

BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION, SHILLONG

PETITION

FOR

REVISION OF TARIFF FOR FY 2019-20

FILED BY



MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.
LumJingshai, Short Round Road, Shillong - 793 001

BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

At its office at Lower Lachumiere, Shillong – 793001

FILE / PETITION NO.....

IN THE MATTER OF

REVISION OF TARIFF FOR THE FY 2019-20 OF THE MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (MePDCL) UNDER THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2014 AND UNDER SECTIONS 62 & 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED, LUMJINGSHAI, SHILLONG – 793001, MEGHALAYA

PETITIONER

The Petitioner respectfully submits as under:

1. In exercising its powers conferred under the section 131 and 133 of the Electricity Act 2003, the State Government of Meghalaya notified “The Meghalaya Power Sector Reforms Transfer Scheme 2010” on 31st March 2010 leading to restructuring and unbundling of erstwhile Meghalaya State Electricity Board (MeSEB) into four entities namely
 - a. **Meghalaya Energy Corporation Limited (MeECL)**: the Holding Company;
 - b. **Meghalaya Power Distribution Corporation Limited (MePDCL)**: the Distribution Utility;
 - c. **Meghalaya Power Generation Corporation Limited (MePGCL)**: the Generation Utility;
 - d. **Meghalaya Power Transmission Corporation Limited (MePTCL)**: the Transmission Utility.
2. However, the holding company - MeECL carried out the functions of distribution, generation and transmission utilities from 1st April 2010 onwards, even after restructuring. Therefore, through notification dated 31st March 2012, State Government notified an amendment to The Power Sector Reforms Transfer Scheme leading to effective unbundling of MeECL into MeECL (Holding Company), MePDCL (Distribution Utility), MePGCL (Generation utility) and MePTCL (Transmission Utility) from 1st April 2012.
3. On 23rd December 2013, the Government of Meghalaya has issued the latest transfer scheme notification thereby notifying the Assets and Liabilities as on 1st April 2010 to be vested in MeECL. Subsequently, the Government of Meghalaya has notified the 4th Amendment to the Notified Transfer Scheme dated 31st March 2010 on 29th April 2015, wherein the opening balances of all the four entities namely, MePGCL, MePTCL, MePDCL and MeECL as on 1st April 2012 have been notified.
4. MePDCL has begun segregated commercial operations as an independent entity from 1st April 2013.
5. The expenses of the holding company, MeECL are apportioned equally among the generation, transmission and distribution utilities since the MeECL is an administrative setup for all the three subsidiaries and undertakes common corporate functions of the three companies.
6. The Meghalaya State Electricity Regulatory Commission (hereinafter referred to as “MSERC” or “the Hon’ble Commission”) is an independent statutory body constituted under the provisions of Part – X (Sections 76 to 109) of the Electricity Act (EA), 2003. The Hon’ble Commission is vested with the

authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.

7. Now, based on the provisions of Regulation 6)b of the Tariff Regulations, 2014, MePDCL files this petition for revision of tariff for FY 2019-20 based on approved ARR of FY 2019-20 in order dated 31 March 2018 and pending adjustment of true up of previous years and subsequent review petitions filed by the utilities. The petitioner seeks leave of the Hon'ble Commission for filing of true up petition for FY 2016-17 since the statutory audit of MeECL and CAG audit of the accounts of MePDCL is in process. MePDCL shall file the petition as soon as the statutory and CAG audit is completed.
8. The Board of Directors of MePDCL have accorded approval for filing of this petition and authorized the undersigned to file the petition accordingly. The copy of the Board's resolution is hereby enclosed as **Annexure-A**.
9. The applicant, therefore, humbly prays before the Hon'ble Commission to pass appropriate order on the following:
 - a) Revision of Tariff for FY 2019-20 based on the truing up of ARRs of previous years.
 - b) To pass such orders, as Hon'ble Commission may deem fit and proper and necessary in view of the facts and circumstances of the case.
 - c) To condone any inadvertent omissions, errors & shortcomings and permit the applicant to add/change/modify/alter this filing and make further submissions as required.

(P Sahkhar)
Superintending Engineer (RA)

For and on behalf of
Meghalaya Power Distribution Corporation Ltd

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1 Introduction

1.1 Provisions of Law for Revision of Tariff

- 1.1.1 The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15th September 2014. It is submitted that the Regulation 1.4 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) regulations, 2014 since amended, states as under:

" 1.4 These Regulations shall be applicable for the determination of tariff in all cases covered under these regulations effective from April 1, 2015 and onwards up to 31st March 2018 and also for the next MYT control period beginning from 1st April 2018 to 31st March 2021.

Provided that for the purpose of review or of truing up of revenues and expenses pertaining to FYs prior to 2015-16, the provisions under MSERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 shall apply."

- 1.1.2 It is submitted that this Petition True up for FY 2016-17 is hereby filed, based on the information received for FY 2016-17, Audited Statement of Accounts of the utility and tariff Order dated 31st March 2016
- 1.1.3 Regulation 6)b) of the said Regulations lays down the general guiding principles for revision of tariff and the provisions of the said Regulations are reproduced below for reference:

"6 Accounting statement and filing under MYT

b) From the first year of the Control Period and onwards, the Petition shall comprise of:

i. Truing Up for previous years under Meghalaya State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011 in accordance with these Regulations;

ii. Revenue from the sale of power at existing tariffs and charges for the ensuing year;

iii. Revenue gap for the ensuing year calculated based on ARR approved in the Tariff Order or MYT Order and truing up for the previous year;

iv. Application for revision of tariff for the ensuing year"

- 1.1.4 Section 61 & Section 62(c) & (d) of Electricity Act 2003 empower the Hon'ble Commission to determine tariff for wheeling and retail sale of electricity for the Distribution Licensee.

1.2 Submissions before the Hon'ble Commission

- 1.2.1 MePDCL hereby submits the petition under section 61, 62(c) & 62(d) of the Electricity Act, 2003, MSERC Terms and MSERC (Multi Year Tariff) Regulations, 2014 for approval of Revision of tariff for FY 2019-20. MePDCL seeks leave of the Hon'ble Commission for submission of truing up of FY 2016-17 as the statutory audit of MeECL and the CAG audit of MePDCL is in process. MePDCL shall submit the same to the Commission as soon as the audit process is completed.

2 Revision of Tariff for FY 2019-20

2.1 Net ARR for FY 2019-20

- 2.1.1 The Hon'ble Commission in its order dated 31 March 2018 had approved the ARR of Rs 810.21 Cr for FY 2019-20. The gap from review petitions filed by the Licensee on true up order of FY 2014-15 dated 06 Sept 2018 and true order of FY 2015-16 dated 25 Sept 2018, is proposed to be recovered in the ensuing year.
- 2.1.2 Besides, the gap from review petition filed by MePGCL and MePTCL on true up FY 2015-16 order dated 25 Sept 2018 and gap of True up order of FY 2013-14, FY 2014-15 for MLHEP dated 30 March 2017, also needs to be recovered as the same is pending for adjustment. MePGCL is also filing the MYT Petition for New Umtru for the the control period FY 2018-19 to FY 2020-21. The ARR for FY 2018-19 and FY 2019-20 of New Umtru which was not part of approved MYT Petition for generation also needs to be recovered in the ensuing year. The impact of revised generation and transmission tariff for FY 2019-20 will be entirely borne by the distribution company and would also have to be recovered from the revised distribution and retail supply tariff of FY 2019-20.
- 2.1.3 As such, the total gap is to be passed to the approved ARR of FY 2019-20 to arrive at the Net ARR of Rs 1934.12 Cr as shown below:

Table 1: Net ARR for FY 2019-20

SI No	Particulars	Amount (Cr)
1	Approved ARR of FY 2019-20	810.21
2	Gap to be recovered from Commisison Order for True Up FY 2013-14, FY 2014-15 of MLHEP as per order dated 31 st March 2018	81.50
3	Total Claim under True Up FY 2014-15 of MePDCL as per Review Petition filed by MePDCL	316.09
4	Total Claim under True Up FY 2015-16 of MePTCL as per Review Petition filed by MePTCL	67.09
5	Total Claim under True Up FY 2015-16 of MePDCL as per Review Petition filed by MePDCL	221.91
6	Total Claim under True Up FY 2015-16 of MePGCL as per Review Petition filed by MePGCL	182.22
7	Total ARR for New Umtru for FY 2019-20 and FY 2018-19 as per the tariff petition filed by MePGCL	255.10
8	Total Revenue Requirement for FY 2019-20	1,934.12

2.2 Tariff Proposal & Revenue Recovery from Tariff

2.2.1 Revenue for FY 2019-20 at Existing Tariff

The Hon'ble Commission has not notified the Revenue at approved tariff for FY 2018-19 in its order dated 31 March 2018.

In the absence of the same, the Licensee is has projected the revenue at the existing tariff for FY 2019-20 based on the category wise sales mix approved by the Commission and the prevailing tariff rates. For calculating revenue in various consumption slabs of Domestic and Commercial, MePDCL has used the approved per unit revenue of the respective categories and the actual data of sales and connected load of the applicable category and arrived at the consumption in various slabs. The methodology is explained in the next sections.

2.2.2 Slab Wise Consumption for Consumer Categories: MSERC

Based on the table 5.57 of the discom order for ARR FY 2018-19, detailed slab wise calculation of revenue is provided below:

1) Use of Revenue for FY 2018-19 at tariff of FY 2017-18 (Table 5.57) to arrive at revenue from energy charges considered by MSERC

Table 2: Revenue from Energy Charges at Existing Tariff based on Commission's Order

Category of Consumers	Revenue FY 2018-19 at existing Tariff (In Rs Cr)	Actual Load FY 2018-19 (MVA)	Tariff Fixed Charges Rs/KW/Month	Revenue from Fixed Charges (In Rs Cr)	Revenue from Energy Charges (In Rs Cr)	Units Consumption (MUs)	Energy Tariff (Rs/Unit)
	1	2	3	4=3*2	5=1-4	6	7=5/6
	(As per Present Order)	(As per approved Business Plan)	(As per FY 2017-18 Order)	(Revenue FY 2018-19 at existing Tariff)	(Revenue FY 2018-19 at existing Tariff)	(As per approved Business Plan)	
Domestic LT	214.47	420.74	50	22.72	191.75	407.12	4.71
Commercial LT	52.94	77.04	110	9.15	43.79	64.58	6.78

2) Based on the revenue from energy charges, the Licensee is estimating the slab wise proportion considered by Commission for FY 2018-19:

a) For Domestic LT:

Table 3: Commission's Estimation of Slab Wise Consumption for Domestic LT

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2017-18 (Rs/Unit)	Revenue from Energy Charge FY 2018-19 at existing Tariff (In Rs Cr)
First 100 Units	20.00%	81.42	3.30	26.87
Next 100 Units	13.3%	54.15	3.90	21.12
Above 200 Units	66.7%	271.55	5.30	143.92
Total		407.12		191.91

Based on the Hon'ble Commission's calculations, the average tariff from energy charge is Rs 4.71 per unit (as determined in 1) which clearly shows the assumption considered by the Hon'ble Commission has greater share of proportion above 200 units in spite of the fact that average energy consumption in this category is close to only 110 units in last 5 years. This is significantly different than the Licensee's actual slab wise mix for FY 2016-17 based on actual data for FY 2016-17.

b) For Commercial LT

Table 4: Slab Wise Consumption as per Commission

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2017-18 (Rs/Unit)	Revenue from Energy Charge FY 2018-19 at existing Tariff (In Rs Cr)
First 100 Units	14.6%	9.429	5.50	5.1858
Above 100 Units	85.4%	55.151	7.00	38.606
Total		64.58		43.79

Similarly, the slab wise consumption considered by Commercial LT has 85% of its consumption above 100 units which is significantly different than the actual consumption slab wise based on FY 2016-17

Revenue for FY 2019-20 at existing Tariff

Based on the Commission's slab wise estimates as found out above, Licensee is estimating the revenue for FY 2019-20 at existing tariff as per Commission's approach. In addition to the approved tariff of FY 2018-19, the following points have been considered for tariff calculation:

- Connected load in MVA for FY 2019-20 as per the approved Business Plan
- Energy Consumption in MUs as per the approved Business Plan
- Fixed Charge & Energy Charge for Tariff as per the tariff schedule in the present order
- for Kutir Jyoti, Public Lightning LT & Crematorium, average tariff of FY 2017-18 escalated by average tariff hike in FY 2018-19 (3.37%) has been used to determine the revenue from these categories

For **Domestic LT**, revenue at existing tariff:

Table 5: Revenue FY 2019-20 from Energy Charges for Domestic LT at existing tariff

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2018-19 (Rs/Unit)	Revenue from Energy Charge FY 2018-19 at revised Tariff (In Rs Cr)
First 100 Units	20.00%	84.32	3.70	31.199
Next 100 Units	13.3%	56.07	4.20	23.551
Above 200 Units	66.7%	281.21	5.70	160.29
Total		421.61		215.04

For **Commercial LT**, revenue at existing tariff:

Table 6: Revenue FY 2019-20 from Energy Charges for Commercial LT at existing tariff

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2018-19 (Rs/Unit)	Revenue from Energy Charge FY 2018-19 at revised Tariff (In Rs Cr)
First 100 Units	14.6%	9.63	6.10	5.87
Above 100 Units	85.4%	56.34	7.30	41.13
Total		65.98		47.01

Table 7: Revenue for FY 2019-20 at Existing Tariff

Sl.	Category	Load(MVA)	Tariff Fixed Charges (Rs/KW/Month)	Fixed Charges Revenue (In Rs Cr)	Energy Tariff (Rs/KWh)	MUs Approved	Avg Tariff	Revenue from Energy Charge (In Rs Cr)	Total Revenue
		1	2	3=1*2	4	5	6	7=4*5	*8=(7+3) or 6*5
	LT Category								
1	Kutir jyoti	47.98				31.39	3.35		10.52
2	Domestic	438.79	50	23.69		421.61		**207.65	231.35
3	Commercial	81.26	110	9.65		65.98		**46.01	55.67
4	Industrial LT	12.37	110	1.47	6	5.06		3.04	4.51
5	Public Lighting	0.39	110	0.05	6.5	1.02	6.98		0.71
6	LED Fittings	0	50		4.25	0.00			0.00
7	Water supply	7.57	110	0.90	6.7	13.07		8.76	9.66
8	General Purpose	14.82	110	1.76	6.9	27.51		18.98	20.74
9	Agriculture	0.28	100	0.03	3	0.10		0.03	0.06
	Crematorium	0.14			4.1	0.21	4.43		0.09
			Rs./kVA/month						
	HT Category								
1	Domestic (HT)	20.42	200	4.90	6.2	20.62		12.78	17.69
					Rs./kVAh				
2	Commercial (HT)	30.76	200	7.38	6.6	30.02		17.83	25.21
3	Industrial (HT)	79.27	200	19.03	6.6	104.82		62.26	81.29
4	Ferro Alloy	16.86	200	4.05	4.46	36.83		14.78	18.83
5	Public water supply	7.8	200	1.87	6.5	24.07		62.26	64.14
6	General Purpose / BS	44.88	200	10.77	6.2	82.50		46.04	56.81
	EHT Category	0							
1	Ferro Alloy	16	200	3.84	4.36	68.73		26.97	30.81
2	Industrial EHT	52.70	200	12.65	6.2	104.91		58.54	71.19

Sl.	Category	Load(MVA)	Tariff Fixed Charges (Rs/KW/Month)	Fixed Charges Revenue (In Rs Cr)	Energy Tariff (Rs/KWh)	MUs Approved	Avg Tariff	Revenue from Energy Charge (In Rs Cr)	Total Revenue
	Total	872.29				1038.45		585.94	699.26

* For Crematorium, Kutir Jyoti & Public Lightning LT: Total revenue = average tariff 18-19 * Approved MUs
 For other categories: Total Revenue: Revenue from fixed + Revenue from Energy Charges

** For DLT, CLT: Revenue from Energy Charges is determined in Table 5 & 6 as per Hon'ble Commission's estimated slab wise proportions

Please Note: The same slab wise proportions and methodology has been used by the licensee to estimate revenue at approved tariff for FY 2018-19 and subsequent revenue gap in FY 2018-19 as per the approved tariff of FY 2018-19 in the Review Petition for Order dated 31 March 2018 (MYT FY 2018-19 to FY 2020-21 and tariff for FY 2018-19)

2.2.3 Revenue Gap for FY 2019-20

Based on the above submissions, the revenue gap for FY 2019-20 at existing tariff has been arrived at as follows:

Table 8: Revenue Gap at existing tariff of FY 2019-20

Particulars	Amount in Rs Cr
Total Revenue Requirement in FY 2019-20	1,934.12
Less: Projected Revenue at Existing Tariff Rates (As per Section 3.2.3)	699.26
Revenue Gap for FY 2019-20 at Existing Tariff	1,234.85

2.2.4 Determination of Retail Supply Tariff Rates for FY 2019-20

2.2.4.1 From the previous section, it is evident that in order to meet the projected revenue gap of Rs. 1234.85 Crore, the existing tariff rates need to be enhanced by around 175%.

2.2.4.2 Since this would be a huge tariff shock to the consumers, MePDCL proposes that there may be a tariff hike of only 30% and the remaining amount may be treated as regulatory asset to be liquidated over the future years.

2.2.4.3 The tariff rates for different category of consumers with the 30% tariff hike is given below:

Table 9: Proposed Tariff for FY 2019-20

Sl. No	Category	Existing Tariff		Proposed Tariff	
		Fixed Charges (Rs./Conn/kW)	Energy Charges (Rs/KWh)	Fixed Charges (Rs./Conn/kW)	Energy Charges (Rs/KWh)
		Rs./KW/Month	Rs./kWh	Rs./KW/Month	Rs./kWh
	Low Tension				
1	Kutir Jyoti				
	Unmetered (Per Connection)	170.00	-	220	
	Metered	-	3.65		4.75
2	Domestic	-	-		
	First 100Units	50	3.70	65	4.80
	Next 100Units	50.00	4.20	65	5.45
	Above 200Units	50.00	5.70	65	7.40
3	Commercial				
	First 100Units	110	6.10	145	7.95
	Above 100Units	110	7.30	145	9.50
				Rs./kW/month	Rs./kVAh
4	LT Industrial	110	6.00	130	7.00
				Rs./KW/Month	Rs./kWh
5	Public Lighting(Metered)	110.00	6.50	145	8.45
6	LED fittings and Lamps	50.00	4.25	65	5.55
7	Public Water Supply	110.00	6.70	145	8.70
8	General Purpose	110.00	6.90	145	8.95
9	Agriculture	100.00	3.00	130	3.90
10	Crematorium	6500.00	4.10	8450	5.35
	High Tension	Rs./kVA/month	Rs/KWh	Rs./kVA/month	Rs./kVAh
11	Domestic	200.00	6.20	260	7.25
			Rs./kVAh		
12	General Purpose/Bulk Supply	200.00	6.20	260	8.05
13	Commercial	200	6.60	260	8.60

Sl. No	Category	Existing Tariff		Proposed Tariff	
		Fixed Charges (Rs./Conn/kW)	Energy Charges (Rs/KWh)	Fixed Charges (Rs./Conn/kW)	Energy Charges (Rs/KWh)
14	Industrial	200	6.60	260	8.60
15	Ferro Alloy	200	4.46	260	8.05
15	Public Water Supply	200	6.50	260	8.45
	Extra High Tension	Rs./kVA/month	Rs./kVAh	Rs./kVA/month	Rs./kVAh
16	Industrial	200	6.20	260	8.05
17	Ferro Alloy	200	4.36	260	7.80

Table 10: Proposed Time of Day Tariff for FY 2019-20

Time Slot	Existing Energy Charges (Rs./kVAh)		Existing Energy Charges (Rs./kVAh)	
	HT Industrial	EHT Industrial	HT Industrial	EHT Industrial
0600 hrs to 1700 hrs (normal)	6.60	6.20	8.60	8.05
1700-2300 hrs (peak)	7.50	7.50	9.75	9.75
2300-0600 hrs (night off-peak)	5.00	5.00	6.50	6.50

a) The Ferro Alloy tariff for FY 2018-19 is under review with the Commission, the tariff for FY 2019-20 for HT Ferro Alloy and EHT Ferro Alloy has been proposed keeping the tariff proposed by the Licensee in the letter dated 20th August 2018 [MePDCL/D(D)/SE(RA)/71C/Pt-IV)/2018-19/52(a) dated 20th August 2018] for HT Ferro Alloy (Rs 6.2/Unit) and EHT Ferro Alloy (Rs 6/Unit) as base

b) At present, kVAh tariff is applicable for HT/EHT Industrial consumers, HT Commercial, HT Bulk Supply and HT Public Water Supply consumers. In order to improve the power factor, MePDCL is proposing to extend the kVAh tariff for LT Industrial Consumers as well as HT Domestic category. This would enable MePDCL to regulate the overall system power factor to desired levels.

c) Temporary Supply: MeECL has proposed to continue their existing arrangement where the fixed and energy charges shall continue to be double of the normal applicable rates for all categories

d) Unmetered Public Lighting: For replacement of existing streetlights with LED fittings, M/s EESL is planning to sign a Memorandum of Understanding with the Department of Urban Affairs, Government of Meghalaya. The MoU of EESL with Department of Urban Affairs for replacement of existing fittings and fixtures is in draft stage and is yet to be signed between the parties. Hence, the licensee is requesting for an extension till 31/12/2019 for replacement of existing fittings with LEDs. The licensee also requests the Hon'ble Commission to allow it to bill the existing fixtures at the prevailing rates of the old lamps until the works of replacement of the same with LEDs is completed by EESL.

2.2.5 Revenue Estimates for FY 2019-20 at Proposed Tariff

Based on the Tariff proposed in the above section, the revenue to be recovered in the ensuing is year is given below:

Licensee has calculated the revenue at proposed tariff based on the slab wise estimates for Domestic LT and Commercial LT as shown in Section 3.4.1 (Licensee has estimated the slab wise estimates considered by the Hon'ble Commission based on table 5.58 of FY 2018-19 order and calculations done in section 3.4.1). In addition to the proposed tariff of FY 2019-20, following points have been considered to arrive at revenue from proposed tariff for FY 2019-20:

- Connected load in MVA for FY 2019-20 as per the approved Business Plan
- Energy Consumption in MUs as per the approved Business Plan
- Fixed Charge & Energy Charge Tariff as per tariff proposed in section 3.4.4.3
- for Kutir Jyoti, Crematorium, average tariff of FY 2018-19 escalated by proposed tariff hike of FY 2019-20 (30%) has been used to determine the revenue from these categories.

For **Domestic LT**, revenue at proposed tariff:

Table 11: Revenue from Revised tariff for Domestic LT based on Commission's Slab Wise Estimates

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2019-20 (Rs/Unit)	Revenue from Energy Charge FY 2019-20 at proposed Tariff (In Rs Cr)
First 100 Units	20.00%	84.322	4.80	40.475
Next 100 Units	13.3%	56.074	5.45	30.56
Above 200 Units	66.7%	281.214	7.40	208.1
Total		421.61		279.13

For **Commercial LT**, revenue at proposed tariff:

Table 12: Revenue from Revised tariff for Commercial LT based on Commission's Slab Wise Estimates

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2019-20 (Rs/Unit)	Revenue from Energy Charge FY 2019-20 at proposed Tariff (In Rs Cr)
First 100 Units	14.6%	9.633	7.95	7.65
Above 100 Units	85.4%	56.347	9.50	53.53
Total		65.98		61.18

Table 13: Revenue at Proposed tariff

Sl.	Category	Load(MVA)	Tariff Fixed Charges (Rs/KW/Month)	Fixed Charges Revenue (In Rs Cr)	Energy Tariff (Rs/KWh)	MUs Approved	Avg Tariff	Revenue from Energy Charge (In Rs Cr)	Total Revenue
		1	2	3=1*2	4	5	6	7=4*5	*8=(7+3) or 6*5
	LT Category								
1	Kutir jyoti	47.98				31.39	4.36		13.68
2	Domestic	438.79	65	30.80		421.61		279.13	309.94
3	Commercial	81.26	145	12.73		65.98		61.19	73.91
			Rs./kW/month		Rs./kVAh				
4	Industrial LT	12.37	130	1.93	7.00	5.06		3.94	5.87
			Rs./KW/Month		Rs./kWh				
5	Public Lighting	0.23	145	0.04	8.45	0.61		0.52	0.55
6	LED Fittings	0.156	65	0.01	5.55	0.41		0.23	0.24
7	Water supply	7.57	145	1.19	8.70	13.07		11.37	12.56
8	General Purpose	14.82	145	2.32	8.95	27.51		24.62	26.94
9	Agriculture	0.28	130	0.04	3.90	0.10		0.04	0.08
10	Crematorium	0.14				0.21	5.76		0.12
			Rs./kVA/month		Rs./kVAh				
	HT Category								
1	Domestic (HT)	20.42	260	6.37	7.25	20.62		13.45	19.83
2	Commercial (HT)	30.76	260	9.60	8.60	30.02		23.24	32.83
3	Industrial (HT)	79.27	260	24.73	8.60	104.82		81.13	105.87
4	Ferro Alloy	16.86	260	5.26	8.05	36.83		26.68	31.94
5	Public water supply	7.80	260	2.43	8.45	24.07		81.13	83.57
6	General Purpose / BS	44.88	260	14.00	8.05	82.50		59.77	73.77
	EHT Category								
1	Ferro Alloy	16.00	260	4.99	7.80	68.73		48.25	53.24
2	Industrial EHT	52.70	260	16.44	8.05	104.91		76.01	92.45
	Total	872.29				1038.45		790.70	937.38

* For Crematorium, Kutir Jyoti: Total revenue = average tariff 19-20 (Average tariff FY 2018-19 * Tariff hike of 30%) * Approved MUs

For other categories: Total Revenue: Revenue from fixed + Revenue from Energy Charges

** For DLT, CLT: Revenue from Energy Charges is determined in Table 11 & 12 as per Hon'ble Commission's estimated slab wise proportions.

2.2.6 Revenue Gap with Proposed Tariff

The projected revenue gap with a 30% tariff hike is estimated as shown below:

Table 14: Revenue Gap at 30% hike in tariff of FY 2018-19

Particulars	Amount
Total Revenue Requirement in FY 2019-20	1,934.12
Less: Projected Revenue with 30% Tariff Hike (As per Section 3.2.6)	937.38
Projected Revenue Gap for FY 2019-20	996.74

The remaining amount of Rs 996.74Cr may be treated as regulatory asset to be liquidated over the future years.

2.3 Wheeling Charges, Cross Subsidy surcharge for FY 2019-20

2.3.1 Wheeling Charges:

The Wheeling Charges applicable for Distribution Open Access consumers at 33 kV voltage level for FY 2018-19 has been determined as per the Clause 23 MSERC (Terms and Conditions of Open Access) Regulations, 2012 which is stated below:

“Wheeling charges payable to distribution licensee, by an open access customer for usage of its system and associated facilities shall be as determined as under:

Wheeling Charges = (ARR – PPC – TC) / (ALSD X365) (in Rs. /MW-Day)

Where,

ARR= Annual Revenue Requirement of the distribution licensee in the concerned year

PPC= Total Power Purchase Cost of distribution licensee in the concerned year

TC = Total transmission charges paid by distribution licensee for State and associated facilities and Inter-State transmission system for the concerned year

ALSD= Total average load projected to be served by the concerned distribution system in the concerned year

Provided that Wheeling charges shall be payable on the basis of contracted Capacity/Scheduled Load or actual power flow whichever is higher.”

Wheeling Charges has been determined from the ARR FY 2019-20 of the Distribution Wires Business, as determined in the below table:

Table 15: Wheeling Charges for FY 2019-20

Particulars		Amount
Net ARR of Distribution Business (In INR Cr) Excluding Non Tariff Income (Net ARR – Regulatory Asset + Revenue from Sale of Surplus Power + RE Subsidy)	A	1,528.09
Power Purchase Cost(In INR Cr)	B	1,017.79
Inter and Intra State Transmission Charges(In INR Cr)	C	298.46
Net ARR of Wire Business (In INR Cr)	D=A-B-C	211.84
Estimated Load for FY 2019-20 (MW)	E	208.94
Wheeling Charges (Rs/MW-Day)	F=D/(E*365)	27,778.28
Total Sale within State for FY 2019-20 (MUs)	G	1,038.36
Wheeling Charges (Rs/Unit)	H=D*10/G	2.04

The Licensee humbly requests the Commission to review the wheeling charges as per the calculations shown above.

2.3.2 Cross Subsidy Surcharge

MePDCL is also requesting a 30% increase in the Cross Subsidy Surcharge. Because of the truing up adjustments and increase in the subsequent net ARR for FY 2019-20 of MePDCL, it will result in increase of average cost of supply wrt previous year.

Hence, cross subsidy charges are proposed to increase by 30% in FY 2019-20 as shown below. The levy of cross subsidy surcharge shall be as per MSERC Open Access Regulations 2012 and its subsequent amendments.

Table 16: Proposed Cross Subsidy Surcharge for FY 2019-20

Sr. No.	Particulars	Existing (INR/kWh)	Proposed (INR/kWh)
1	Cross Subsidy Surcharge for HT consumers	1.3	1.69
2	Cross Subsidy Surcharge for EHT consumers	1.2	1.56

2.4 Prayer before the Honorable Commission

- 2.4.1 MePDCL humbly prays before the Honorable Commission to kindly approve the proposed tariff rates for implementation from 01.04.2019 based on the facts and circumstances submitted above and also allow a Regulatory Asset for the unrecovered amount of Rs 996.74Cr.

