&S), MSEDCL

Copy to:
All Executive Directors, Chief Engineers and equivalent officers , HO , Mumbai.

Table 1: Summary of LT Tariff Effective from 1st June 2008

Consumer Category	Fixed Charges/Demand Charges (Rs/KVA/month) or (Rs/HP/month) or (Rs/service connection per month)	Energy Charge (Paise/kWh)
LT I - Domestic		
Consumption less than 30 Units per Month (BPL)	Rs 3 per service connection	40
Consumption more than 30 Units per Month		
0-100 Units	Single Phase: Rs. 30 per service connection; Three Phase: Rs. 100 per service connection; Additional Fixed charge of Rs. 100 per 10 KW load or part thereof above 10 KW load shall be payable.	205
101- 300 Units		390
301 – 500 units		530
Above 500 Units (Only balance Units)		620
LT II - Non Domestic		
0-20 kW		
0 to 200 units per month	Rs. 150 per connection per month	340
Above 200 units per month (only balance consumption)	Rs. 150 per connection per month	525
>20- 50 kW	Rs 150 per KVA per month	550
>50 kW	Rs 150 per KVA per month	750
LT III - Public Water Works		
0- 20 KW	Rs 40 per KVA per month	125
>20-40 KW	Rs 50 per KVA per month	175
>40-50 KW	Rs 70 per KVA per month	250
LT IV - Agriculture		
Unmetered Tariff		
Category 1 Zones*	Rs. 241 per kW per month (Rs 180 per HP per month)	0
Category 2 Zones#	Rs. 201 per kW per month (Rs 150 per HP per month)	0
Metered Tariff (including Poultry Farms)	Rs. 20 per kW per month (Rs 15 per HP per month)	110
LT V - Industrial		
0 – 20 kW (upto and including 27 HP)	Rs. 150 per connection per month	300
Above 20 kW (above 27 HP)	Rs. 100 per KVA per month for 65% of Maximum Demand or 40% of the contracted demand whichever is higher. Rs. 60 per HP per month for 50% of sanctioned load, till such time MD meters are installed for all consumers.	450

TOD Tariff (In addition to Base Tariff, after installation of MD meter))		
2200 hrs - 0600 hrs		-85
0600 hrs - 0900 hrs		0
0900 hrs - 1200 hrs		80
1200 hrs - 1800 hrs		0
1800 hrs - 2200 hrs		110
LT VI - Street Light		
Grampanchayat, A, B & C Class Municipal Council	Rs 30 per KW per month	240
Municipal Corporation Areas		290
LT VII - Temporary		
Temporary Connections -other Purpose	Rs 250 per connection per occasion of supply	1200
Temporary Connections- Religious	Rs 200 per connection per occasion of supply	200
LT VIII - Advertisement & Hoardings		
	Rs. 400 per connection	1400
LT IX – Crematoriums & Burial Grounds		
	Rs 200 per connection per month	200

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

#Category 2 Zones (with consumption norm below 1318 hours/HP/year)		
1) .Amravati	2) .Aurangabad	3) .Kalyan
4) .Kokan	5) .Kolhapur	6) .Latur
7) .Nagpur (U)	8) .Nagpur	

Notes:

1. FAC will be determined monthly based on the FAC Formula approved by the Commission.
2. Billing Demand for LT V category and LT II category having MD based tariff :

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.

Table 2: Summary of HT Tariff Effective from June 1st, 2008

Consumer Category	Demand Charges (Rs/KVA/month)	Energy Charges (Paise/kWh)
HT1- Industry		
Continuous Industry (on express Feeder)	150	430
Non-continuous Industry (not on Express feeder)	150	395
Seasonal Industry	150	500
HT II – Commercial		
	150	700
HT – III- Railway Traction		
	0	470
HT IV – Public Water Works		
Express Feeders	150	310
Non-Express Feeders	150	300
TOD Tariff (for HT1,HT1A,HT II & HT IV)		
2200 hrs – 0600 hrs		-85
0600 hrs – 0900 hrs		0
0900 hrs – 1200 hrs		80
1200 hrs – 1800 hrs		0
1800 hrs – 2200 hrs		110
HT V – Agriculture		
	25	160
HT-VI		
Group Housing Society	125	300
Commercial Complex	125	525
HT - Temporary		
Temporary Connections	Rs 250 per connection per occasion of supply	1200
HT VII – Mula Pravara Electric Co-Op Society		
	100	200

Notes:

1. HT V category includes HT Lift Irrigation Schemes irrespective of ownership.
2. FAC will be determined every month based on the FAC Formula approved by the Commission
3. HT Industries & HT Water Works (HT I & HT IV)

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 highest billing demand recorded during the preceding eleven months, subject to the limit of Contract Demand.
- iii. 50% of the Contact Demand.

4. HT Seasonal Category (HT I A)

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.
- iii. 75% of the Contract Demand.
- iv. 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.