Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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CASE No. 324 of 2019

In the matter of

Case of Brihanmumbai Electric Supply and Transport Undertaking for Truing up of Aggregate Revenue Requirement (ARR) for FY 2017-18 & FY 2018-19, Provisional Truing up of ARR for FY 2019-20 and ARR & Tariff for the 4th Control Period from FY 2020-21 to FY 2024-25

<u>Coram</u>

Shri I. M. Bohari, Member

Shri Mukesh Khullar, Member

Dated: 30 March, 2020

<u>ORDER</u>

In accordance with Regulation 5 of the Maharashtra Electricity Regulatory Commission (Multi-Year Tariff) Regulations ('MYT Regulations'), 2019, Brihanmumbai Electric Supply and Transport Undertaking (BEST) filed its Multi Year Tariff Petition for Truing up for FY 2017-18 & FY 2018-19, Provisional Truing up for FY 2019-20 and Aggregate Revenue Requirement (ARR) & Tariff for the 4th Control Period from FY 2020-21 to FY 2024-25. The original Petition was filed on 29 November, 2019 and the revised Petition was filed on 7 January, 2020.

The Petition has been submitted in accordance with the MERC (Multi Year Tariff) Regulations ("MYT Regulations"), 2015 for Truing-up for FY 2017-18, Truing-up for FY 2018-19 and Provisional Truing-up for FY 2019-20 and in accordance with MYT Regulations, 2019 for ARR and Tariff for the 4th Control Period from FY 2020-21 to FY 2024-25.

The Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act (EA), 2003 and all other powers enabling it in this behalf, and after taking into consideration the submissions made by BEST, upon Public consultation process, and upon considering all other relevant material, has approved the Truing-up of ARR for FY 2017-18 and FY 2018-19, Provisional Truing-up of ARR for FY 2019-20 and ARR & Tariff for the Fourth Control Period from 2020-21 to 2024-25.

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A&G	Administrative and General
ACoS	Average Cost of Supply
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BPL	Below Poverty Line
BLDC	Brush Less Direct Current
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CPI	Consumer Price Index
CSD	Consumer Security Deposit
D.A.	Dearness Allowance
DPR	Detailed Project Report
DSM	Demand Side Management
DSS	Distribution Sub-Station
ERDA	Electrical Research and Development Association
EHV	Extra High Voltage
FAC	Fuel Adjustment Cost
FBSM	Final Balancing & Settlement Mechanism
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
IDC	Interest During Construction
InSTS	Intra-State Transmission System
IoWC	Interest on Working Capital
IPDS	Integrated Power Development Scheme
kVAh	kilo-Volt Ampere hour
kW	kilo Watt
kWh	kilo Watt hour
LT	Low Tension
MCGM	Municipal Corporation of Greater Mumbai
MERC/ Commission	Maharashtra Electricity Regulatory Commission
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.
MSLDC	Maharashtra State Load Despatch Centre
MoU	Memorandum of Understanding
MU	Million Units
MW	MegaWatt

MYT	Multi-Year Tariff
O&M	Operation and Maintenance
PF	Power Factor
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RE	Renewable Energy
REC	Renewable Energy Certificate
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RPS	Renewable Power Source
RSS	Receiving Sub-Station
SCADA	Supervisory Control And Data Acquisition
SLDC	State Load Despatch Centre
TDLR	Transport Division Loss Recovery
TERI	The Energy and Resources Institute
ToD	Time of Day
TPC-G	The Tata Power Company-Generation Business
VCoS	Voltage wise cost of supply
WPI	Wholesale Price Index
YoY	Year on Year

1 BACKGROUND AND BRIEF HISTORY

1.1 Background

1.1.1 BEST is an undertaking of the Municipal Corporation of Greater Mumbai (MCGM). It distributes electricity to consumers in the island area of Mumbai and provides public road transport in the entire city and some adjoining areas of Mumbai.

1.1.2 The erstwhile Bombay Electric Supply & Tramways Company started supplying electricity in Bombay city in 1905. Until 1926, it was generating its own electricity for distribution to its consumers. Subsequently it started purchasing electricity from Tata Electric Company (now Tata Power Co. Ltd.). In 1947, the Company was municipalised and came to be known as the Bombay Electric Supply & Transport Undertaking, which was later changed to Brihanmumbai Electric Supply and Transport Undertaking. BEST distributes electricity from Colaba in South Mumbai to Sion/Mahim in the North.

1.1.3 Historically, there was a common administration set up for both the business activities, i.e., the electric supply division and the transport division. Prior to enactment of the Act, the revenue of electricity utilities was approved under provisions of Schedule VI of the Electricity Supply Act 1948, however, the 'Local Authority' was exempted from applicability of provisions of Schedule VI of the Electric Supply Act, 1948. Thus, as 'Local Authority' was exempted from the provisions of Schedule VI, and BEST, being a 'Local Authority' and with the objective of providing better and essential services of Electricity Supply and Transport to the citizens of Mumbai, the surplus generated by the Electric Supply Division, if any, was used for subsidising its Transport Business.

1.1.4 BEST being a Local Authority, is also exempted from offering its network for wheeling of electricity under Section 42 (3) of the Electricity Act, 2003.

1.2 Transport Deficit

1.2.1 BEST had filed Civil Appeal No.10488 of 2014, on 17 November, 2014 before Hon'ble the Supreme Court, against the Judgment of Appellate Tribunal for Electricity (APTEL) in Appeal No. 155 of 2013 regarding seeking recovery of deficit of its Transport division.

1.2.2 Further, Hon'ble the Supreme Court vide in Civil Appeal No.10488 of 2014 its Judgement dated 5 October, 2016 had directed as follows:

"We *direct that there shall be no collection of TDLR for the period 2016-2017 onwards. However, in case, there remains anything to be collected for the period 2004-2005 to 2008-2009, the same may be collected, subject to the result of these matters."*

1.2.3 Accordingly, since 2016-17, BEST has not proposed/considered any recovery or refund of Transport deficit with effect from FY 2016-17.

1.2.4 Further, Hon'ble the Supreme Court disposed the Appeal No. 10488 of 2014 on hearing dated 10 July, 2019, by directing no refunds to be made consequent to the disposal of the appeal of BEST.

1.3 MYT Regulations

1.3.1 The Commission notified the MYT Regulations, 2015 on 8 December, 2015 which were amended vide notification dated 29 November, 2017. These Regulations are applicable for the 3rd Control Period FY 2016-17 to FY 2019-20.

1.3.2 Subsequently, the Commission has notified the MYT Regulations, 2019 on 1 August, 2019. These Regulations are applicable for the 4th Control Period from FY 2020-21 to FY 2024-25, and as may be extended by the Commission

1.4 The Petition and Prayers of BEST

1.4.1 BEST has filed its MYT Petition on 29 November, 2019 for Truing-up of ARR for FY 2017-18 and FY 2018-19, Provisional Truing-up of ARR for FY 2019-20 under the MYT Regulations, 2015, and for approval of the ARR for the 4th Control period FY 2020-21 to FY 2024-25 in accordance with the MYT Regulations, 2019.

1.4.2 On 11 December, 2019, the Commission conveyed the preliminary data gaps and information required from BEST. Subsequently a Technical Validation Session on the Petition was held on 24 December, 2019. The List of persons who participated in the discussion during the TVS is at **Appendix -1**.

1.4.3 BEST filed the revised Petition on 7 January, 2020, in accordance with the relevant provisions of MYT Regulations, 2019, incorporating replies to the queries raised in preliminary data gaps and clarifications on the issues raised during the discussion.

1.4.4 The main prayers of BEST in its revised Petition are as below:

a) Admit the MYT Petition for Fourth MYT Control Period from FY 2020-21 to FY 2024-25 in accordance with Regulation 5.1(a) of the MYT Regulations, 2019.

b) Approve the additional amount of ARR for FY 2017-18 on account of adjustment in GFA for the period of FY 2012-13 to FY 2016-17 due to reversal of IDC.

c) Approve final true-up for FY 2017-18, FY 2018-19 and provisional true-up of FY 2019-20 and consequential revenue gaps for the claim, as submitted by BEST.

d) Approve the ARR and Tariff for Fourth MYT Control Period from FY 2020-21 to FY 2024-25 as proposed by BEST.

e) *Condone any inadvertent omission / errors and grant the liberty to BEST to add/ change/ modify /alter this Petition and make further submissions as may be required at a future date.*

f) *Pass such further and other Orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.*

1.5 Admission of Petition and Public Consultation process

1.5.1 The Commission admitted the Petition on 8 January, 2020 and directed BEST to publish it in accordance with Section 64 of the EA, 2003, in the specified abridged form and manner, and to reply expeditiously to any suggestions and comments received.

1.5.2 BEST published a Public Notice inviting comments/suggestions/objections on its Petition. The Public Notice was published in English in Hindustan Times and Indian Express, and in Marathi in Loksatta and Saamana, all daily newspapers, on Friday, 10 January, 2020. The Petition and its Summary was made available for inspection/purchase at BEST's offices and Website (www.bestundertaking.com). The Public Notice and Executive Summary of the Petition was also made available on the websites of the Commission (www.merc.gov.in) in downloadable format.

1.5.3 The Commission received written and oral suggestions/ objections on the Petition. A Public Hearing was held in Mumbai on 4 February, 2020, at 10:00 hours at Centrum Hall, Centre No.1, World Trade Centre, Cuffe Parade, Colaba, Mumbai. The List of Persons who attended the Public Hearing is at **Appendix -2**.

1.5.4 The Commission has ensured the due process contemplated under the law to ensure that the transparency and Public participation is followed at every stage and adequate opportunity was given to all concerned to express their views.

1.6 Organization of the Order

1.6.1 This Order is organised in the following Sections:

a) **Section 1** provides a brief of the regulatory process undertaken by the Commission.

b) **Section 2** deals with suggestions/ objections received, BEST's Response and the Commission's Ruling.

c) **Section 3** deals with the adjustment in GFA due to reversal of excess IDC booked.

d) **Section 4** deals with the Truing-up of ARR for FY 2017-18 and FY 2018-19.

e) **Section 5** deals with the Provisional Truing-up of ARR for FY 2019-20.

f) **Section 6** deals with the approval of the ARR for the 4^{th} Control period FY 2020-21 to FY 2024-25.

g) **Section 7** deals with the Tariff Philosophy adopted by the Commission and category-wise Tariffs approved for FY 2020-21 to FY 2024-25
h) **Section 8** deals with the Applicability of the Order.

2 SUGGESTIONS / OBJECTIONS RECEIVED, RESPONSE OF BEST AND COMMISSION'S RULING

2.1 Fuel Adjustment Charge (FAC)

Dr. Ashok Pendse has stated that approved Sales of BEST for FY 2018-19 was 5,145 MUs and actual Sales was 4,923 MUs. He further stated that from this approved Sales of electricity the approved amount of revenue recovery was Rs. 2,915 Crore, however actual revenue realization is Rs. 3,652 Crore. FAC is levied when the power purchase cost is higher than the approved power purchase cost. Hence, the Commission needs to examine why FAC was charged when it should have been negative.

Shri Rakshpal Abrol and Shri K. K. Chopra raised their objection towards the non-disclosure of payment made towards Fuel Adjustment Charge to Power Generation and Transmission Licensees. Fuel Adjustment Charges proposed along with the Energy Tariff are also objected.

Shri Dayanand Shetty suggested that the FAC should be merged with the Energy charges to avoid confusion for consumers. He also objected that consumers are being made to pay FAC of both TPC - (G) and BEST which is confusing and misleading.

Shri Kamlakar Shenoy and Shri Cherian Kunjumon have submitted that prior to Commission's regime there was only Energy Charge and no FAC was in existence. He suggested that the FAC should be shown as percentage of Energy Cost in the Energy Bill. He also objected to the collection of FAC when revenue has increased in spite of reduction in units consumed.

BEST's Response

The relevant details of power purchase along with invoices for FY 2017-18, FY 2018-19 and first half (H1) of FY 2019-20 have been submitted to the Commission.

BEST is allowed to recover the variation in fuel and power purchase costs through the FAC formula specified in the MYT Regulations 2015, in line with Section 62 (4) of EA, 2003. The Regulations require BEST to submit the details of FAC levied to consumers for post facto approval on a quarterly basis. Accordingly, the details of the FAC levied by BEST are regularly submitted to the Commission for post facto approval. The FAC is approved by the Commission after prudence check for any variation in fuel cost and power purchase cost and is in accordance with the regulatory provisions and the EA, 2003. As a process, the Generation companies raise their claim with the BEST against FAC on a monthly basis, which is thereafter permitted to be recovered from the consumers in the form of FAC and included in the retail tariff bill.

Regarding the objection of Shri Shenoy, BEST has submitted that it finds no rationale in providing the percentage ratio of Fixed charges and Energy charges in the bills as already details of Fixed charges and Energy charges are provided in the bills.

Commissions Ruling

Distribution Licensees are allowed to recover the variation in fuel and power purchase costs through the FAC formula specified in the MYT Regulations, 2015, in line with Section 62(4) of EA, 2003. The Regulations require Distribution Licensees to submit the details of FAC to the Commission for post facto approval on a quarterly basis. The details of the Commission's approval for levy of FAC are required to be made available on their websites. The FAC is approved by the Commission after prudence check for any variation in fuel cost and power purchase cost and is accordance with the regulatory provisions and the EA, 2003 and the Regulations made thereunder. Regarding objection on levying FAC even after reduction in sale and increased revenue, the Commission notes that distribution licencees are not permitted to use the increased revenue that accrues through increased tariff due to projected higher sale revenue. Besides, increased sale revenue includes amount collected through FAC mechanism. Further, FAC mechanism envisages levy / refund of charges if power purchase cost undergoes a change from that approved in the Tariff Order. Per unit rate of power purchase is dependent on power purchase quantum, source mix and rate of each source. Hence, it may not be proper to assume that on reduction of sales and power purchase, FAC will also become negative or zero. Nevertheless, as stated above, the Commission is scrutinising all FAC computation of Distribution Licensee on post facto basis. Regarding merging of FAC with energy charge, the Commission notes that FAC is being levied as per provisions of the Act and as per directives of the APTEL for allowing pass through of variation in power purchase cost without waiting for next tariff revision. This minimises the impact of annual tariff revision. However, the Commission notes that the impact of frequent variation in rate on account of FAC needs to be minimised to the extent possible. Multiyear tariff frame work is also a method for achieving a consistency in Tariff. In Order to address this issue to the extent possible, the Commission has slightly modified FAC mechanism as explained in para 8.2.15 of this Order.

2.2 Distribution Loss

Dr. Ashok Pendse has submitted that BEST having achieved distribution loss of 4.18% is commendable. However, for all subsequent years, they have considered 5.5% as distribution loss for calculation. He has requested the Commission to allow gains and loss at 4.2% and not 5.5%. If they fail to achieve the target, they can claim higher loss during true up.

Shri Sanjay Ghadigaonkar (appearing on behalf of Maharashtra Navnirman Sena & the Electrical Union) and Mumbai Electric Workers Union has raised the issue of non-sharing of incentives earned because of distribution loss reduction with BEST staff.

He stated that BEST has reduced its Distribution loss to 4.18%. However, the reward for reduction in Distribution loss from FY 2010-11 till date has not been shared with the employees of BEST.

BEST's Response

The Commission has approved the target distribution losses of 5.6% for FY 2019-20, which has been considered for provisional truing-up of ARR of FY 2019-20. For subsequent years, BEST has voluntarily considered reduction of 0.1% per year in target distribution loss. If an aggressive target of 4.2% is assigned to BEST based on distribution loss achieved for only 1 year, then BEST will have to forego gain on lower distribution loss due to sharing of gain as per the MYT Regulations. Therefore, claiming higher loss at the time of truing-up will have adverse financial implication. Therefore, BEST requests the Commission to approve distribution loss as submitted in the Petition. However, BEST will put best efforts for achieving lower distribution losses.

BEST has also submitted the details regarding amount of incentive paid to staff and officers during FY 2015-16 to FY 2018-19.

Commissions Ruling

The Commission has ruled on the distribution losses in the subsequent sections of this Order. Regarding the objection of sharing of gains and losses with employees, the Objector has raised internal managerial issues of BEST which cannot be dealt in this petition.

2.3 Power Purchase

Shri Rakshpal Abrol and Shri K.K. Chopra have objected that BEST have not indicated the Provisional Power Purchase cost for truing up of accounts of FY 2017-18 and FY 2018-19 and for provisional truing-up of accounts for FY 2019-20 of the Third MYT Control Period.

BEST's Response

BEST has submitted the summary of Power Purchase expenses in the Petition. BEST has also submitted the supporting documents for Power Purchase expenses incurred for FY 2017-18, FY 2018-19 and first half of the FY 2019-20 as Annexures.

Commission's Ruling

BEST has submitted power purchase bills and other relevant documents towards power purchase to the Commission which have been duly verified by Commission. The issue has been dealt with in detail in subsequent Section of this Order.

2.4 Capital Expenditure and Capitalisation

Shri Rakshpal Abrol and Shri K.K. Chopra stated that BEST has not laid any new Distribution System and Transmission Lines in its Licence area as specified in the Licence issued on 2nd April, 2007. However, BEST has already collected the charges under Regulation 18 from the Consumer for laying the Distribution network.

BEST's Response

BEST has submitted the capitalisation under various schemes to the Commission in the Petition. It includes capitalization towards new distribution lines. BEST is not a Transmission Licensee. Therefore, BEST does not lay any transmission line. The charges mentioned in the schedule of charges are for variety of purposes including providing new connections etc.

Commission's Ruling

Schedule of Charges are collected from consumers on normative basis for new connections, replacement of meters and other service related tasks for last mile connectivity. These are the approved charges levied to individual consumer for the service provided. On the other hand, the Capital investment Schemes are implemented for the overall electrical system/ infrastructure development activities and may not be attributable to an individual consumer.. Therefore the Schedule of charges and the Capital investment schemes are two different sets of activities the former being on normative basis charged to individual consumer for the services offered and the latter being the cost of common infrastructure which is socialised through tariff.

2.5 Cross Subsidy

Dr. Ashok Pendse has submitted that Electricity Act, 2003 mandates ± 20% of ACoS tariff. As such Tariff % of ACoS for HT Temporary is 121%, Residential more than 500 Units is 133%, LT Commercial more than 50 kW is 120%, Advertisement is 168% and LT Temporary is 125% which are not tenable.

Shri Rakshpal Abrol and Shri K. K. Chopra also raised similar objection on the Cross Subsidy.

BEST's Response:

The category wise cross subsidy approved by the Commission for BEST for FY 2019-20 in the MTR Order and the category wise cross subsidy proposed by BEST for FY 2020-21 is as shown in Table below:

Category	Cross Subsidy Approved by the Commission (FY 2019-20)	Cross Subsidy at Tariff Proposed by BEST (FY 2020-21)
HT-VII Temporary Supply	126%	121%
LT-I(B) Residential	82%	84%
LT-II (C) Commercial > 50	120%	120%

Category	Cross Subsidy Approved by the Commission (FY 2019-20)	Cross Subsidy at Tariff Proposed by BEST (FY 2020-21)
LT-V Advertisement and Hoardings	178%	168%
LT-VII (B) Temporary Supply Others	141%	125%

From the Table, it can be observed that BEST has endeavoured to bring cross-subsidy within limit.

Commission's Ruling

The Commission's decisions on consumer categorisation, category-wise tariffs, and cross-subsidy reduction for the 4th Control Period are elaborated in subsequent Sections of this Order. The Commission has made efforts to ensure that category-wise cross-subsidies are gradually reduced with respect to the ACoS, while also keeping in view the Voltage-wise Cost of Supply (VCoS) submitted by BEST.

2.6 Disallowance of Capital and Carrying Cost

Dr. Ashok Pendse has submitted that in 2.1.2 the adjustments are due to transfer of assets from supply division to transport division which refers to years 2012-13. Including carrying cost the gross amount is Rs. 12.94 crore. Since it is an error on part of BEST, interest of Rs. 3 crore cannot be loaded on consumers. Hence carrying cost should be disallowed.

BEST's Response:

The inadvertent submission was not done by BEST at the time of the last MYT Order. This inadvertent submission was done in response to query of the Commission at the time of the last MTR Order in FY 2017-18. Therefore, this is not error for the last 7-8 years on part of BEST.

Deduction in ARR was done by the Commission along with the carrying cost. In Table 14 of the MTR Order, the Commission had computed carrying cost to be Rs. 3.37 Crore. Carrying Cost computed by BEST is not exorbitant considering carrying cost already deducted in the MTR Order.

Commission's Ruling

The Commission noted the objection of Dr. Pendse and the reply submitted by BEST. The issue of disallowance of capital cost and carrying cost is dealt with in subsequent Sections of this Order.

2.7 Operation and Maintenance Expenses

Dr. Ashok Pendse has submitted that O&M expenses of BEST will have to be in line with the Regulations. All subsequent year calculations should be modified.

Mumbai Electric Workers Union has raised the issue of failure on the part of BEST to spend committed employee expenses approved by the Commission from time to time and also raised the issue of vacancy in staff strength not being filled up by BEST. This has resulted in overburdening of existing employees.

BEST's Response:

There was revision in pay scale for employees of BEST as per MoU entered between Employee Unions and Management. Due to this MoU, employee expenses are expected to increase from the mid of FY 2019-20 (i.e. October 2019 onwards for some employees). If Impact is considered at the time of final truing up without considering its impact at time of this MYT Order, it may lead to sudden rise in Tariff along with Carrying Cost. This will result in additional burden of carrying cost to consumers.

Hence, BEST requests the Commission to relax the norms as per Regulation 105 & 106 of MYT Regulations, 2019 and approve the O&M expenses based on actual estimates as submitted by BEST in the Petition. Any variation in actual O&M expenses may be considered at the time of Final Truing-Up.

Commission's Ruling

The Commission has noted the submissions of objectors and the reply submitted by BEST. The detailed analysis and Commission's ruling in respect of O&M expenses are elaborated in the subsequent Sections of this Order. Issue of filling up of vacancies and expenditure on employees are internal managerial issues of BEST which the Commission is not inclined to interfere with.

2.8 Actual Cost of Supply (ACoS)

Dr. Ashok Pendse submitted that for FY 2020-21, ACoS of Rs. 7.36/kWh is not correct because excess recovery of Rs. 540 Crore is helping to reduce the ARR. This is probably the highest ACoS in the country. This is because of roughly Rs. 5.41/kWh as power purchase cost and Rs. 2.75/kWh as distribution cost. Both these should be in the range of Rs. 4/kWh and Rs. 2/ kWh respectively.

BEST's Response:

BEST has submitted that it has always endeavoured to procure power efficiently and in cost effective manner. BEST will strive to achieve per unit cost as suggested in the comment. BEST has tied up medium term power by way of competitive bidding recently and will explore the same option in the next control period to reduce cost of power procurement.

Commission's Ruling

The Commission has noted the submission made by Dr. Pendse and the reply submitted by BEST. The issue of Power purchase has been dealt with in detail in the subsequent sections of this Order.

2.9 Tariff Proposal

Shri Atul Bhatkalkar, Member of Legislative Assembly, Maharashtra submitted that Tariff proposal submitted by AEML-D has reduced the rates of Domestic consumers for 0-300 units as compared to TPC-D and BEST and has compensated for the under recovery from the Commercial consumers. On the contrary BEST has reduced Tariff for Commercial consumers and proposed to increase tariff for Domestic consumers who consume 0-300 units. There is strong objection from the citizens of Mumbai and consumers of BEST to the proposed tariff hike. Also, ARR of BEST as compared to previous years has not increased considerably. Therefore, the proposed tariff hike does not represent the real picture. This will result in loading additional burden on consumers of BEST.

Shri Rakshpal Abrol and Shri K. K. Chopra have objected to merging of the Tariff category of LT-II from 2 slabs to a single slab having unit rate of Rs. 5.09/ kWh, proposed Tariff and FAC.

Shri N. Ponrathnam has submitted that BEST must indicate about its tariff hike proposal in the electricity bills as consumers do not read submission given in newspapers. He further submitted that the tariff philosophy of 30%:70% ratio for Fixed charge: Variable charge is also not being followed.

BEST's Response:

BEST charges Tariff as per Tariff Order of the Commission. BEST has proposed the Tariff revision for 4th control period as it is necessary for recovery of its ARR. Categorisation of consumers will be done as per definitions given in Tariff Schedule of the Tariff Order. BEST has levied fixed and demand charges as approved by the Commission from date of applicability as mentioned by the Commission in Tariff Orders. BEST has also submitted that Energy charges & FAC are charged as per Tariff Regulations of this Commission. BEST will comply with Regulations and Orders of the Commission.

Commission's Ruling

The consumer mix of each Distribution Licensee is different. Commission verifies the consumer mix of each Distribution Licensees and tries to follow the Tariff philosophy of ACoS ± 20%, to the extent possible, while determining cross subsidy for various consumer categories and notifies Tariff accordingly.

Typically, major part of the total ARR of a Distribution Licensee, including the fixed cost of power purchase, is fixed in nature. As against this, recovery of fixed costs through fixed/demand charges is much lower. Only a part of the fixed costs is recovered through fixed/demand charges and the remaining costs are recovered through energy charges, which are linked to the actual energy sold to consumers. The

Distribution Licensee, to the extent possible, is entitled to the recovery of fixed costs through fixed/demand charges.

The fixed/demand charges for each category are determined keeping in view the existing fixed/demand charges, the Average Billing Rate (ABR), and the cross-subsidy ratio.

The Commission is rationalizing the fixed/demand charges for all Distribution Licensees in Maharashtra, including BEST, keeping in view the share of fixed costs in the total ARR and the existing recovery of fixed costs through fixed/demand charges.

2.10 Wheeling Charges

Shri Rakshpal Abrol & Shri K. K Chopra have stated that wheeling means the operation whereby the Distribution system and associated facilities of a Transmission Licensees or Distribution Licensees is used by another person for the conveyance of Electricity on payment of charges. As BEST uses their own distribution system it is not wheeling of electricity and hence cannot recover wheeling charges.

Shri Kamlakar Shenoy and Shri Cherian Kunjumon have sought details of components of Wheeling Charges and the formula for deriving wheeling charges. He requested for direction to BEST to stop collection of wheeling charges.

Shri Dayanand Shetty submitted that all charges in Tariff be amalgamated with Energy Charges so that a clear picture is available to consumers about the unit selling price for each segment of consumers. He has also submitted that in FY 2017-18, MSEDCL with approximately 2 Crore consumers has collected only approximately Rs. One Crore as Wheeling Charges, whereas BEST with just 10 lakh consumers has collected upward of Rs. 550 Crore a year as Wheeling Charges and Adani having approximately 27 lakh Consumers has collected less Wheeling Charges than BEST.

BEST's Response:

The Commission has ruled as follows in response to same query of the Petitioner at time of MTR Order in Case No. 203 of 2017 dated 12 September, 2018.

> *"The EA, 2003 exempts BEST from the obligation to provide Open Access through its wires to consumers for sourcing power from other sources. However, in accordance with the provisions of the MYT Regulations, 2015, Wheeling Charges which reflect the cost pertaining to the distribution infrastructure are required to be determined for BEST. Accordingly, the Commission has computed the Wheeling Charges for FY 2018-19 and FY 2019-20 in accordance with the MYT Regulations, 2015."*

BEST has proposed wheeling charges as per ruling of the Commission.

BEST has also submitted that allowing wheeling in License area of a Distribution Licensee and recovery of investment are two independent issues and should not be mixed. BEST has asked for ARR as per the MYT Tariff Regulations of the Commission. The Commission has already made its stand about Wheeling Charges clear in its ruling in MTR Order.

Commission's Ruling

As quoted by BEST, the Commission in MTR Order has already explained the basis of levying Wheeling Charges. As required under MYT Regulations, expenses of Distribution Licensee are divided into Wire Business and Supply Business. Recovery of charges towards Wire Business is made through Wheeling Charges and that of Supply Business is through Fixed/ Demand Charges & Energy Charges. Retail consumers use services of both segment of Distribution Licensee i.e. Wire Business which is responsible for construction and maintenance of distribution infrastructure and Supply Business which procures power from various sources for supplying it to end consumers. Therefore, consumer is required to pay Wheeling Charge, Fixed/Demand Charge and Energy Charge. Such segregation of cost components are necessary for effective performance monitoring of Distribution Licensee. Computation of Wheeling Charge has been explained in para 8.3 of this Order.

Further, it is clarified that Rs 1-2 crore income from Wheeling Charges to MSEDCL mentioned by Shri Dayanand Shetty is not the total Wheeling Charge income of MSEDCL. These charges pertain only to the Wheeling Charges recovered from open access consumers and do not cover Wheeling Charges from its consumers. Hence, the contention that BEST is recovering higher Wheeling revenue as compared to MSEDCL is not correct. The Commission also clarifies that the contention that Wheeling Charge has been introduced in place of TDLR is not correct. Wheeling Charges have been levied as per the provisions of the Commission's MYT Regulations, 2015.

2.11 KVAh Billing

Shri Rakshpal Abrol and Shri K. K. Chopra have objected to kVAh billing, since kVAh and kVARh are not relevant and will lead to disputes between the Distribution Licensees and Consumers.

Shri N. Ponrathnam objected to kVAh based billing since only real power is used by consumers and not apparent power. He suggested that the billing must be done only for Real power. He has requested the Commission to direct utility and consumers to maintain unity power factor.

BEST's Response:
In the MTR Order, the Commission has stated the intention to implement the kVAh billing and accordingly BEST has proposed kVAh billing to HT Consumers in this MYT Petition.

Commission's Ruling
The Commission has noted the objection and also reply submitted by BEST. The Commission has discussed on the issue of kVAh tariffs and billing in the Tariff Philosophy section of this Order.

2.12 Electromechanical Meters replacement

Shri Rakshpal Abrol and Shri K. K. Chopra submitted their objection towards non-replacement of Mechanical electricity meters in the BEST Licensed area.

BEST's Response
BEST submitted that it has expedited the process of replacement of Electro-mechanical Meters with Electronic Meters and the progress is as shown below, which has been submitted in Table 131 of the MYT Petition:

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 (Estimated)
Actual Number of Meters replaced in the year	22,000	36,500	83,914	1,16,086

As it is evident from the Table, BEST has expedited the pace of replacement significantly in the last few years.

Commission's Ruling
The Commission has already directed BEST to replace all existing Electromechanical Meters with Electronic Meters. BEST has submitted its compliance report in the Petition. The Commission has noted the same. However, BEST should expedite the process of replacement of existing Electromechanical Meters with Electronic Meters.

2.13 Introduction of Electricity under GST

Shri S. L. Patil submitted a suggestion to introduce Electricity under ambit of GST and to abolish Electricity Duty so as to enable generators to take benefit of input credit for items required for generation of electricity such as coal and transportation of coal.

BEST's Response:
BEST has not made any submission on the issue.

Commission's Ruling

Levy of Electricity Duty/GST is within the jurisdiction of the Government of Maharashtra/Government of India and therefore it is beyond the scope of the present Proceedings.

2.14 Transport Division Loss Recovery

Shri Sanjay Ghadigaonkar appearing on behalf of MNS and the BEST Electrical Union has submitted to disallow passing of transport deficit onto ARR of Electricity Supply of BEST and to direct BEST to share 1/3rd profit of BEST Electric Supply Division with employees as appreciation of their work.

BEST's Response:

BEST has not made any submission on the issue

Commission's Ruling

BEST has not claimed any Transport Deficit recovery while presenting the ARR and Tariff for the 4th Control Period. Regarding the objection of sharing the benefits with employees, the Objector has raised internal managerial issues of BEST. The Commission can not issue any direction in the management issue of a licencee.

2.15 Subsidised Electricity for Residential Consumers upto 300 units

Shri G. B. Bharani has submitted that Distribution Licensees must provide free electricity up to 300 units for Residential consumers utilising the taxes in a prudent manner as implemented in Delhi and has objected to the proposed hike in electricity tariff by BEST

BEST's Response:

BEST has submitted that the States in which electricity units are free, are providing subsidy in lieu of free units. This practice puts additional burden on State exchequer and also affects cash flow management of the Distribution Licensee if case subsidy is not received on time. If subsidy is not received in timely manner, it may hamper capital expenditure which in turn will affect quality of supply.

Commission's Ruling

The Tariff is determined as per the provisions of the Commission's MYT Regulations, 2015 and MYT Regulations, 2019. The issue of providing subsidy/ Grant to any category of consumers is not within jurisdiction of the Commission.

2.16 High Fixed Charges

Shri Mehboob Ukani has objected to the high fixed charges being levied resulting in high Energy bills even when actual usage of energy is low.

Shri Rakshpal Abrol, Shri Cherian Kunjumon and Shri K.K. Chopra have also objected that BEST is charging higher fixed charges from LT-II Category, who are poor and earning their livelihood using their own premises.

BEST's Response:

Number of units consumed by Shri Mehboob Ukani is very low vis-à-vis average consumption of commercial category. In FY 2018-19, sales of LT-II (a) Commercial category was 888.73 MU for around 2,54,169 consumers as submitted by BEST in financial formats. It gives average consumption per consumer of LT-II (a) category to be 291 units per month. As a result fixed charge per unit on average is just Rs. 1.32 per unit. For a specific case of consumer with monthly consumption less than 20% of average consumption, it is not prudent to reduce fixed charges. BEST has charged Tariff as per tariff categorization approved by the Commission.

Commission's Ruling

The Commission has noted the objections and the reply submitted by BEST. Typically, a substantial part of the total ARR of a Distribution Licensee, including the fixed cost of power purchase, is fixed in nature. As against this, recovery of fixed costs through fixed/demand charges is low. Only a part of the fixed costs is recovered through fixed/demand charges and the balance fixed costs are recovered through energy charges, which are linked to the actual energy sold to consumers. The Distribution Licensee is entitled to some level of assurance regarding the recovery of fixed costs. In consideration of consumers with low consumption levels the entire fixed costs are not recovered through fixed/demand charges, however such fixed costs are required to be recovered through fixed cost, to a reasonable extent.

The fixed/demand charges for each category are determined keeping in view the existing fixed/demand charges, the Average Billing Rate (ABR), and the cross-subsidy ratio.

The Commission is rationalising the fixed/demand charges for all Distribution Licensees in Maharashtra, including BEST, keeping in view the share of fixed costs in the total ARR and the existing recovery of fixed costs through fixed/demand charges.

2.17 Objection to change in Principle for Tariff Determination

Shri Rahul Ranade of Tata Power – D objected that BESTs projection of its tariff based on the Voltage wise cost of Supply 'VCoS' instead of Average Cost of Supply 'ACoS'

BEST's Response

The Commission has sought the Voltage wise Cost of Supply vide Data Gap for BEST Petition in Case No. 324 of 2019 dated 10 December, 2019. Therefore, BEST has included details of Voltage-wise Cost of Supply in the Revised Petition. BEST has further clarified that the tariff is proposed based on ARR requirement and in reference to Cross Subsidy computed based on ACoS.

Commission's Ruling

The Commission notes that as per provisions of MYT Regulations 2019, tariff is to be determined based on ACoS. While doing so Voltage-wise cost of supply also needs to be considered. The Commission has dealt with this issue in Tariff Philosophy chapter of this Order.

2.18 Demand Side Management

Anagha Pujari has submitted that BEST has not considered any Behavioural energy efficiency programs under DSM schemes, which has been a successful mode of DSM internationally and wherein, the energy and cost savings are verified and ascertainable to great extent. BEST should consider such projects in the scheme of things in the time to come.

Shri Mahaveer Jain has submitted that DSM is one of the major stress areas. More efforts are needed in air conditioning so that during summer peak (the load is mainly increased due to increased air conditioning demand) can be reduced or curtailed so that load factor can improve and costly power is not required to be purchased. DSM should make provision for use of Thermal Energy Storage (TES) with special rebate so that usage can be shifted/ reduced from day time and usage during off peak time is increased so that load management to such extent is more efficient and will be of great help for the system as a whole.

He also suggested that BEST should come out with DSM plan for Brush Less Direct Current (BLDC) fan, with 35 W Power consumption, which can help to reduce load regularly for almost all the households. While replacement of lights with LED will help save a few Watts per day, the conversion to BLDC fans can help save reduce 300 to 500 watts/fan per day considering that each household will generally have 2 to 6 fans. So if proper action is taken in this aspect, it will help in managing Demand greatly.

BEST's Response:

BEST has submitted that it will consider the suggestions of Anagha Pujari and Mahaveer Jain.

Commission's Ruling

The Commission's DSM Implementation Framework Regulations, 2010 provide a comprehensive framework for Distribution Licensees to plan and execute cost-effective DSM measures and to meet their costs. In order to give further impetus to

DSM measures, BEST should encourage the installation of energy-efficient appliances in new residential, industrial and commercial premises. This may include approaching the developers as well as consumers, and other means.

The Commission expects DSM Plans/ schemes from BEST as per Commission's DSM Implementation Framework Regulations, 2010 for future.

2.19 Delay in Bill Generation

Shri Mahaveer Jain submitted that MSEDCL takes on an average of 3-4 days to generate majority of bills across the state of Maharashtra, whereas BEST takes 6-7 days on average even when they have technical infrastructure and capability to do it faster. The responsibility of efficient bill generation must be taken by BEST. Since BEST gets payment much later, there would be higher utilization of credit facilities which increases cost to electricity consumers. If faster billing speed from meter reading date will reduce the delay in collection and would result in lower utilization of OD/CC facilities..

BEST's Response:

Starting from meter reading till Bill generation, BEST takes 6-7 days on an average for all the consumers including high value consumers. The reason for this duration is that the meter reading exceptions are to be attended before bill generation in order to avoid incorrect billing to consumers. The billing gets delayed in case Saturday/Sunday or holiday comes in the said duration.

Commission's Ruling

The Commission has noted the submission of Shri Jain and the reply submitted by BEST. It is a welcome suggestion and BEST should endeavour to reduce the gap between Meter Reading and Issuance of bill. BEST is directed to expedite the overall billing process to expedite recovery of charges from consumers.

2.20 Procurement of only BEE 5 Star rated products

Shri Mahaveer Jain has suggested that BEST is advocating 5 Star rated products, but itself is not following the same Policy. It may be noted that BEST might have old ACs, Fans, Lights, pumps which are not 5 Star rated. The Commission is requested to issue direction to BEST to buy only 5 Star rated products.

BEST's Response

BEST will consider the suggestion given by Shri Mahaveer Jain.

Commission's Ruling

The Commission has noted the submission made by Shri Mahaveer Jain and the reply submitted by BEST.

2.21 Mandatory Use of Alternate Energy Sources

Shri Atul Bhatkhalkar, Member of Legislative Assembly, Maharashtra has suggested that Solar energy need to be promoted. Distribution Licensees have been averse to take up Net Metering due to fear of reduction of their revenue due to Solar Plants being installed by Co-operative housing societies. This approach by the Distribution Licensees is faulty/ incorrect and it is crucial to aggressively promote use of Renewable energy sources through Net Metering Policy.

Shri Mahaveer Jain suggested that industrial consumers having load more than 1000 kW should compulsorily generate power from renewable or non-polluting sources to the extent of 10% of existing demand from FY 2020-21. He has also suggested that new buildings with façade to mandatorily source at least 30% of its power using solar and Bio- Gas from Sewage Treatment Plant (STP) / food waste. Bio gas generation from STP will help generate energy and avoid methane pollution and avoid food waste from being dumped into dumping grounds or sea.

BEST's Response

BEST always promotes its consumers to use/generation of power from the Renewable Energy Sources.

Commission's Ruling

The Commission noted the suggestion. The Commission is always promoting Renewable Energy Sources. In the recent RPO Regulations, 2019, the Commission has substantially increased Renewable Purchase Obligation of Obligated entities which include Distribution Licensee, with target to reach 25% in FY 2024-25. Further, said regulation also have incentive mechanism for Distribution Licensees to achieve higher RE procurement than the target given in the RPO Regulations, 2019.. The increased targets mandate a substantial portion to be met through Solar Energy.

2.22 Non-Recovery of Overdue Security Deposit from Consumers

Shri Mahaveer Jain has suggested that in his letter dated 29 July, 2018 in Case No. 69 of 2018 where the issue of Security Deposit (SD) was raised. BEST has responded that it is collecting SD as per the Commission's Regulations and submitting the relevant data to the Commission yearly. However, BEST has not provided category wise overdue SD which would have clarified the statement made by BEST with specific financial information to justify the same. It is requested to the Commission to issue necessary directives to BEST to provide category wise overdue Security Deposit pending to be recovered as on 31 March, 2019, which will clarify the amount of overdue Security Deposit.

BEST's Response

BEST intends to take Security Deposit recovery Drive. However, the same needs to be done keeping in mind the overall impact on consumers. Presently BEST has Rs. 398 Crore of Security Deposit and BEST's monthly Billing is generally around Rs. 300 Crores (highest being Rs. 329 Crore). However necessary steps are envisaged to be taken.

Commission's Ruling

The Commission noted the reply of the BEST. However, the Distribution Licensees are required to do the needful to ensure that the due amount of CSD is recovered/refunded from/to consumers as per the Regulations governing the same . The Commission expects BEST to ensure transparent and timely recovery/ refund of the CSD.

2.23 Sharing of Historical Data of Energy Consumption

Shri Mahaveer Jain has submitted that there is 100% data collection by BEST through Automatic Meter Reading (AMR). This data is not available to anyone currently unless request is made and not all requests are accepted by Distribution Licensees. Since BEST is sending bills in pdf format by email, sending text file of the meter will not be an issue. Historical data will help in reviewing trend of consumption of electricity and related parameters and help consumers in taking actions for energy efficiency. The Commission is requested to issue necessary directions to BEST for the same.

BEST's Response

Provision is made for the consumer to view the historical data with regards to consumption of meter through consumption history on their portal as well as its mobile application. However, feasibility is being explored for providing other meter reading parameters in addition to consumption under Meter Reading

Commission's Ruling

The Commission has noted the submission of Shri Mahaveer Jain and the reply submitted by BEST. The Commission expects BEST to transparently share the consumer billing data with the individual consumer (to the extent possible) and also explore other consumer friendly facilities which may enable energy efficient usage.

2.24 Installation of ToD Meters

Shri Mahaveer Jain has suggested that ToD meters be installed for all consumers having load more than 15 kW at a cost of 100 lakhs which will result in increased revenue by 20-30%.

BEST's Response

BEST installs ToD meters for load more than 20 kW and above in accordance with the approved tariff. However, below 20 kW actual MD is being monitored monthly while taking meter readings for Commercial and Industrial Consumers. In case it is observed that the recorded MD exceeds 20 kW then appropriate tariff is charged to the consumer.

Commission's Ruling

As per Tariff Philosophy approved by the Commission, at present, the ToD tariff is applicable only for consumers having a load more than 20 kW.

2.25 Promotion of Solar Power in Premises of BEST

Shri Mahaveer Jain has suggested that BEST should go for Solar power generation and use it in all its offices which will help in saving energy cost and ultimately public at large will be benefitted from it. This issue was raised in previous MTR Petition too, where BEST has submitted that it has installed 80 kWp Solar Generation plant in its premises. It is submitted that BEST has many premises where Solar Power Plant is not installed and 80 kWp is not sufficient

BEST's Response

BEST will consider the suggestion given by Shri Mahaveer Jain.

Commission's Ruling

The Commission has noted the submission of Shri Mahaveer Jain and the reply submitted by BEST.

2.26 Miscellaneous

Shri Mahaveer Jain has suggested that BEST should reduce the time taken to process the requests made online. This would help in saving time of Distribution Licensee for updating the details of consumers and improve efficiency of the Distribution Licensee. Shri Jain has also submitted that timely updation of system data to take appropriate decision timely is needed, therefore it is requested to the Commission to issue necessary directives to update load certificate for loads up to 50 kW in every three years and for above 50 kW every year which will help the Distribution Licensee in having correct information relating to critical load, which in turn will help Distribution Licensee increase the recovery of charges. This recovery is currently being missed/avoided.

Shri Jain has also submitted that the submission/data provided currently may be made available for access to public at large.

BEST's Response

BEST will consider the suggestion to reduce the time taken for processing online requests. BEST has also submitted that actual recorded MD is registered in the system for all Industrial and Commercial consumers above 20 kW. Hence peak load data of these consumers is available in the database. As regards updating of load details every 3 years below 50 kW and every year above 50 kW to have to update load data, it may not serve any useful purpose and would load the system. With regard to making data available even after the Order is passed, BEST has submitted that the Orders of the Commission covers all the aspects of the Petition.

Commission's Ruling

The Commission has noted the submission made by Shri Mahaveer Jain and the reply submitted by BEST. The Commission directs BEST to adopt consumer centric approaches to resolve their queries to provide better services to the consumers. It has to create an enabling environment which allows consumers to put forward their grievances to BEST by adopting consumer friendly processes. The Commission noted BEST's submission that meter records actual demand of the consumer. However, for categories where demand-based tariff is not applicable, such recorded demand is not used for any purpose. The Commission opines that based on such recorded demand, after consulting concerned Consumer, Distribution Licensee shall update connected load of consumer. Also, consumer related data such as contact number / mobile number, communication address with sufficient individual data security needs to be updated on regular basis. With use of appropriate technological solutions, such works can be undertaken easily.

2.27 Financial Accounting of BEST

Shri Mahaveer Jain, Shri Rakshpal Abrol, Shri K.K. Chopra, Shri Cherian Kunjumon and Shri Kamlakar Shenoy have raised the issue that BEST is not maintaining their accounts as per Companies Act, 1956 (Now Companies Act, 2013). The Commission has directed BEST to maintain its accounts from FY 2006-07 as per Companies Act, 1956. This is in addition to the maintenance of accounts for BEST as per the MMC Act 1988.

Upon examination of the submissions made by BEST it is evident that BEST has not submitted audited accounts in their MTR and MYT Petitions which is not in compliance with the requirement under Companies Act, 2013. This is violation of the direction of the Commission. BEST in letter dated 19 July, 2016 replied on suggestion/objection that interest cannot be charged on inter account transfer which implies funds for Electricity supply division are being used by Transport division which is gross misuse of funds. Also, BEST is not a separate entity and is part of Municipal Corporation, therefore it must not be allowed to claim interest as part of expense when the Municipal Corporation is the institution from which it has borrowed the loan.

BEST's Response

BEST is required to maintain its books of Accounts as per Section 460 MM of the M.M.C Act, 1888 (as amended) and not as per Companies Act, since BEST is not a Company. The Books of Accounts of the Undertaking are audited by the Municipal Chief Auditor as per the M.M.C Act. Separate Books of Accounts as per Proforma Accounts are not maintained by the BEST for Supply & Transport Division from the inception of the BEST Undertaking. However, in order to meet the requirement of the Commission, the Proforma Accounts are being bifurcated from the consolidated Balance sheets, Statements of Accounts of each year. The Proforma Accounts are the Restated Statements of Accounts and are examined by the External Auditor appointed by the Undertaking from FY 2008-09.

BEST has also submitted that its bank accounts are common for both the Divisions right from its inception. Whatever funds are required by one Division cannot be strictly utilized from the same Division. This leads to credit balance in one division and Debit Balance in the other Division. This situation cannot be avoided due to acute shortage of funds.

BEST has also submitted that it is an Undertaking of Brihan Mumbai Mahanagarpalika and is in the Business of supplying Electricity in the old city limits and providing Public Transport (Bus Transport) covering the entire City and Suburbs and some areas of the Mumbai Metropolitan Region. BEST has designated Current Bank Accounts for Supply and Transport Business. It is to be noted that the BEST being one entity, amount transferred from Supply Division to Transport Division is shown on books of accounts as transfer for reconciliation purpose. As such, there cannot be any interest on such account transfer.

The funds of Supply division utilized for Transport Division is not considered as Supply Division Expenditure and hence a higher balance appears. If accounts of both the Divisions are combined the bank balance on 31st March will be a negative figure and will be in accordance with accounts audited by Municipal Auditor.

Commission's Ruling

The Commission has noted the objections raised and the reply submitted by BEST . The Books of Accounts of BEST are audited by the Municipal Chief Auditor as per the M.M.C Act, 1888. Separate Books of Accounts as per Proforma Accounts are not maintained by the BEST for Supply & Transport Division, however, for meeting the Regulatory requirements, BEST submits the Proforma Accounts which are audited by an external auditor appointed by BEST. Accordingly, BEST has filed its Petition along with the Audited Proforma Accounts for FY 2017-18 and provisional Accounts for FY 2018-19. Subsequently, BEST has submitted Audited Proforma Accounts for FY 2018-19. The Commission has undertaken the Truing-up of ARR for FY 2017-18 and

FY 2018-19 based on BEST's submission and the Audited Proforma Accounts for the respective years.

The Commission has also noted that BEST itself has stated in its response to the objection raised by one of the consumers in para 2.27 of this Order that the funds generated by one division may not be strictly utilised by the same division only. This is on account of acute shortage of funds. While managing funds is the prerogative of BEST, it is important to ensure that the burden of this cash management by BEST should not be loaded on the consumers of the Electricity Supply Business. The Commission approves the ARR for BEST every year and considering a very high collection efficiency as reported by BEST, it is evident that BEST is able to recover the dues from the electricity consumers. Accordingly, there should not be any shortfall in cash availability as far as the electricity business is concerned. However, from the BEST submissions it is evident that there have been instances in the past wherein BEST had to borrow money from MCGM to pay outstanding power purchase bills of Tata Power – G. The support from MCGM was availed in the form of loans and the interest against these loans has been claimed by BEST as part of the actual interest on working capital which is neither appropriate nor as per the provisions of the Regulations in force. The Commission has appropriately dealt with this issue in para 4.21 of this Order. Considering this matter, the Commission is of the opinion that the revenue collections from the Electricity Business have to be first utilised to meet the obligations for the electricity supply business. Further, any adverse impact of the cash management by BEST should not be loaded on the consumers of the Electricity business. In order to ensure proper tracking of the expenditure being done for various businesses, BEST shall explore and ensure that separate bank accounts are available for the electricity supply and transport business. so as to ensure proper tracking (internally) of the expenditure being done for various businesses.

2.28 Revenue Gap/Surplus

BEST Engineers Association and The Electric Union have submitted that BEST has shown surplus of Rs. 500 Crore at the end of fourth control period in its Petition. The objectors have raised query seeking information on whether BEST will keep this surplus as a separate fund or utilise for any other purpose. They further stated that BEST has gained surplus amount of Rs. 2,500 Crore and have sought information regarding utilization.

BEST's Response

These objections are indirectly seeking micro-management of BEST through legal process of MERC. BEST has submitted that any Revenue surplus including the holding cost in the previous years are adjusted in the future ARR/Tariff and only the entitled ARR as per the provision of the MYT Regulations are received in line with the approval of the Commission. BEST has set out the treatment of the Revenue Gap/ (Surplus) in the MYT Petition.

The issue raised by the Objector that BEST has gained a surplus of Rs. 2,500 Crore after implementation of the Electricity Act, 2003 is merely bad and vague assertion, which is not substantiated by any applicable and cogent documentary material.

Commission's Ruling

The Commission approves the ARR and determines the Tariff in line with the principles laid down in the MYT Regulations. While doing so, the Commission appropriately addresses any Revenue Gap/ (Surplus) while determining the Tariff.

2.29 Public Consultation Process

Shri Rakshpal Abrol, Shri K. K. Chopra and Shri N. Ponrathnam have submitted that the timeline for inviting comments and suggestions is very small. As the data submitted by Distribution Licensee is huge, the analysis of which and collation with other inputs takes time, period of 21 days provided for raising suggestions/objection is insufficient.

BEST's Response

BEST has not made any submission on the issue.

Commission's Ruling

The Commission notes that as per its Conduct of Business Regulations, 2004, minimum time period for seeking suggestions and objections on the Petition from the Public is 21 days. In present case, Public Notice inviting suggestions and objections was published on 10 January, 2020 and last date for submission of suggestion and objection was 31 January, 2020. Thus 21days (excluding the date of publication) has been given for filing suggestions and objections which is in accordance with the Commission's Conduct of Business Regulations. Further, the Commission has also considered the suggestions and objections received during the Public Hearing in the matter on 04 February, 2020. Hence, the Commission has provided sufficient opportunity to the Public for filing their suggestions and objections. Considering the foregoing, the Commission would like to maintain the timelines for inviting suggestions/objections as specified in the Regulations.

3 ADJUSTMENT IN GROSS FIXED ASSETS DUE TO REVERSAL OF EXCESS IDC BOOKED PRIOR TO 2017-18

3.1 Background

3.1.1 The Commission, in the MYT Order in Case No. 33 of 2016 dated 28 October, 2016, had deducted Consumer Contribution of Rs. 64.83 Crore in FY 2012-13 from the opening balance of GFA. In its Review Petition in Case No. 4 of 2017 on the above MYT Order, BEST stated that it had already reduced the annual GFA by the amount of Consumer Contribution for arriving at the average depreciation rate for each year. Since this was not taken into account by the Commission, that amount has been deducted twice in the MYT Order.

3.1.2 In relation to above, the Commission during the MTR Order in Case No 203 of 2017 carried out scrutiny of the Annual Accounts for FY 2012-13 to FY 2014-15 and sought clarification from BEST regarding the adjustment entries of Rs. 3.73 Crore in FY 2012-13 and Rs. 10.58 Crore in FY 2013-14. In reply, BEST Undertaking submitted that these adjustments are due to transfer of assets from Supply division to Transport division. Considering the same, the Commission in the MTR Order in Case No. 203 of 2017 considered these adjustments and accordingly reduced the GFA of Electricity Supply business to the extent of the transferred assets and passed on the impact of the same from FY 2012-13 onwards in its MTR Order.

3.1.3 BEST in the present petition has requested the Commission for reopening of this issue pertaining to the transfer of asset from Electricity Supply Business to Transport Business and has requested the Commission to reinstate the transfer of assets from Electricity Supply Business to the Transport Business considered by the Commission in the MTR Order and also allow the impact on ARR along with the associated carrying cost for recovery through the ARR from FY 2012-13 onwards.

3.2 Submission in present MYT Petition claiming such transfer as adjustment of excess IDC

BEST's Submission

3.2.1 BEST has submitted that the entries of Rs. 3.73 Crore and Rs. 10.58 Crore in FY 2012-13 and FY 2013-14 are adjustments in GFA to reflect disallowance by the Commission in IDC of FY 2009-10 and FY 2010-11. BEST has further mentioned that the disallowance of IDC was due to difference in calculation methodology of BEST and that adopted by the Commission.

3.2.2 BEST has submitted that it did not want to book excess IDC in Audited Accounts with regard to regulatory IDC approved by the Commission. Therefore, BEST has reversed excess IDC booked and recorded it as 'Adjustments in respect of Transfer' in Audited Accounts. Reversal of entry relating to excess IDC booked has also been explained in the notes of Audited Accounts of FY 2012-13 and FY 2013-14. The relevant extract of the Audited Accounts is reproduced below.

Table 1: Notes in audited accounts of FY 2012-13 & FY 2013-14 regarding reversal of excess IDC booked, as submitted by BEST

Appendix No. E-6 of Audited Account	Note
FY 2012-13	Includes IDC amount of Rs. 3.73 Crore for FY 2009-10 and FY 2010-11 is reverted
FY 2013-14	IDC Rs. 10.58 Crore of FY 2010-11 reverted in FY 2013-14

3.2.3 BEST has submitted the calculation of the above-mentioned adjustment in IDC for FY 2009-10 and FY 2010-11 which was booked as 'Adjustments in respect of Transfer' in Audited Accounts of FY 2012-13 as shown in the Table below.

Table 2: Break-up of adjustment in GFA of FY 2012-13 due to reversal of excess IDC booked, as submitted by BEST (Rs. Crore)

Particulars of IDC	FY 2009-10	FY 2010-11
Submitted by BEST in the Petition for Case No. 125 of 2011	10.48	13.80
Re-calculated by BEST as per view of the Commission	8.24	12.31
Adjustment of IDC in closing GFA	2.24	1.48
Total adjustment of IDC in closing GFA	**3.73**	

3.2.4 The following Table shows the breakup of 'Adjustments in respect of Transfer' in Audited Accounts of FY 2013-14.

Table 3: Break-up of adjustment in GFA of FY 2013-14 due to reversal of excess IDC booked, as submitted by BEST (Rs. Crore)

Particulars of IDC	Amount
Submitted by BEST in the Petition for Case No. 26 of 2013	12.31
Approved by the Commission	1.74
Adjustment of the IDC in closing GFA	**10.58**

3.2.5 BEST has submitted that the IDC amount has erroneously been deducted again from the GFA for FY 2012-13 and FY 2013-14 due to the inadvertent submission of BEST considered by the Commission. Therefore, BEST requested the Commission to rectify this and provide the impact on the ARR of the respective years on account of these adjustments.

3.2.6 BEST has computed the total impact of such adjustment for FY 2012-13 and FY 2014-15 including the carrying cost considering that it is adjusted in ARR of FY 2017-18 as shown in Table below.

Table 4: Impact of considering IDC adjustment as Transfer of Assets for FY 2012-13 to FY 2014-15 along with carrying cost (Rs. Crore)

Particulars	Carrying Cost Rate (%)	FY 2012-13	FY 2013-14	FY 2014-15
ARR deducted due to IDC inadvertently considered as transfer of assets		0.31	1.62	2.75
Carrying Cost for FY 2012-13 @ 14.62%	14.62%	0.02		
Carrying Cost for FY 2013-14 @ 14.58%	14.58%	0.05	0.12	
Carrying Cost for FY 2014-15 @ 14.75%	14.75%	0.05	0.24	0.20
Carrying Cost for FY 2015-16 @ 14.45%	14.45%	0.05	0.23	0.40
Carrying Cost for FY 2016-17 @ 10.79%	10.79%	0.03	0.18	0.30
Carrying Cost for FY 2017-18 @ 10.18%	10.18%	0.02	0.08	0.15
Total along with carrying cost		**0.53**	**2.47**	**3.78**
Adjustment in ARR of FY 2017-18 due to inadvertently considering IDC as transfer of assets		**6.78**		

3.2.7 Similarly, BEST has computed impact of adjustment in GFA due to reversal of excess IDC as shown in Table below for FY 2015-16 and FY 2017-18.

Table 5: Impact of considering IDC adjustment as transfer of assets for FY 2015-16 and FY 2016-17 along with carrying cost (Rs. Crore)

Particulars	FY 2015-16	FY 2016-17
Impact of considering IDC adjustment as Transfer of Assets as approved in MTR Order for FY 2015-16 & FY 2016-17	2.78	2.47
Carrying Cost for FY 2015-16 @ 14.45%	0.20	
Carrying Cost for FY 2016-17 @ 10.79%	0.30	0.13
Carrying Cost for FY 2017-18 @ 10.18%	0.14	0.13
Total along with carrying cost	**3.43**	**2.73**
Adjustment in ARR of FY 2017-18 due to inadvertently considering IDC as transfer of assets	**6.15**	

3.2.8 BEST has requested the Commission to approve the additional amount of Rs. 12.94 (6.78+6.15) Crores of ARR for FY 2017-18 on account of adjustment in GFA for the period of FY 2012-13 to FY 2016-17 due to reversal of IDC.

Commission's Analysis and Ruling

3.2.9 The Commission has noted the submission made by BEST. BEST had submitted that Consumer Contribution of Rs. 64.83 Crore in FY 2012-13 was deducted from opening balance of GFA in the MYT Order in Case No. 33 of 2016 passed by the

Commission. BEST had filed a review Petition in Case No. 4 of 2017 claiming that the amount had been deducted twice in the MYT Order in Case No. 33 of 2016. During the MTR Order in Case No. 203 of 2017, the Commission conducted a scrutiny of the Annual accounts of BEST for FY 2012-13 to FY 2014-15 and enquired about the adjustment entries of Rs. 3.73 crore in FY 2012-13 and Rs. 10.58 Crore in FY 2013-14 which were claimed by BEST as adjustments due to transfer of assets. BEST in its reply submitted that it pertains to the transfer of assets from Electricity Business to Transport Business.

3.2.10 Considering above submissions of BEST, the Commission has ruled on the matter in the MTR Order in Case No. 203 of 2017. The relevant extract of the same is as follows:

> *"3.3.7.1 During scrutiny of the annual accounts for FY 2012-13 to FY 2014-15, it has come to notice that BEST has not submitted details pertaining to transfer of assets from Electricity Business to Transport Business and vice-a-versa at the time of Truing-up for FY 2012-13 to FY 2014-15. It is observed that in FY 2012-13 and FY 2013-14, there were Rs. 3.73 Crore and Rs. 10.58 Crore worth of assets which were transferred from Electricity Business to Transport Business. Similarly, in FY 2014-15, Rs. 0.14 Crore worth of assets were transferred from Transport Business to Electricity Business. The impact of this transfer was not considered at the time of Truing-up for FY 2012-13 to FY 2014-15 and accordingly, BEST has claimed higher recovery through the ARR on account of assets which did not pertain to Electricity Business"*

3.2.11 BEST in its current Petition has now claimed that the deductions earlier considered as adjustments due to transfer of assets were in fact adjustments in GFA to reflect disallowance of IDC claimed by BEST. This erroneous submission was inadvertently made by BEST in the MTR Petition in Case No. 203 of 2017. Accordingly, requested the Commission to approve the additional amount of Rs. 12.94 Crore in FY 2017-18 by treating such transfer of asset as adjustment of IDC.

3.2.12 The Commission notes that BEST has accepted that its submission in MTR proceeding was erroneous based on which the Commission has made its computation in MTR Order. It is important to note that the final truing-up of ARR for FY 2012-13 to FY 2016-17 has already been completed in the past and the resultant Revenue Gap/ (Surplus) was passed to the consumers in the MTR Order in Case No. 203 of 2017.

3.2.13 The Commission strongly believes that it is not prudent practise to re-open the trued-up accounts. Asking for reopening such raises questions on the sanctity of the submission made by the Petitioner, especially when specific clarification had been sought by the Commission before disallowing certain cost. If Commission had carried out its own analysis based on the available information and disallowed cost without considering the information/data submitted by the Petitioner, in such cases BEST could have approached the Commission seeking review of the Commission's Orders subject to meeting the criteria for review. In the present case, the Petitioner was given sufficient and additional opportunity to provide necessary details and based on submission of the BEST, the Commission has considered the transfer of asset from Electricity Business to Transport Business. In view of the above, it is not prudent to re-open the truing-up of FY 2012-13 to FY 2016-17 for which final truing-up is already carried out by the Commission. Accordingly, the Commission deems it appropriate to disallow the impact of GFA on ARR for FY 2012-13 to FY 2016-17.

4 TRUING UP OF ARR FOR FY 2017-18 AND FY 2018-19

4.1 Background

4.1.1 BEST has sought Truing-up of ARR for FY 2017-18 and FY 2018-19 based on the actual expenditure and revenue as per the Audited Accounts for FY 2017-18 and FY 2018-19 and in accordance with the provisions of the MYT Regulations, 2015. BEST also submitted reasons for variation in the actual expenses for FY 2017-18 and FY 2018-19, as compared to the expenses approved in the Mid Term Review (MTR) Order dated 12 September, 2018 in Case No. 203 of 2017.

4.1.2 The Books of Accounts of BEST are audited by the Municipal Chief Auditor as per the M.M.C Act, 1888. Separate Books of Accounts as per Proforma Accounts are not maintained by the BEST for Supply & Transport Division, however, for meeting the Regulatory requirements, BEST submits the Proforma Accounts which are audited by an external auditor appointed by BEST. Accordingly, BEST has submitted Petition as per Audited Proforma Accounts for FY 2017-18 and provisional annual accounts for FY 2018-19. Subsequently, BEST has submitted audited Proforma Accounts for FY 2018-19 on 29 January, 2020 which has been considered by the Commission for the purpose of truing up of ARR of FY 2018-19.

4.1.3 The analysis underlying the Commission's approval of Truing-up for FY 2017-18 and FY 2018-19 is set out below.

4.2 Energy Sales

BEST's Submission

4.2.1 BEST has submitted the summary of the category wise sales as approved by the Commission in the MTR Order for FY 2017-18 and FY 2018-19 and the actual sales is shown in the Table as under:

Table 6: Tariff Category-wise energy consumption for FY 2017-18 and FY 2018-19, as submitted by BEST (MU)

Consumer Category	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	True-Up requirement	MTR Order	MYT Petition	True-Up requirement
HT Category						
HT - I Industry	138.98	138.98	-	137.90	156.86	18.96
HT - II Commercial	269.70	269.70	-	269.41	246.81	(22.60)
HT - III Group Housing	32.13	32.13	-	32.33	30.67	(1.65)
HT IV- PWW	38.46	38.46	-	38.17	35.75	(2.42)
HT V- Railways, Metro, Monorail	2.28	2.28	-	2.28	2.14	(0.14)

Consumer Category	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	True-Up requirement	MTR Order	MYT Petition	True-Up requirement
HT VI-(A) Public services (Govt. Hospitals and Educational Institutions)	26.46	26.46	-	26.44	26.61	0.17
HT VI-(B) Public services (Others)	167.06	167.06	-	166.88	161.08	(5.79)
HT-VII Temporary Supply	11.98	11.98	-	14.78	21.31	6.54
Sub-total	**687.07**	**687.07**	**-**	**688.18**	**681.24**	**(6.93)**
LT Category						
LT-I (A) Residential (BPL)	0.22	0.22	-	0.35	0.07	(0.28)
LT - I(B) Residential						
0 – 100 units	734.42	734.42	-	770.24	739.96	(30.28)
101 – 300 units	667.72	667.72	-	691.16	684.18	(6.98)
301 - 500 units	206.21	206.21	-	217.41	219.00	1.59
> 501 units	359.14	359.14	-	392.26	377.46	(14.80)
LT - II (a) Commercial						
0 - 500 units	550.18	550.18	-	567.98	681.00	113.01
> 500 units	329.75	329.75	-	357.42	207.73	(149.68)
LT - II (b) Commercial >20 & <=50 kW	214.43	214.43	-	214.83	211.31	(3.52)
LT - II (c) Commercial >50	368.80	368.80	-	369.48	370.32	0.84
LT - III (A) Industry (up to 20 kW)						
0 - 500 units	19.51	19.51	-	20.99	29.48	8.49
> 500 units	23.58	23.58	-	22.92	13.79	(9.13)
LT-III (b) Industrial above 20 kW	90.04	90.04	-	89.35	90.39	1.04
LT-IV PWW	6.87	6.87	-	6.82	6.82	0.01
LT - V Advertisement & Hoardings	1.63	1.63	-	1.62	1.52	(0.10)
LT - VI Street Lights	28.22	28.22	-0.00	21.84	23.00	1.16
LT - VII (a) Temporary Supply Religious	0.21	0.21	-	0.21	0.20	(0.01)
LT - VII (b) Temporary Supply Others	32.40	32.40	-	32.15	14.91	(17.24)
LT - VIII Crematorium and Burial Grounds	1.66	1.66	-	1.89	1.54	(0.34)
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions	55.20	55.20	-	58.06	54.78	(3.28)

Consumer Category	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	True-Up requirement	MTR Order	MYT Petition	True-Up requirement
LT - IX (B) Public Services -others	166.92	166.92	-	167.23	163.26	(3.97)
LT-X (A) Agriculture-Pump sets	-	-	-	-	-	-
LT-X (B) Agriculture-Others	-	-	-	-	-	-
LT XI Vehicle Charging	-	-	-	-	0.03	0.03
Sub-total	**3,857.13**	**3,857.13**	**-0.00**	**4,004.21**	**3,890.76**	**(113.44)**
Total	**4,544.20**	**4,544.19**	**-0.00**	**4,692.38**	**4,572.01**	**(120.38)**

4.2.2 BEST has submitted that the energy sales have decreased in recent years for many consumer categories. Such decrease is not specific to any geographic area. There is insignificant growth in industrial consumption in last few years due to slow down and in lighting load due to widespread use of LED lighting. These reasons have impacted the actual energy sales of FY 2018-19 which are lower than the energy sales approved by the Commission in the MTR Order.

4.2.3 BEST further submitted that the maximum demand in BEST area of supply has remained more or less constant during past few years. Moreover, sales growth in BEST area of supply for past years has shown the following trend as shown in the Table below:

Table 7: Annual Sales growth rate

Financial Year	Year-on year annual sales growth rate (%)
FY 2008-09	2.07
FY 2009-10	0.44
FY 2010-11	3.54
FY 2011-12	0.44
FY 2012-13	2.49
FY 2013-14	(0.94)
FY 2014-15	1.55
FY 2015-16	3.57
FY 2016-17	(3.79)
FY 2017-18	3.21
FY 2018-19	0.61

4.2.4 Sales growth during the past years has not followed linear Path. This may be due to composite effects of various factors such as economy, developments, seasonal variations, etc. It has been observed that, impact of various seasons such as timing of arrival of monsoon, impact of October heat (increase in humidity levels) and prolonged winter season, etc. influencing energy sales as these largely impacts usage of air conditioners by the commercial/ residential consumers.

4.2.5 The consumers are increasingly becoming aware of the need of energy conservation due to the initiatives taken by various authorities in promotion of energy conservation. Overall inflationary trend coupled with availability of star rated appliances at affordable prices is prompting the consumers to switch to energy efficient LED Lamps/Tube lights, Star rated Fans/refrigerators, etc.

Commission's Analysis and Ruling

4.2.6 The Commission has noted that the sales in FY 2018-19 have been lower by 120.38 MUs as against the sales approved in the MTR Order. The Commission also noted the submission of BEST that the decrease in sales is not specific to any geographic area and is mainly impacted by insignificant growth in industrial consumption in last few years due to slowdown and also in lighting load due to widespread use of LED lighting. BEST also has highlighted the increased levels of awareness towards energy conservation amongst the consumers which is also contributing to the lower consumptions. However, BEST in its submission has failed to quantify effect of use of energy efficient devices by consumers and just provided generalised justification for reduction in sales. Although sales is considered uncontrollable, Distribution Licensee needs to be more aware about reasons for reduction in sale. BEST for their own benefit and in turn for the benefit of its consumers should study in detail the reasons for reduction in sale. Also, BEST should study the reasons for non-linear CAGR for a larger period where accurate and granular category wise data is available. The Commission notes that although there is reduction in sales for FY 2018-19 as compared to MTR projections, sales for FY 2018-19 is slightly higher than actual sales of FY 2017-18.

4.2.7 Accordingly, the Commission approves the actual sales in FY 2017-18 and FY 2018-19 for truing-up. The summary of energy sales approved by the Commission on truing up of FY 2017-18 and FY 2018-19 is given in the Table below:

Table 8: Energy Sales for FY 2017-18 and FY 2018-19, as approved by the Commission (MU)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Energy Sales	4,544.20	4,544.19	4,544.19	4,692.38	4,572.01	4,572.01

4.2.8 **The Commission approves energy sales of 4,544.19 MU and 4,572.01 MU for FY 2017-18 and FY 2018-19, respectively.**

4.3 Distribution Losses and Energy Balance

BEST's Submission

4.3.1 The energy balance for FY 2017-18 and FY 2018-19 is summarized in Table below:

Table 9: Energy Balance for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Sales (MU)	4544.20	4544.19	4692.38	4,572.01
Distribution loss (%)	5.82%	5.82%	5.70%	4.18%
Energy Requirement at T-D interface (MU)	4,824.85	4,824.85	4,976.02	4,771.21
Intra-state Transmission loss (%)	3.31%	3.31%	3.30%	3.10%
Energy Requirement at G-T interface (MU)	**4,989.85**	**4,989.85**	**5,145.63**	**4,923.79**

4.3.2 The Intra-state Transmission loss (%) for FY 2017-18 and FY 2018-19 have been worked out by BEST considering the monthly energy drawl at T<>D interface which is grossed-up by monthly InSTS loss available on MSLDC's website to derive energy requirement at G<>T interface. The summation of energy drawl at T<>D Interface and summation of energy drawl at G<>T interface is considered for working out InSTS loss for respective year.

4.3.3 BEST has achieved the target Distribution Loss of 5.82% during the FY 2017-18 as approved by the Commission in the MTR Order. Further, BEST has achieved a Distribution loss of 4.18% vis-à-vis approved target of 5.70% for FY 2018-19 in the MTR Order.

4.3.4 On account of the lower distribution loss and lower than expected sales, the overall energy requirement at G<>T interface for FY 2018-19 is lesser than that approved in MTR Order.

Commission's Analysis and Ruling

4.3.5 The Commission has noted the submission of BEST. The Commission has considered the actual InSTS Loss as 3.30% and 3.11% for FY 2017-18 and FY 2018-19 as per the InSTS Loss details provided by MSLDC.

4.3.6 The Commission has observed that energy drawn at T<>D interface for FY 2017-18 submitted by BEST is 4,824.85 MU which is not matching with MSLDC certificate i.e. 4,802.90 MU. The Commission has considered energy drawn at T<>D interface for FY 2017-18 as per MSLDC certificate for calculation of Distribution losses.

Similarly, energy drawn at T< >D interface for FY 2018-19 is considered as 4.771.21 MU as per MSLDC certificate.

4.3.7 Considering the energy injected into the BEST network at T<>D interface based on the MSLDC certification and the actual sales as approved by the Commission in this Order, the Distribution Loss for FY 2017-18 and FY 2018-19 works out to be 5.39% and 4.18% respectively. Although, BEST has achieved lower Distribution Loss of 4.18% in FY 2018-19, it has not provided the details of efforts and the quantifiable benefits of these efforts which they have put in for reducing Distribution Loss to such level. Nevertheless, the Commission has considered the same as the losses are fully worked out based on metered sales and T<>D input as per MSLDC certificate.

4.3.8 Accordingly, for the purpose of truing-up, the Commission approves the target Distribution Loss as 5.39% as against 5.82% approved for FY 2017-18. For FY 2018-19, and also approves the Distribution Loss as 4.18% as against 5.70% approved by the Commission in the previous MTR Order.

4.3.9 Based on the above, the energy balance approved by the Commission for FY 2017-18 and FY 2018-19 is given in the following Table:

Table 10: Energy Balance for FY 2017-18 and FY 2018-19, as approved by the Commission

Particulars	Unit	FY 2017-18			FY 2018-19		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Sales	MU	4,544.20	4,544.19	4,544.19	4,692.38	4,572.01	4,572.01
Distribution Loss	%	5.82%	5.82%	5.39%	5.70%	4.18%	4.18%
Energy Requirement at T<>D interface	MU	4,824.85	4,824.85	4,802.90	4,976.02	4,771.21	4,771.21
Intra-state Transmission Loss	%	3.31%	3.31%	3.30%	3.30%	3.10%	3.11%
Energy Requirement at G<>T interface	MU	**4,989.85**	**4,989.85**	**4,966.61**	**5,145.63**	**4,923.79**	**4,924.18**

4.3.10 **The Commission approves energy requirement at G<>T interface of 4,966.61 MU and 4,924.18 MU for FY 2017-18 and FY 2018-19, respectively.**

4.4 Power Purchase Expenses

4.4.1 BEST has considered power purchase from various sources, while determining the Truing up requirement for FY 2017-18 and FY 2018-19. BEST has submitted source-wise power purchase expense as per Audited Accounts for FY 2017-18 and provisional accounts FY 2018-19.

4.4.2 Procurement from TPC-G:

BEST's Submission

4.4.2.1 BEST has primarily procured power from TPC-G. The summary of power purchase from TPC-G is as under:

Table 11: Summary of Power Purchase Expenses from TPC-G for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2017-18						
Unit-5	1,548.87	790.20	5.10	1,548.87	790.20	5.10
Unit-6	(10.27)	79.67		(10.27)	79.67	
Unit-7	672.61	201.70	3.00	672.61	201.70	3.00
Unit-8	651.20	339.56	5.21	651.20	339.56	5.21
Hydro	763.01	166.13	2.18	763.01	166.13	2.18
Thermal Incentive		0.17			0.17	
Total	**3,625.43**	**1,577.42**	**4.35**	**3,625.43**	**1,577.42**	**4.35**
FY 2018-19						
Unit-5	1,423.64	797.08	5..60	1,498.41	815.67	5.44
Unit-7	668.92	204.21	3.05	701.74	231.76	3.30
Unit-8	688.35	375.02	5.45	754.03	408.67	5.42
Hydro	740.54	154.54	2.09	791.49	166.11	2.10
Thermal Incentive					2.22	
Total	**3,521.45**	**1,530.85**	**4.35**	**3,745.67**	**1,624.43**	**4.34**

4.4.2.2 BEST has submitted that it has purchased the power from TPC-G at average rate of Rs. 4.35/kWh and Rs. 4.34/kWh during FY 2017-18 and FY 2018-19 respectively. Unit-6 of TPC-G has been used as stand-by during FY 2017-18 and BEST has borne the share of the net auxiliary consumption (10.27 MUs) as per the PPA.

4.4.2.3 BEST has also claimed TPC-G past revenue Gap/ (Surplus) payment of Rs. 95.15 in FY 2018-19 in line with MTR Order in Case No. 203 of 2017.

Commission's Analysis and Ruling

4.4.2.4 The Commission has sought the details of actual invoices of TPC-G from BEST. Based on review of the invoices, the Commission has approved the actual cost of power purchased by BEST from TPC-G, since it is in accordance with the Tariff approved by the Commission for sale of energy by TPC-G. The summary of power purchase by BEST from TPC-G as approved after final Truing up is given in Table below:

Table 12: Summary of Power Purchase by BEST from TPC-G for FY 2017-18, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Unit -5	1,548.87	790.20	5.10	1,548.87	790.20	5.10
Unit -6	(10.27)	79.67		(10.27)	79.67	
Unit -7	672.61	201.70	3.00	672.61	201.70	3.00
Unit -8	651.20	339.56	5.21	651.20	339.56	5.21
Hydro	763.01	166.13	2.18	763.01	166.13	2.18
Thermal Incentive	-	0.17	-	-	0.17	-
Total	**3,625.43**	**1,577.42**	**4.35**	**3,625.43**	**1,577.42**	**4.35**

Table 13: Summary of Power Purchase by BEST from TPC-G for FY 2018-19, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Unit -5	1,498.41	815.67	5.44	1,498.41	815.67	5.44
Unit -6	-	-	-	-	-	-
Unit -7	701.74	231.76	3.30	701.74	231.76	3.30
Unit -8	754.03	408.67	5.42	754.03	408.67	5.42
Hydro	791.49	166.11	2.10	791.49	166.11	2.10
Thermal Incentive	-	2.22	-	-	2.22	-
Total	**3,745.67**	**1,624.43**	**4.34**	**3,745.67**	**1,624.43**	**4.34**

4.4.2.5 **Accordingly, the Commission approves Rs. 1,577.42 Crore and Rs. 1,624.43 Crore as the cost of power purchased from TPC-G for FY 2017-18 and FY 2018-19, respectively.**

4.4.2.6 **The Commission also approves TPC-G past revenue Gap/ (Surplus) payment of Rs. 95.15 in FY 2018-19 as submitted by BEST in line with MTR Order in Case No. 203 of 2017.**

4.4.3 Procurement from Renewable Energy (RE) Sources:

BEST's Submission

4.4.3.1 BEST has submitted the RE purchase details for FY 2017-18 and FY 2018-19 as shown in the Table below.

Table 14: RE purchase details for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2017-18						
Welspun Energy Maharashtra	31.50	26.96	8.56	33.06	27.85	8.43
REC Procurement-Solar	-	6.83	-	-	-	
REC Procurement-Non-Solar	-	57.63	-	-	58.19	-
Short Term Non Solar Purchase	190.61	123.16	6.46	190.61	123.25	6.47
Short Term Mini Micro Hydro Purchase	0.42	0.24	5.74	0.42	0.24	5.78
RPS Rebate	-	(2.57)	-	-	(4.09)	-
Total	**222.53**	**212.25**	**9.54**	**224.09**	**205.44**	**9.17**
FY 2018-19						
Welspun Energy Maharashtra	31.50	26.96	-	32.40	26.96	8.32
REC Procurement-Solar	110.03	38.79	3.53	-	22.04	-
REC Procurement-Non-Solar	564.95	192.72	3.41	-	64.23	-
REC GST				-	(0.63)	-
Short Term Non Solar Purchase	-	-	-	68.22	48.11	7.05
RPS Rebate				-	(0.74)	-
Total	**706.48**	**258.47**	**3.66**	**100.62**	**159.97**	**15.90**

Note: Average power purchase rate is higher on account of inclusion of REC purchase cost.

4.4.3.2 BEST has provided the detailed break-up of cost of non-solar renewable energy procured from bagasse, biogas, biomass, small hydro and mini hydro after adjusting the rebate as given in the Table below.

Table 15: Non-Solar RE purchase including additional charges for FY 2017-18 and FY 2018-19, as submitted by BEST

Source	FY 2017-18		FY 2018-19	
	Units (MU)	Amount (Rs. Crore)	Units (MU)	Amount (Rs. Crore)
Bagasse	2.37	1.38	8.24	4.97
Biomass	189.32	121.75	60.47	39.88
Small hydro	0..36	0.18		
Mini hydro	0.46	0.24		
Prior payment FY 2017 and 2018				2.42
Total	**192.51**	**123.50**	**68.72**	**48.11**

Commission's Analysis and Ruling

4.4.3.3 BEST, on the directions of the Commission, has submitted the source-wise RE purchase for FY 2017-18 and FY 2018-19, separately indicating the quantum of purchase, landed cost, wheeling loss, wheeling charges and preferential Tariff approved by the Commission. The same has formed the basis for the approval of the power purchase cost from RE Sources for FY 2017-18 and FY 2018-19 as elaborated in the subsequent paragraphs.

4.4.3.4 **Non-Solar RE Purchase:** The total landed price at InSTS periphery for all non-solar RE purchases as submitted by BEST includes the Wheeling charge, short term open access charge and scheduling charge to wheel power to BEST's license area from non-solar RE projects connected to the MSEDCL network in Maharashtra. The detail of the non-solar RE power purchase approved by the Commission is given in the Table below:

Table 16: Details of Non-Solar RE purchases for FY 2017-18, as approved by the Commission

Name of RE Generator	Type of RE Sources	Energy at Delivery Point (Generator Terminal) (MU)	Wheeling Loss (MU)	Energy at InSTS (MU)	RE Tariff (Rs./kwh)	Energy Charges (Rs. Crore)	Short Term Open Accesses Charges (Rs. Crore)	Total Charges (Rs. Crore)	RE Unit Rate (Rs./kwh)
		a	b	c=a-b	d	e=a x d	f	g=e+f	h=g/a
Greta Energy Ltd	Biomass	106.74	-	106.74	6.53	69.70	0.09	69.79	6.54
A.A. Energy	Biomass	61.42	-	61.42	6.41	39.37	0.09	39.46	6.42
Manas Agro Ind & Infra Ltd	Biomass Co-gen	21.16	1.27	19.89	6.29	13.31	0.23	13.54	6.40
Lokmangal Agro Ltd	Bagasee	2.37	0.14	2.23	6.24	1.48	0.06	1.54	6.49
Shyadri Renewable Energy Pvt Ltd.	Small Hydro	0.36	0.03	0.33	5.06	0.18	-	0.18	5.06
Krishna Valley Power Pvt Ltd.	Mini Hydro	0.46	0.42	0.42	5.26	0.24	-	0.24	5.26
Total		**192.51**	**1.86**	**191.02**		**124.28**	**0.47**	**124.76**	**6.53**

Table 17: Details of Non-Solar RE purchases for FY 2018-19, as approved by the Commission

Name of RE Generator	Type of RE Sources	Energy at Delivery Point (Generator or Terminal) (MU)	Wheeling Loss (MU)	Energy at InSTS (MU)	RE Tariff (Rs./kwh)	Energy Charges (Rs. Crore)	Short Term Open Accesses Charges (Rs. Crore)	Total Charges (Rs. Crore)	RE Unit Rate (Rs./kwh)
		a	b	c=a-b	d	e=a x d	f	g=e+f	h=g/a
Greta Energy Ltd	Biomass	60.47	-	60.47	6.66	40.25	0.09	40.34	6.67
Lokmangal Agro Ltd	Bagasee	8.24	0.49	7.75	6.33	5.21	0.13	5.35	6.49
Prior payment of FY 2016-17 and FY 2017-18								2.42	
Total		**68.72**	**0.49**	**68.22**		**45.47**	**0.22**	**48.11**	**7.05**

4.4.3.5 As submitted by BEST, payment of Rs. 123.50 Crore was made in FY 2017-18 for non-solar RE Power purchase of Rs. 124.76 Crore and remaining payment was made in FY 2018-19.

4.4.3.6 BEST has purchased the above non-solar RE Power at approved preferential Tariffs and the same has been verified by the Commission. However, the Commission notes that BEST has been purchasing non-Solar RE Power only through short term contracts at preferential tariffs. This leads to situations where the quantum of power envisaged as available at the planning stage is not actually available when required. This is evident from the fact that while the availability of non-Solar RE was 192.51 MUs in FY 2017-18, only 68.72 MUs have been purchased by BEST in FY 2018-19. Further, there is also variation in power quantum available from the same source as well in these two years. These instances lead to requirement of purchasing RECs to meet the RPO obligations. Purchase of REC has to be accompanied by purchase of actual power from bilateral sources which may lead to the effective cost of power purchase being higher as compared to that through purchase of RE power. In view of substantial reduction in RE rate, purchase of RECs should be done only in situations wherein the RE power is not available even after reasonable efforts put in by the utility. In the present case, BEST has been purchasing non-Solar RE power mainly through short term contracts which does not provide any certainty regarding availability of RE power. In this regard, BEST should explore options to contract non-solar power on a long term basis adopting the competitive bidding route going forward and approach the Commission in a timely manner to seek necessary approvals.

4.4.3.7 **Solar RE Purchase:** BEST has submitted that it meets the solar RE purchase obligation through a long term power purchase agreement entered with M/s. Welspun Energy Maharashtra for FY 2017-18 and FY 2018-19. As per agreement, BEST procures entire solar power from 20 MW solar plant of M/s Welspun Energy Maharashtra. During FY 2017-18, BEST has purchased 31.50 MU at rate of Rs. 8.56/kWh as approved in the PPA. Additional power of 1.56 MU is purchased by BEST at rate of Rs. 1.00/kWh from Welspun Energy and also paid past period due of Rs. 0.74 Crore. Therefore, average cost of power purchase for 33.06 MU of solar power purchase from M/s Welspun Energy Maharashtra is Rs. 8.43/kWh. For FY 2018-19, BEST has purchased 32.40 MU at rate of Rs. 8.32/kWh as approved in the PPA.

4.4.3.8 **REC Purchase:** BEST has also submitted the documentary evidence regarding the number of RECs purchased and their cost. The Commission has verified the actual cost from the documentary evidence and considered the same as submitted by BEST. Further, the Commission notes that BEST has purchased RECs to meet the RPO obligation along with additional bilateral power which impacts the overall average power purchase cost. Further, as submitted by BEST, the Solar RECs were not available in FY 2017-18 and accordingly, entire requirement of RECs for meeting the RPO shortfall for FY 2017-18 and FY 2018-19 cumulatively was purchased in FY 2018-19. This has led to an increase in the average power purchase cost from RE sources to Rs. 16.03/kWh in FY 2018-19 from Rs. 9.35/kWh in FY 2017-18. Considering that the cost of RE power has shown a decreasing trend in the recent years, BEST should explore contracting RE power on medium / long term basis rather than purchasing RECs along with additional bilateral power which may lead to financial burden on the consumers. The Power procurement cannot be planned based on the certainty of REC procurement and the process should end with RE Power procurement and only in case of shortfall, REC purchase should be resorted to. The intent of the RPO is to encourage consumption of RE power and hence BEST should initiate timely steps to contract such RE Power for future consumption and seek necessary approvals from the Commission.

4.4.3.9 **Summary of Power Purchase from RE source (solar & non-solar):** Accordingly, the Commission approves the RE purchase from solar and non-solar sources for FY 2017-18 and FY 2018-19 as shown in Table below:

Table 18: Power Purchase by BEST from RE Sources for FY 2017-18, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs.	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs.	Rate (Rs./kWh)
Welspun Energy Maharashtra	33.06	27.85	8.43	33.06	27.85	8.43
REC Procurement-Solar	-	-	-	-	-	-
REC Procurement-Non-Solar	-	58.19	-	-	58.19	-
Short Term Non Solar Purchase	190.61	123.25	6.47	190.61	123.25	6.47
Short Term Mini Micro Hydro Purchase	0.42	0.24	5.78	0.42	0.24	5.78
Total	**224.09**	**209.53**	**9.35**	**224.09**	**209.53**	**9.35**

Note: Average power purchase rate is higher on account of inclusion of REC purchase cost

Table 19: Power Purchase by BEST from RE Sources for FY 2018-19, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Welspun Energy Maharashtra	32.40	26.96	8.32	32.40	26.96	8.32
REC Procurement-Solar	-	22.04	-	-	22.04	-
REC Procurement-Non-Solar	-	64.23	-	-	64.23	-
Short Term Non Solar Purchase	68.22	48.11	7.05	68.22	48.11	7.05
Total	**100.62**	**161.34**	**16.03**	**100.62**	**161.34**	**16.03**

Note: Average power purchase rate is higher on account of inclusion of REC purchase cost

4.4.3.10 **Accordingly, the Commission approves Rs. 209.53 Crore and Rs. 161.34 Crore as the cost of power purchased from RE sources (both Solar as well as non-Solar) for FY 2017-18 and FY 2018-19, respectively.**

4.4.4 Other Charges

BEST's Submission

4.4.4.1 BEST has also submitted that for all the unscheduled energy exchanged by Maharashtra state with the regional pool, the due date for making payment is 15 to 25 days from the end of the week. However, the liability share / contribution of individual State Pool Participant (SPP) cannot be estimated without generation of FBSM bill. Since FBSM bill lags behind by around 2 years, an advance payment is being collected from Distribution Licensees in terms of WRPC Deviation Settlement Mechanism bill as per methodology decided in the MSPC Sub-Committee held on 22 February, 2019, as and when a bill is raised by WRPC.

4.4.4.2 It has incurred Rs. 0.27 Crore in FY 2017-18 and Rs. 4.60 Crore in FY 2018-19 towards delay payment charges which BEST is not claiming as the same were not allowed by the Commission in the previous Orders for BEST.

4.4.4.3 The break-up of other charges relating to power purchase expenses for FY 2017-18 and FY 2018-19, is as given in the Table below:

Table 20: Break-up of 'other charges' in Power Purchase Expenses for FY 2017-18, as submitted by BEST

Other Charges	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
Bilateral Rebate	-	(4.64)	-	-	(3.38)	-
RPS Rebate	-	(2.57)	-	-	(4.09)	-
Delayed payment charges paid to TPC-G	-		-	-	-	-
Rebate of 1% on Transmission Charges	-	(2.46)	-	-	(2.46)	-
Rebate of 1% on monthly MSLDC Charges	-	(0.01)	-	-	(0.01)	-
Additional power procurement charges to RE generators as per Review Case No. 4 of 2017		1.51		-		-
Total	**-**	**(8.17)**	**-**	**-**	**(9.94)**	**-**

Table 21: Break-up of 'other charges' in Power Purchase Expenses for FY 2018-19, as submitted by BEST (Rs. Crore)

Other Charges	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)
O/c provision for Payment of FBSM Bills to be received for FY 2016-17	-	80.54	-	-	(37.64)	-

Other Charges	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)
Adjustment done by MSLDC of receivable amount from provisional FBSM Bills towards variable cost of FBSM pool of Rs. 187.97 Crores of FY 2017-18. (03-04-2017 to 24-09-2017)				-	24.22	-
Payment of charges to MSLDC UI Account for paying the weekly Deviation Settlement Mechanism bills issued by WRPC for FY 2018-19.				-	11.84	-
O/c provision for Standby support Energy availed from MSEDCL for FY 2016-17	-	0.90	-	-	-	-
Bilateral Rebate				-	(4.65)	-
RPS Rebate				-	(0.74)	-
Delayed payment Charges paid to TPC-G				-	-	-
Rebate 1% Trans. Ch. Excluding TDS Amt.				-	(2.32)	-
Rebate 1% Monthly SLDC. Ch. Amt.				-	(0.01)	-
Payment of Standby Energy purchase of FY 2016-17 (Jan-16 & Feb-16)				-	-	-
REC GST to PXIL (Prior Period)				-	3.28	-
Total	**-**	**81.44**	**-**	**-**	**(6.02)**	**-**

Commission's Analysis and Ruling

4.4.4.4 The Commission has noted the submissions of BEST. It is seen that the variation in the costs approved in the MTR Order for FY 2018-19 and the actuals is higher as compared to the variations observed in FY 2017-18. The Commission notes that at the time of MTR Order in Case No. 203 of 2017, the provision of Rs. 80.54 Crore was made based on the submissions of BEST against estimated payments towards FBSM bills for FY 2016-17. However, in the present submission, BEST has provided details of the actual payments made against the FBSM settlements for the FY 2016-17, FY 2017-18 and FY 2018-19 which is at variance with the previous estimates. Further, BEST has also received rebates against timely payments made for bilateral power purchase, RE power purchase, transmission charges and SLDC charges paid during the year. Additionally, BEST has also claimed the impact of

GST on REC purchase which was paid to PXIL for the past period for which the bills have been submitted by BEST and verified by the Commission. The Commission has also reconciled the claim with Audited Accounts of BEST for FY 2017-18 and FY 2018-19.

4.4.4.5 Accordingly, the Commission approves other charges of Rs. (9.94) Crore and Rs. (6.02) Crore for FY 2017-18 and FY 2018-19 respectively in line with BEST submission.

4.4.5 Power Purchase from Short-Term Sources and Imbalance Pool

BEST's Submission

4.4.5.1 BEST has procured bilateral power from various power Traders/ Generators, for FY 2017-18 & FY 2018-19 after inviting e-tender through Ministry of Power's (MoP) DEEP e-portal, in line with MoP guidelines for short term competitive bidding.

4.4.5.2 In the MTR Order, the Commission has approved quantum for pool imbalance as 567.88 MUs and the associated cost as Rs. 187.97 Crores for FY 2017-18. However, BEST has worked out actual balancing quantum of pool imbalance as 566.32 MUs. BEST has computed quantum of actual pool imbalance by deducting power purchase from all the remaining sources (TPC-G, RPS, External sources, etc.) from the total power purchase at G<>T interface, which is considered as actual pool imbalance quantum for FY 2017-18. Further, BEST stated that quantum of energy procured from Welspun Energy (Solar) increased by 1.56 MUs due to excess generation (from 31.50 MUs to 33.06 MUs); hence, the pool imbalance quantum which is a balancing figure is reduced accordingly by 1.56 MU.

4.4.5.3 BEST has submitted the break-up of summary of power purchase from short term sources and imbalance pool for FY 2017-18 and FY 2018-19 as shown in the given in the Table below.

Table 22: Summary of Power Purchase from Short-Term Sources & Imbalance Pool for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	FY 2017-18			FY 2018-19		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
Bilateral Power Purchase	568.30	186.42	3.28	660.18	284.15	4.30
Pool Imbalances	566.32	-	-	414.22	-	-
Stand by Energy Purchase	5.72	-	-	3.09	-	-
Total	**1,140.34**	**186.42**	**1.63**	**1,077.49**	**284.15**	**2.64**

Commission's Analysis and Ruling

4.4.5.4 On query from the Commission regarding the process adopted by BEST for procuring short term bilateral power, BEST submitted that it has procured bilateral power from various power traders/ Generators, for FY 2017-18 and FY 20018-19 after inviting e-tender through Ministry of Power's DEEP e-portal, in line with MoP guidelines for short term competitive bidding. BEST submitted that short term power is purchased on Round the Clock (RTC) basis as well as for particular identified time slots depending upon BEST's requirement to meet the demand. Power is also purchased through Power Exchange to meet shortfall, if any.

4.4.5.5 The Commission in MTR Order has allowed ceiling tariff of Rs. 3.52 / kWh and Rs. 3.59/ kWh for FY 2017-18 and FY 2018-19 respectively for purchase of short-term power . BEST has procured short-term power at weighted average rate of Rs. 3.28/ kWh and Rs. 4.30/ kwh for FY 2017-18 and FY 2018-19 respectively. The Commission noted that BEST has procured short-term power within ceiling tariff for FY 2017-18 and hence it was not necessary for them to approach the Commission for adoption of tariff and it is considered as deemed adopted tariff as per the Competitive Bidding Guidelines for procurement of short term power. However, considering higher rate discovered for FY 2018-19, BEST has approached the Commission in Case No. 5 of 2019 for increasing ceiling limit. The Commission vide its Order dated 13 February, 2019 has increased ceiling tariff to Rs. 4.50 /kWh. Accordingly, BEST has carried out short-term power procurement as per ceiling tariff for FY 2017-18 and FY 2018-19.

4.4.5.6 The Commission had also sought details of the pool imbalance account from BEST. BEST submitted that actual balancing quantum of pool imbalance is computed by deducting power purchase from all sources (TPC-G, RPS, External sources, etc.) from total power purchase at G<>T interface, which is considered as actual pool imbalance quantum. BEST has considered pool imbalance unit of 566.32 MU and 414.22 MU for FY 2017-18 and FY 2018-19 respectively. The Commission has adopted the same methodology to work out balancing quantum of pool imbalance. The Commission has considered the energy drawl at T<>D periphery as per MSLDC certificate for FY 2017-18 instead of the details provided by BEST. Based on the above, pool imbalance quantum works out to 543.09 MU and 414.61 MU for FY 2017-18 and FY 2018-19 respectively. As final settlement of FBSM is yet to be done and hence cost of imbalance pool units is not considered for approval in these years. BEST has provided details of the actual payment done against FBSM settlement in the FY 2019-20 which has been appropriately considered by the Commission in para 5.4.15 of this Order Similarly, the Commission has also considered provisional amount for such FBSM settlement in FY 2020-21 as mentioned in para 6.4.11.4 of this Order.

4.4.5.7 The Commission notes that the quantum of energy purchased through the imbalance pool continues to be significantly high at around 11% and 8% of the overall power purchase quantum for FY2017-18 and FY 2018-19 respectively. The Commission opines that the imbalance pool mechanism should not to be treated as a source of procuring power and is only meant for settling the deviations in the real time power interchange between various pool participants. Accordingly, BEST should plan its power procurement in a way that the purchases from the imbalance pool are minimised.

4.4.5.8 Considering the above, the cost of procurement from short term sources and through the imbalance pool as approved by the Commission is summarised in the Table below:

Table 23: Summary of Power Purchase from Short-Term Sources & Imbalance Pool for FY 2017-18, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Bilateral Power Purchase	568.30	186.42	3.28	568.30	186.42	3.28
Pool Imbalances	566.32	-	-	543.09	-	-
Stand By Energy Purchase	5.72	-	-	5.72	-	-
Total	**1,140.34**	**186.42**	**1.63**	**1,117.10**	**186.42**	**1.67**

Table 24: Summary of Power Purchase from Short-Term Sources & Imbalance Pool for FY 2018-19, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Bilateral Power Purchase	660.18	284.15	4.30	660.18	284.15	4.30
Pool Imbalances	414.22	-	-	414.61	-	-
Stand By Energy Purchase	3.09	-	-	3.09	-	-
Total	**1,077.49**	**284.15**	**2.64**	**1,077.88**	**284.15**	**2.64**

4.4.6 The variation in the average rate of power purchase in FY 2017-18 and FY 2018-19 is primarily on account of the following reasons:

- The average rate of bilateral (short term) power purchase is lower in FY 2017-18 as compared to FY 2018-19;
- The overall quantum of power sourced from Imbalance Pool and Stand-by arrangement is also higher in FY 2017-18 as compared to that procured in FY 2018-19.

4.4.7 The above mentioned factors have resulted in the average rate of power purchase to be lower in FY 2017-18 as compared to FY 2018-19. Further, non-consideration of the cost against power sourced through the imbalance pool, as the same has not been actually paid by BEST, has also led to the overall average rate of power purchase in FY 2017-18 and FY 2018-19 appearing to be significantly lower than the rate of power purchase from bilateral sources. Accordingly, if an average rate of Rs. 2.86/kWh for power procured through imbalance pool is considered against the imbalance pool units in FY 2017-18 and FY 2018-19, the average rate of power purchase works out to Rs. 3.06/kWh and Rs. 3.74/kWh for these years respectively. The variation in these rates is only on account in the variation of the bilateral power purchase cost which has increased from Rs. 3.28/kWh in FY 2017-18 to Rs. 4.30/kWh in FY 2018-19.

4.4.8 **Commission approves the cost of power purchased from Short-Term Sources and through the Imbalance Pool of Rs. 186.42 Crore and Rs. 284.15 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.4.9 **Standby charges:**

BEST's Submission

4.4.9.1 BEST has paid Rs. 105.72 Crore as Stand-by charges to MSEDCL in line with the previous MTR Order for FY 2017-18 and Rs. 103.31 Crore, as against Rs.102.96 Crore approved in the previous MTR Order for FY 2018-19.

Commission's Analysis and Ruling

4.4.10 The total Stand-by Charges of Rs. 396.00 Crore payable to MSEDCL are recovered from distribution Licensees availing the stand-by facility. In FY 2017-18, these charges were recoverable for 3 distribution Licensees viz. TPC-D, AEML-D and BEST and in FY 2018-19 Indian Railways was also included for the purpose of sharing of these charges. The charges are allocated between these Licensees in the ratio of their Base Transmission Capacity Rights (TCR) in the overall TCR.

4.4.11 The Commission had approved a monthly Stand-by Charges of Rs. 8.81 Crore per month for FY 2017-18 in the MSEDCL's MYT Order in Case No. 48 of 2016 and accordingly, the annual charges payable for FY 2017-18 are Rs. 105.72 Crores.

4.4.12 In case of FY 2018-19, the MSEDCL's MTR Order in Case No. 195 of 2017 was issued on 12 September, 2018 and accordingly, the amount of stand-by charges (Rs. 8.65 Crore per month) as approved by the Commission in MSEDCL's MYT Order in Case No. 48 of 2016 was applicable for a period of 5 months and the charges approved in MSEDCL's MTR Order in Case No. 195 of 2017 (Rs. 8.58 Crore per month) was applicable for 7 months. Accordingly, the charges payable works out to Rs. 103.31 Crores in FY 2018-19.

4.4.13 Based on the above and the information available in the audited accounts, the Commission has accepted BEST's submissions in this regard and has approved the actual Stand-by Charges of Rs.105.72 Crore and Rs. 103.31 Crore on Truing up for FY 2017-18 and FY 2018-19, respectively. This is in accordance with the relevant Orders in respect of MSEDCL.

4.4.14 Transmission Charges and MSLDC Charges:

BEST's Submission

4.4.14.1 BEST has submitted that the Transmission charges and MSLDC charges of Rs. 248.28 Crore and Rs.0.80 Crore respectively for FY 2017-18 and Rs. 231.75 Crore and Rs. 0.73 Crore, respectively for FY2018-19.

Commission's Analysis and Ruling

4.4.14.2 **The Commission has approved the Transmission Charges and MSLDC Charges based on the information available in the Audited Accounts and relevant Orders issued by the Commission. Accordingly, the actual Transmission Charges and MSLDC charges approved by the Commission are Rs. 248.28 Crore and Rs. 0.80 Crore respectively for FY 2017-18 and Rs. 231.75 Crore and Rs. 0.73 Crore respectively for FY 2018-19.**

4.4.15 Summary of Power Purchase

BEST's Submission

4.4.15.1 BEST has submitted the summary of Power Purchase Expenses for FY 2017-18 and FY 2018-19 as shown in Table below:

Table 25: Summary of Power Purchase Expenses for FY 2017-18, as submitted by BEST (Rs. Crore)

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
Long term/ Medium term Sources						
TPC-G	3,625.43	1577.42	4.35	3,625.43	1,577.42	4.35
Welspun Energy Maharashtra	31.50	26.96	8.56	33.06	27.85	8.43
Spark Green Energy Ahmednagar	-	-	-	-	-	-
Spark Green Energy Satara Ltd.	-	-	-	-	-	-
Short term Sources						
Bilateral Power Purchase	568.30	186.10	3.27	568.30	186.42	3.28
REC Procurement-Solar	-	6.83	-	-	-	
REC Procurement-Non-Solar	-	57.63	-	-	58.19	-
Short Term Non Solar Purchase	190.61	123.16	6.46	190.61	123.25	6.47
Short Term Mini Micro	0.42	0.24	5.74	0.42	0.24	5.78

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./ kWh)
Hydro Purchase						
Pool Imbalances	567.88	187.97	3.31	566.32	-	-
Stand by Energy Purchase	5.72	2.35	4.11	5.72	-	-
Other Charges						
Stand-by Charges	-	105.72	-	-	105.72	-
Bilateral Rebate	-	(4.64)	-	-	(3.38)	-
RPS Rebate	-	(2.57)	-	-	(4.09)	-
Delayed payment charges paid to TPC-G	-		-	-	-	-
Rebate of 1% on Transmission Charges	-	(2.46)	-	-	(2.46)	-
Rebate of 1% on monthly MSLDC Charges	-	(0.01)	-	-	(0.01)	-
Additional power procurement charges to RE generators as per Review Case No. 4 of 2017		1.51		-		-
Transmission charges		248.24			248.28	
MSLDC Charges		0.80			0.80	
Total	**4,989.85**	**2,515.24**	**5.04**	**4,989.85**	**2,318.23**	**4.65**

Table 26: Summary of Power Purchase Expenses for FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)
Long term / Medium term Sources						
TPC-G	3,521.45	1,530.85	4.35	3,745.67	1,624.43	4.34
TPC-G Past Revenue Gap/(Surplus)	-	(95.15)	-	-	(95.15)	-
Welspun Energy Maharashtra	31.50	26.96	8.56	32.40	26.96	8.32
Short term Sources						
Bilateral Power Purchase	917.14	329.25	3.59	660.18	284.15	4.30
REC Procurement-Solar	110.03*	38.79	3.53	-	22.04	-
REC Procurement-Non-Solar	564.95*	192.72	3.41	-	64.23	-

Particulars	MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs. / kWh)
REC GST				-	(0.63)	-
Short Term Non Solar Purchase	-	-	-	68.22	48.11	-
Pool Imbalances	-	-	-	414.22	-	-
Stand by Energy Purchase	-	-	-	3.09	-	-
Other Charges	-	-	-			
Stand-by Charges	-	102.96	-	-	103.31	-
O/c provision for Payment of FBSM Bills to be received for FY 2016-17	-	80.54	-	-	(37.64)	-
MSLDC Adjustment done by MSLDC of receivable amount from provisional FBSM Bills towards variable cost of FBSM pool of Rs. 187.97 Crores of FY 2017-18. (03-04-2017 to 24-09-2017)				-	24.22	-
MSLDC Payment of charges to MSLDC UI Account for paying the weekly Deviation Settlement Mechanism bills issued by WRPC for FY 2018-19.				-	11.84	-
O/c provision for Standby support Energy availed from MSEDCL for FY 2016-17	-	0.90	-	-	-	-
Bilateral Rebate				-	(4.65)	-
RPS Rebate				-	(0.74)	-
Delayed payment Charges paid to TPC-G				-	-	-
Rebate 1% Trans. Ch. Excluding TDS Amt.				-	(2.32)	-
Rebate 1% Monthly SLDC. Ch. Amt.				-	(0.01)	-
Payment of Standby Energy purchase of FY 2016-17 (Jan-16 & Feb-16)				-	-	-
REC GST to PXIL (Prior Period)				-	3.28	-
Transmission charges		204.03			231.75	
MSLDC Charges		0.67			0.73	
Total	**5,145.07**	**2,412.52**	**4.69**	**49,23.79**	**2,303.91**	**4.68**

* RE Energy approved by the Commission in MTR Order in Case No. 203 of 2017

Commission's Analysis and Ruling

4.4.15.2 The summary of power purchase quantum and expenses, including Stand-by Charges and Transmission Charges as approved by the Commission for FY 2017-18 and FY 2018-19 after final Truing up, is given in the following Table:

Table 27: Summary of Power Purchase Expenses for FY 2017-18, as approved by the Commission (Rs. Crore)

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Long term / Medium term Sources						
TPC-G	3,625.43	1,577.42	4.35	3,625.43	1,577.42	4.35
Welspun Energy Maharashtra	33.06	27.85	8.43	33.06	27.85	8.43
Spark Green Energy Ahmednagar	-	-	-	-	-	
Spark Green Energy Satara Ltd.	-	-	-	-	-	
Short term Sources						
Bilateral Power Purchase	568.30	186.42	3.28	568.30	186.42	3.28
REC Procurement-Solar	-	-	-	-	-	
REC Procurement-Non-	-	58.19	-	-	58.19	
Short Term Non-Solar Purchase	190.61	123.25	6.47	190.61	123.25	6.47
Short Term Mini Micro Hydro Purchase	0.42	0.24	5.78	0.42	0.24	5.78
Pool Imbalances	566.32	-	-	543.09	-	-
Stand by Energy Purchase	5.72	-	-	5.72	-	-
Other Charges						
Stand-by Charges	-	105.72	-		105.72	
Bilateral Rebate	-	(3.38)	-		(3.38)	
RPS Rebate	-	(4.09)	-		(4.09)	
Rebate of 1% on Trans. Charges	-	(2.46)	-		(2.46)	
Rebate of 1% on monthly MSLDC Charges	-	(0.01)	-		(0.01)	
Additional power procurement charges to RE generators as per Review Case No. 4 of 2017		-				
Transmission charges		248.28			248.28	
MSLDC Charges		0.80			0.80	
Total	**4,989.85**	**2,318.23**	**4.65**	**4,966.61**	**2,318.23**	**4.67**

Table 28: Summary of Power Purchase Expenses for FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Long term / Medium term Sources						
TPC-G	3,745.67	1,624.43	4.34	3,745.67	1,624.43	4.34
TPC-G Past Revenue Gap/(Surplus)	-	(95.15)	-	-	(95.15)	
Welspun Energy Maharashtra	32.40	26.96	8.32	32.40	26.96	8.32
Short term Sources						
Bilateral Power Purchase	660.18	284.15	4.30	660.18	284.15	4.30
REC Procurement-Solar	-	22.04	-	-	22.04	
REC Procurement-Non-	-	64.23	-	-	64.23	
REC GST	-	(0.63)	-	-	(0.63)	
Short Term Non-Solar Purchase	68.22	48.11	7.05	68.22	48.11	7.05
Pool Imbalances	414.22	-	-	414.61	-	
Stand by Energy Purchase	3.09	-	-	3.09	-	
Other Charges						
Stand-by Charges	-	103.31	-		103.31	
O/c provision for Payment of FBSM Bills to be received for FY 2016-17	-	(37.64)	-		(37.64)	
Adjustment done by MSLDC of receivable amount from provisional Bills towards variable cost of FBSM pool of Rs. 187.97 Crores of FY 2017-18 (03-04-2017 to 24-09-2017)	-	24.22	-		24.22	
Payment of charges to MSLDC UI Account for paying the weekly DSM bills issued by WRPC for FY 2018-19	-	11.84	-		11.84	
Bilateral Rebate	-	(4.65)	-		(4.65)	
RPS Rebate	-	(0.74)	-		(0.74)	
Rebate 1% Trans. Ch. Excluding TDS Amt.	-	(2.32)	-		(2.32)	
Rebate 1% Monthly SLDC. Ch. Amt.	-	(0.01)	-		(0.01)	
REC GST to PXIL (Prior Period)	-	3.28	-		3.28	
Transmission charges		231.75			231.75	
MSLDC Charges		0.73			0.73	
Total	**4,923.79**	**2,303.91**	**4.68**	**4,924.18**	**2,303.91**	**4.68**

4.4.15.3 **The Commission approves total power purchase cost of Rs. 2,318.23 Crore and Rs. 2,303.91 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.5 Operation and Maintenance Expenses

BEST's Submission

4.5.1 Compared to the approved O&M expenses, BEST has incurred lower expenses than the approved expenses in the MTR Order for the FY 2017-18 and FY 2018-19. BEST has incurred Rs. 57.67 Crores and Rs 81.5 Crore lesser amount for O&M expenses in FY 2017-18 and FY 2018-19 respectively. The actual O&M expense of BEST vis-à-vis approved O&M in the MTR Order are shown in the Table below:

Table 29: O&M Expenses for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Employee Expenses	552.49	329.12	580.43	324.14
R&M Expenses		57.61		65.99
A&G Expenses		108.09		108.80
Total O&M Expenses	**552.49**	**494.82**	**580.43**	**498.93**

4.5.2 BEST has computed Normative O&M expense of FY 2017-18 by applying escalation factor of 5.05% on normative O&M expense of FY 2015-16. Normative O&M expense of FY 2015-16 is computed as per MYT Regulations, 2011 according to which normative O&M expense depends upon GFA, Sales and number of consumers.

4.5.3 O&M expense for FY 2015-16 is computed with reduced GFA due to consideration of IDC reversal as transfer of assets by the Commission. As per BEST, the O&M expense for FY 2015-16 should be Rs. 411.07 Crore instead of approved Rs. 410.60 Crore. Accordingly, normative O&M expense for FY 2017-18 is computed in the Table below.

Table 30: Normative operation and maintenance expenses, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
O&M expenses for FY 2015-16 (Revised Normative)	410.60	411.29
Total efficiency losses	109.99	109.30
Efficiency losses shared by consumers	36.66	36.43
O&M expense for FY 2015-16 after sharing of efficiency losses	447.26	447.73
Impact of wage agreement for FY 2015-16	53.33	53.33
Estimated final trued-up O&M expenses for FY 2015-16 after sharing of efficiency loss	500.59	501.06
Normative O&M expense of FY 2016-17 after applying escalation factor	525.90	526.39
Normative O&M expense of FY 2017-18 after applying	552.49	544.72*

Particulars	MTR Order	MYT Petition
escalation factor		
Normative O&M expense of FY 2018-19 after applying escalation factor	580.43	560.16*
*Escalation factor of 3.48% and 2.83% p.a. for FY 2017-18 and FY 2018-19 respectively		

4.5.4 **Employee Expenses:**

4.5.4.1 BEST has submitted the details of actual employee expense as per audited accounts for FY 2017-18 and provisional accounts of FY 2018-19 as given in Table below

Table 31: Employee Expenses for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Basic Salary	117.90	102.95
Dearness Allowance (DA)	141.73	127.32
House Rent Allowance	26.75	25.57
Conveyance Allowance	1.04	0.97
Leave Travel Allowance	3.20	3.29
Earned Leave Encashment	6.25	0.49
Medical Reimbursement	4.43	4.14
Overtime Payment	6.85	11.21
Interim Relief / Wage Revision	0.05	-
Provident Fund Contribution	31.22	30.37
Gratuity Payment	39.78	40.86
Functional Allowance as per Agreement	8.09	8.36
Gross Employee Expenses	**387.29**	**355.53**
Less: Expenses Capitalised	58.17	31.39
Net Employee Expenses	**329.12**	**324.14**

4.5.5 BEST has submitted that it has improved utilization of its human resources while simultaneously ensuring that quality and performance is maintained. As a result, BEST did not have to fill up all the posts vacant due to superannuation. This has resulted in reduction of salary & dearness allowance.

4.5.6 **Administration & General Expenses:**

4.5.6.1 BEST has submitted actual A&G expense as per Audited Accounts of FY 2017-18 and provisional accounts of FY 2018-19. BEST has submitted that it has incurred actual A&G expenses of Rs. 108.09 Crore and Rs. 108.80 Crore for FY 2017-18 and FY 2018-19 respectively as detailed in Table below.

Table 32: A&G Expenses for FY 2017-18 and FY 2018-19 as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2018-19	
			YoY Increase (Actual)	YoY rate (%)
Rent Rates & Taxes	6.41	6.43	0.02	0%
Insurance	0.36	1.45	1.09	303%
Telephone & Postage, etc.	5.40	4.87	(0.53)	(10%)
Legal charges & Audit fee	0.67	0.98	0.31	46%
Professional, Consultancy, Technical fee	0.59	0.33	(0.26)	(44%)
Electricity charges	5.07	5.14	0.07	1%
Security arrangements	11.86	12.20	0.34	3%
Printing & stationary	1.69	1.51	(0.18)	(11%)
Advertisements	1.27	2.18	0.91	72%
License Fee and other related fee	1.02	0.91	(0.11)	(11%)
Vehicle Running Expenses Truck / Delivery Van	6.67	6.88	0.21	3%
Bank Charges	1.08	2.03	0.95	88%
Miscellaneous Expenses	8.90	8.39	(0.51)	(6%)
Share of General Administration Expenses	57.10	55.50	(1.60)	(3%)
Gross A&G Expenses	**108.09**	**108.80**	**0.71**	**1%**
Less: Expenses Capitalised	-	-	-	0%
Net A&G Expenses	**108.09**	**108.80**	**0.71**	**1%**

4.5.6.2 BEST has submitted the breakup of other miscellaneous expenses for FY 2017-18 and FY 2018-19 as shown in the Table below:

Table 33: Break-up of other costs for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Clothing	0.60	0.57
Accident compensation to staff	0.01	0.02
Consumer advisory services	0.01	-
Miscellaneous and general expenses	8.84	8.46
Motor vehicle and third-party insurance fund	0.01	-
Free issue of petrol to Officers	0.62	0.63
Provision for obsolescence of stores	0.04	0.04
TOTAL	**10.13**	**9.72**
(less) other cost	(1.23)	(1.33)
Total	**8.90**	**8.39**

4.5.6.3 BEST has considered the allocation of general administration expenses between Electric Supply & Transport Division based on the number of employees deployed in respective division. The percentage of allocation considered for FY 2017-18 and FY 2018-19 for General Administration departments is given in Table below:

Table 34: Allocation of General Administration expenses between Electric Supply and Transport for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	FY 2017-18		FY 2018-19	
	Transport	Supply	Transport	Supply
Security & Vigilance	68%	32%	69%	31%
Civil Engineering Department	55%	45%	55%	45%
Time keeping, Personnel, Welfare, Medical etc.	81%	19%	80%	20%
EDP Department	50%	50%	45%	55%
Legal, Audit, Account, Cash, Secretarial, PRO etc.	50%	50%	50%	50%

4.5.6.4 The details of allocation of General Administration to Electric Supply Division for FY 2017-18 and FY 2018-19 as submitted by BEST are provided in the Table below:

Table 35: Allocation of General Administration expenses to Supply Division for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Establishment cost	42.93	41.79
Administration and General Expense	13.81	13.41
Repair and Maintenance work	6.22	6.75
Other cost including depreciation	6.00	5.75
Sub-total	**68.96**	**67.7**
(less) Security expense	11.86	12.2
Net Share of General Administration	**57.1**	**55.5**

4.5.7 Repair &Maintenance Expenses:

4.5.7.1 The details of actual expense incurred by BEST in FY 2017-18 and FY 2018-19 are shown below:

4.5.7.2 BEST has submitted that increase in R&M expenses in FY 2017-18 is primarily due to increase of Rs. 4.20 Crores in civil works and Rs. 4.21 Crores in lines and cable network. Similarly, increase in R & M expenses in FY 2018-19 vis-à-vis FY 2017-18 is primarily due to increase of Rs. 4.14 Crores in civil works, Rs. 3.18 Crore in Lines & cable network and Rs. 1.36 Crore in Meter & Equipment.

Table 36: Head wise detail of R&M Expenses for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Plant & Machinery	7.07	5.75
Buildings	0.01	-
Civil Works	27.50	31.64
Hydraulic Works	-	-
Lines & Cable Networks	17.85	21.03
Vehicles	-	-
Furniture & Fixtures	0.14	0.25
Office Equipment	2.11	3.03
Meter & Equipment	2.93	4.29
Gross R&M Expenses	**57.61**	**65.99**
Less: R&M Expenses Capitalised	-	-
Net R&M Expenses	**57.61**	**65.99**

Commission's Analysis and Ruling

4.5.8 In the MTR Order, the Commission had approved normative O&M Expenses for FY 2016-17 in accordance with the provisions of the MYT Regulations, 2015 and its amendments.

4.5.9 **Calculation of Escalation Factor:** The Commission had notified the MYT (First Amendment) Regulations, 2017 on 29 November, 2017 outlining certain changes to the methodology for computation of normative O&M expenses.

4.5.10 The Commission observed that BEST in its calculation of escalation rate for O&M expenses considered WPI and CPI data series of 2011-12. The Commission in its approval of O&M expenses during MYT Order in Case No. 33 of 2016 had considered 2004-05 data series which was prevailing at that time. The Commission has also observed that 2004-05 data series is now not publishing WPI data. The Commission is of the view that principles set or methodology adopted during MYT Period should not be changed during the same Control Period. Hence, the Commission has used 2004-05 data series for working out escalation rate for O&M expenses. To overcome the issue of non-availability of WPI data for FY 2017-18 and FY 2018-19, the Commission has applied escalation rate of 2011-12 data series on FY 2016-17 WPI numbers of 2004-05 data series. Accordingly, as per MYT (First Amendment) Regulations, 2017, the escalation factor for O&M Expenses on FY 2017-18 and FY 2018-19 is based on the inflation factor considering 30% and 70% weightage for actual point to point WPI and CPI, respectively, in the previous years, reduced by an efficiency factor of 1%. For calculation of inflation factor, data for FY 2012-13 to FY 2018-19 (seven years data) has been considered based on which five data points of % annual change in WPI and CPI were taken.

4.5.11 The Commission analysed WPI and CPI data up to FY 2018-19. By applying 30% and 70% weightage to WPI and CPI respectively for FY 2017-18 and FY 2018-19, the inflation rate works out to 4.76% and 4.07%. For calculating the O&M expenses for FY 2017-18 and FY 2018-19, the Commission has applied the efficiency factor of 1% to the inflation rate of 4.76% and 4.07% to arrive at the escalation factor of 3.76% and 3.07%. The calculation of escalation factor is given in Table below:

Table 37: Escalation factor for O&M Expenses for FY 2017-18 and FY 2018-19, as approved by the Commission

Year	Annual WPI	Percentage annual change in WPI	Annual CPI	Percentage annual change in CPI
FY 2012-13	167.62		215.17	
FY 2013-14	177.64	5.98%	236.00	9.68%
FY 2014-15	181.19	2.00%	250.83	6.29%
FY 2015-16	176.68	-2.49%	265.00	5.65%
FY 2016-17	183.20	3.69%	275.92	4.12%
FY 2017-18	188.55	2.92%	284.42	3.08%
FY 2018-19	196.62	4.28%	299.92	5.45%
FY 2017-18				
Average WPI		2.42%	Average CPI	5.76%
			30% of WPI + 70% of CPI	4.76%
			Less: Efficiency Factor	1.00%
			Escalation factor as per MYT Regulations, 2015 and amendments	**3.76%**
FY 2018-19				
Average WPI		2.08%	Average CPI	4.92%
			30% of WPI + 70% of CPI	4.07%
			Less: Efficiency Factor	1.00%
			Escalation factor as per MYT Regulations, 2015 and amendments	**3.07%**

4.5.12 The Commission has computed the normative O&M Expenses for FY 2017-18 and FY 2018-19 by applying an escalation factor of 3.76% and 3.07%% respectively.

4.5.13 As per the provisions of the MYT Regulations, 2015, the MYT (First Amendment) Regulations, 2017 and above escalation factor, the Commission has approved the revised normative O&M expenses. As discussed in section 3 of this Order, the Commission has not considered the request of BEST to rework the ARR of past period due to reversal of excess IDC booked in FY 2012-13 and FY 2013-14 and hence normative O&M expenses for FY 2016-17 remains same as approved in the MTR Order in Case No. 203 of 2017. The approved revised normative O&M expenses are shown in the Table below:

Table 38: Normative O&M Expenses for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particular	Total
Normative O&M expenses of FY 2016-17 after applying escalation factor	525.90
Escalation factor for FY 2017-18	3.76%
Normative O&M expenses of FY 2017-18 after applying escalation	**545.67**
Escalation factor for FY 2018-19	3.07%
Normative O&M expenses of FY 2018-19 after applying escalation	**562.40**

4.5.14 Accordingly, the Commission has approved the normative O&M expenses for FY 2017-18 and FY 2018-19 as given in the following Table:

Table 39: Normative O&M Expenses for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
O&M Expenses	552.49	544.72	545.67	580.43	560.16	562.40

4.5.15 The Commission has also noted the submissions of BEST with regards to the actual O&M expenses incurred during the FY 2017-18 and FY 2018-19. The Commission has noted the reduction in employee cost of FY 2017-18 as compared to FY 2016-17 which is due to improved utilisation of human resources as submitted by BEST. To observe improvement in efficiency of BEST, the Commission has worked out ratio of O&M Cost per kWh. O&M Cost per kWh for last four audited years is as under:

Table 40: Actual O&M Expenses / kWh for FY 2015-16 to FY 2018-19

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Actual O&M Expenses (Rs. Crore)	573.92	533.14	494.82	498.93
Sales (MU)	4576.6	4402.96	4544.19	4572.01
O&M Cost per unit (Rs. /kWh)	1.25	1.21	1.09	1.09

4.5.16 The Commission has noted the improvement in O&M Cost in FY 2017-18 and FY 2018-19 in comparison to FY 2015-16 and FY 2016-17. The Commission has verified the same from audited annual accounts of FY 2017-18 and FY 2018-19 and approves the O&M expenses same as sought by BEST.

4.5.17 The Commission has also undertaken sharing of efficiency losses/gains arising from the difference between the actual and the normative O&M expenses as approved above, considering the O&M expenses as controllable, in accordance with the MYT Regulations, 2015, the same is discussed subsequently in this Order.

4.6 Capital Expenditure and Capitalisation

BEST's Submission

4.6.1 BEST has submitted that the Commission has approved capital expenditure of Rs. 94.97 Crore for FY 2017-18 and Rs. 201.42 Crore for FY 2018-19 in MTR Order in Case No. 203 of 2017 which included expenditure towards unplanned capital expenditure. BEST has incurred total capital expenditure of Rs. 92.79 Crore in FY 2017-18 and Rs. 207.05 Crore in FY 2018-19.

4.6.2 BEST has to incur capital expenditure for creating sufficient redundancy in the network to give reliable and quality power to consumers, for meeting universal supply obligation and future demand in the area of supply and also for introducing IT/Automation to give better service and meet the standard of performance obligations as stipulated in Regulations by the Commission. BEST has also provided justification for lower capitalization in eight schemes during FY 2018-19.

Table 41: Break-up of capital expenditure for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Capital Expenditure	94.97	92.79	201.42	207.05
Capitalisation	94.97	94.97	201.42	194.49
IDC	-	-	-	5.24
Capitalisation + IDC	**94.97**	**94.97**	**201.42**	**199.73**

Commission's Analysis and Ruling

4.6.3 The Commission has examined the actual capitalisation claimed for FY 2017-18 and FY 2018-19 against the capital expenditure schemes approved in principle. BEST has claimed capitalization including IDC of Rs. 94.97 Crore and Rs. 199.73 Crore for FY 2017-18 and FY 2018-19 respectively which pertains to the following DPR schemes:

- Existing RSS (Rs. 8.30 Crore & Rs. 4.72 Crore)
- New DSS and augmentation and alteration to existing DSS (Rs. 33.90 Crore & Rs. 48.08 Crore)
- Extension of distribution network (Rs. 34.09 Crore & Rs. 59.70 Crore)
- IPDS (Rs. 0.00 Crore & Rs. 24.27 Crore)
- Energy meters (Rs. 9.91 Crore & Rs. 12.28 Crore).

4.6.4 Capitalization of non-DPR schemes has been proposed as Rs. 6.85 Crore and Rs. 45.38 Crore for FY 2017-18 and FY 2018-19 respectively.

4.6.5 The Commission has noted the submissions of BEST regarding lower capitalisation of various schemes. Further, the Commission observed cost overrun in the following schemes:

- **Revamping of Existing RSS:** Approved DPR Cost for revamping of existing RSS is Rs 29.27 Crore. BEST has claimed cumulative capitalization up to FY 2018-19 of Rs. 30.20 Crore. The Cost Overrun is primarily due to higher cost paid on Reinstatement charges. Cable laying rates considered in DPR are based on FY 2012-13 circular of MCGM. MCGM has since revised the RI charges in the year 2015 and the actual work on the scheme commenced in FY 2016-17. Hence, higher cost was incurred on RI Charges. The Commission considers the explanation and allows excess capitalization of Rs 0.18 Cr for FY 2017-18.
- **Energy Meters:** Approved DPR Cost for Energy Meters is Rs 18.05 Crore. BEST has claimed cumulative capitalization up to FY 2017-18 of Rs 19.40 Crore. BEST in its reply stated that it has replaced 78,560 number of single phase electro-mechanical meters by electrostatic meters against 61,341 number of meters approved in the DPR. BEST has also replaced 28,394 number of poly phase electromechanical meters by electrostatic meters as against 16,089 number of meters approved in DPR. Considering the above submissions, the Commission approves the excess capitalization claimed by BEST as it will only benefit BEST for accurate measurement of energy utilized as per CEA metering regulations dated 17 March, 2006.

4.6.6 The Commission has also analysed the part capitalization claimed by BEST for various schemes. The Commission observed that Rs. 3.28 Crore capitalization claimed for FY 2018-19 for new receiving stations pertains to civil work for construction of RSS building at M.G.M Hospital (Rs. 1.85 Crore), Dosti Acres (Rs. 0.42 Crore) and 33 kV cable laying for Sai Sunder RSS Scheme (Rs. 1.01 Crore). Capitalization claimed by BEST is related to civil work which cannot be put to use in isolation. The Commission approves the capital expenditure incurred by BEST, however, the capitalization of Rs. 3.28 Crore is not considered in FY 2018-19 and shifted to FY 2019-20 or thereafter when the same will be put to use along with capitalization of other assets.

4.6.7 BEST has submitted that, it books IDC in Accounting Statement only after IDC is approved by the Commission in accordance with decision taken by the BEST Committee and the IDC is booked in the year for which the accounts are being finalised and not in the year to which it pertains to. For FY 2018-19, BEST has submitted IDC of Rs. 5.24 Crore. On further scrutiny, it is observed that BEST has calculated IDC for the schemes funded through grant. BEST in its reply to data gaps, has admitted that IDC of Rs. 5.24 Crore was wrongly calculated and revised calculation of IDC is submitted by BEST which works out to Rs. 0.31 Crore.

4.6.8 As per standard methodology adopted by the Licencees, IDC is calculated for assets capitalized for financial year and capitalized in Annual Accounts of the same financial year and claimed in Truing-up Petition. However, BEST has been adopting a different method, wherein asset is capitalised in the year in which it is commissioned, but IDC on such asset is capitalised subsequently on approval of the same in ARR by the Commission. This approach is inconsistent with the standard approach adopted by various Licensees in line with prudent accounting principles. **In view of the above, the Commission directs BEST to adopt practise similar to other Licensees and capitalize IDC in the same year in which asset is capitalized from FY 2019-20 onwards and book it in its Audited Annual Accounts for the year.**

4.6.9 The capitalisation towards DPR schemes approved in principle by the Commission has been accepted, as the work executed is in accordance with the approved Scope of Work. The capitalisation against non-DPR schemes has also been accepted, being within the limit (of 20% of approved DPR schemes) as per the provisions of the MYT Regulations, 2015.

4.6.10 Accordingly, for the truing-up of FY 2017-18 and FY 2018-19, the Commission has approved capitalisation including IDC of Rs. 94.97 Crore and Rs. 191.52 Crore, respectively as shown in the following Table:

Table 42: Capitalisation in FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Capitalisation including IDC	94.97	94.97	94.97	201.42	199.73	191.52

4.6.11 **The Commission approves `Capitalisation including IDC of Rs. 94.97 Crore and Rs. 191.52 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.7 Funding of Capitalization

BEST's Submission

4.7.1 BEST submitted that it has claimed capitalisation of Rs. 94.97 Crore and Rs. 199.73 Crore for FY 2017-18 and FY 2018-19. The Financing Plan linked to the Capital Expenditure Plan is prepared based on the existing approved funding and the limitations in terms of infusion of equity or internal accrual. The details of the funding of the capitalisation as provided by BEST are given in the Table below.

Table 43: Details of funding of Capitalisation for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Capital Connection Fee	12.12	10.69
Grants	2.33	56.50
Loan	56.36	92.78
Internal Source	24.16	39.76
Total of Capitalisation including IDC	**94.97**	**199.73**

Commission's Analysis and Ruling

4.7.2 The Commission has noted the submission of BEST. The Commission has approved capitalization of Rs. 94.97 Crore and Rs. 191.52 Crore for FY 2017-18 and FY 2018-19 respectively. The Commission has verified the funding available from the consumer contribution and grants from the audited accounts for FY 2017-18 and FY 2018-19. The remaining funding has been done through loans and equity infusion by BEST. Accordingly, for funding of capitalization, the Commission has considered the normative debt: equity ratio of 70:30 in accordance with Regulation 30, after deducting the capital connection fee of Rs.12.12 Crore & Rs. 10.69 Crore and Grant of Rs. 2.33 Crore and Rs. 56.50 Crore for FY 2017-18 and FY 2018-19 respectively.

4.7.3 Accordingly, the sources of capitalisation considered by the Commission for truing-up of FY 2017-18 and FY 2018-19 are as shown in Table:

Table 44: Details of funding of Capitalisation for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Capitalization	94.97	94.97	94.97	201.42	199.73	191.52
Consumer Contribution	10.06	12.12	12.12	10.06	10.69	10.69
Grants	0	2.33	2.33	0	56.50	56.50
Loan	59.44	56.36	56.36	133.95	92.78	87.0
Equity	25.47	24.16	24.16	57.41	39.76	37.30

4.7.4 **The Commission approves the funding of the Capitalisation considering Rs. 12.12 Crore & 10.69 Crore of Consumer Contribution, Rs. 2.33 Crore & Rs. 56.50 Crore of grants, Rs. 56.36 Crore & Rs. 87.30 Crore of loans and Rs. 24.16 Crore & Rs. 37.30 Crore of equity for FY 2017-18 and FY 2018-19, respectively.**

4.8 Depreciation

BEST's Submission

4.8.1 BEST has submitted Rs. 2,402.07 Crore and Rs. 2,459.35 Crore as the opening GFA for FY 2017-18 and FY 2018-19 respectively. This is as per the schedule of fixed assets given in audited proforma accounts of FY 2017-18 and as per the provisional accounts for FY 2018-19 for the electricity supply division.

4.8.2 BEST has submitted that it has not considered depreciation for the assets funded through grants. BEST has computed the average rate of depreciation considering such depreciation which excludes assets funded through Grants. However, such assets funded by Grants are included in the GFA.

4.8.3 BEST has submitted depreciation expense of Rs. 105.78 Crore in FY 2017-18 using audited accounts of FY 2017-18 and Rs. 103.37 Crores in FY 2018-19 as shown in provisional accounts of FY 2018-19. BEST has calculated depreciation using depreciation rate of 4.35% and 4.07% for FY 2017-18 and FY 2018-19. Depreciation rate is arrived by dividing depreciation as per audited accounts by average of opening and closing GFA as per accounts. Average depreciation rate is applied on average of opening GFA and closing GFA submitted by BEST for approval of Commission.

4.8.4 BEST has recomputed the closing GFA of FY 2016-17 after reversing effect of considering extra IDC booked as transfer of assets. BEST has considered closing GFA of FY 2016-17 as arrived above as opening GFA of 2017-18. Similar approach is adopted for computation of depreciation for FY 2018-19.

4.8.5 Following Table summarizes depreciation calculation for truing-up of FY 2017-18 and FY 2018-19 as given below:

Table 45: Depreciation for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18 MYT Petition	FY 2018-19 MYT Petition
Calculation of average GFA		
Opening GFA after adjusting consumer contribution	2,405.37	2,461.55
Capitalisation with IDC during FY 2015-16	94.98	199.73
Retirement of assets	38.79	39.51
Closing GFA	2,461.56	2,621.77
Average GFA (A)	2,433.46	2,541.66
Calculation of Average Depreciation Rate		
Opening GFA (as per accounts)	2,402.06	2,459.35
Closing GFA (as per accounts)	2,459.35	2,614.34
Average GFA (as per accounts)	2,430.71	2,536.85
Depreciation (as per accounts)	105.78	103.37
Average Depreciation on average GFA (B) (as	**4.35%**	**4.07%**

Particulars	FY 2017-18 MYT Petition	FY 2018-19 MYT Petition
per accounts)		
Calculation of depreciation		
Depreciation (C)=(A)*(B)	**105.90**	**103.57**

4.8.6 BEST has requested the Commission to approve depreciation as shown in Table above for FY 2017-18 and FY 2018-19.

Commission's Analysis and Ruling

4.8.7 The Commission has computed the depreciation in accordance with Regulation 27 of MYT Regulation, 2015. As discussed in earlier section, the Commission has not considered the adjustment in GFA due to reversal of excess IDC booked in opening GFA of FY 2017-18. Accordingly, the Commission has considered the opening GFA of Rs. 2,389.92 Crore for FY 2017-18 same as closing GFA approved for FY 2016-17 in the MTR Order. For FY 2018-19, the Commission has considered the opening GFA same as closing GFA of FY 2017-18 as approved by the Commission in this Order.

4.8.8 Addition in GFA is considered equal to capitalization approved by the Commission during FY 2017-18 and FY 2018-19. As regards asset retirement, the Commission has accepted the submission of BEST which is as per audited accounts. Based on the approved opening GFA, asset addition and asset retirement, the Commission has approved the closing GFA for FY 2017-18 and FY 2018-19.

4.8.9 The Commission has considered actual depreciation rate of FY 2017-18 and FY 2018-19 as per Audited Annual Accounts of the BEST and applied the same on the regulatory GFA. The Commission has noted that regulatory GFA includes assets funded through consumer contribution and grants, however, depreciation is not allowed on the assets funded by consumer contribution and grants. The Commission has examined the depreciation working of the BEST and observed that BEST, in line with its submission, is also not calculating depreciation on assets funded by consumer contribution and grants in line with the provisions of the MYT Regulations, 2015. The working of comparative depreciation rate for FY 2017-18 and FY 2018-19 computed considering the GFA including assets funded by consumer contribution and grants and GFA without assets funded by consumer contribution and grants is as shown in the Table below:

Table 46: Depreciation Rate for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	Opening GFA	Addition	Retirement	Closing GFA	Average GFA
FY 2017-18					
GFA with Consumer Contribution and Grants	2,402.06	96.08	38.79	2,459.35	2,430.71
Consumer Contribution	103.00	12.12		115.12	
Grants	69.35	2.33		71.68	
GFA without Consumer Contribution and Grants	2,229.71	81.63	38.79	2,272.55	2,251.13
Depreciation					105.78
Depreciaiton Rate with Consumer Contribution and Grants					**4.35%**
Depreciaiton Rate without Consumer Contribution and Grants					4.70%
FY 2018-19					
GFA with Consumer Contribution and Grants	2,459.35	194.49	39.47	2,614.37	2,536.86
Consumer Contribution	115.12	10.69		125.81	
Grants	71.68	56.50		128.18	
GFA without Consumer Contribution and Grants	2,272.55	127.30	39.47	2,360.38	2,316.46
Depreciation					103.37
Depreciaiton Rate with Consumer Contribution and Grants					**4.07%**
Depreciaiton Rate without Consumer Contribution and Grants					4.46%

4.8.10 As regulatory GFA approved by the Commission includes assets funded by consumer contribution and grants, the Commission has considered actual depreciation rate computed considering GFA which includes assets funded by consumer contribution and grants of BEST as against the depreciation rate worked out considering GFA excluding the assets funded by consumer contribution and grants for computing the depreciation approved for the FY 2017-18 and FY 2018-19.

4.8.11 The summary of depreciation expense for FY 2017-18 and FY 2018-19 as submitted by BEST and as approved by the Commission is as given in the Table below.

Table 47: Depreciation for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening GFA	2,389.92	2,405.37	2,389.92	2,472.12	2,461.55	2,446.10
Capitalization with IDC	94.97	94.98	94.97	201.42	199.73	191.52
Retirement	12.77	38.79	38.79	12.77	39.51	39.51
Closing GFA	2,472.12	2,461.56	2,446.10	2,660.77	2,621.77	2,598.11
Average GFA	**2,431.02**	**2,433.46**	**2,418.01**	**2,566.45**	**2,541.66**	**2,522.11**
Depreciation Rate	4.59%	4.35%	4.35%	4.59%	4.07%	4.07%
Depreciation	**111.62**	**105.90**	**105.22**	**117.83**	**103.57**	**102.77**

4.8.12 **The Commission approves depreciation of Rs. 105.22 Crore and Rs. 102.77 Crore for FY 2017-18 and FY 2018-19 respectively.**

4.9 Interest on Long Term Loan

BEST's Submission

4.9.1 BEST has submitted the actual interest expenses incurred by BEST in FY 2017-18 and FY 2018-19 as shown in Table below:

Table 48: Details of Actual Interest Expenses for FY 2017-18, as submitted by BEST (Rs. Crore)

Particulars	Opening Balance	Addition	Repayment	Closing Balance	Interest Expense
APDRP Loan	17.83	0.00	2.22	15.61	1.74
REC	240.07	80.88	0.00	320.95	26.80
Total	**257.90**	**80.88**	**2.22**	**336.56**	**28.54**
Approved under Case No. 203 of 2017					**0.00**

Table 49: Details of Actual Interest Expenses for FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	Opening Balance	Addition	Repayment	Closing Balance	Interest Expense
APDRP Loan	15.61	0.00	2.22	13.39	1.51
REC	320.95	74.36	0.00	395.31	37.66
Total	**336.56**	**74.36**	**0.00**	**408.70**	**39.17**
Approved under Case No.203 of 2017					**0.89**

4.9.2 BEST has also submitted that as per the Government of India Scheme, interest subsidy on the loan will be provided to the eligible Power Utilities to improve the distribution network under the National Electricity Fund (NEF). As per the guidelines of NEF issued Ministry of Power, under eligibility criteria, it is specified that on reaching Aggregate Technical & Commercial Losses (AT&C Loss) levels of absolute 8%, the Utility would be expected to maintain the same level to achieve maximum marks. Accordingly, the Utilities are eligible to interest subsidy on maintaining the existing level of AT&C Losses.

4.9.3 REC Ltd. is nodal agency appointed by the Government of India for launching NEF to provide interest subsidy on the loan to the eligible Power Utilities. BEST had submitted Detailed Project Report (DPR) of various projects initially to the Commission and thereafter vide letter no. DO/GM/DGM(ES)/18240/2013 dated 3 April, 2014 to Distribution Reform Committee which was appointed as per the Maharashtra Government G.R. No. 2012 dated 28 June, 2012. Eleven DPRs had been approved vide letter dated 3 March, 2014 by Steering Committee of NEF with loan amount of Rs. 405.19 Crore. BEST Undertaking had also received sanction letter from REC Ltd. which is a nodal agency on 29 March, 2014 and 23 April, 2014 for loan of Rs. 395.32 Crore which consists 11 projects for the period from FY 2013-14 to FY 2015-16. BEST Undertaking has already taken the approval of BEST

Committee vide BCR No. 112 dated 14 July, 2014 and MCGM sanction vide CR No.501 dated 11 August, 2014 for availing the said long term loan so that long term benefit can be passed on to the consumers. Subsequently, Govt. of Maharashtra has given approval for the said loan vide GR No. BEST-2514/P.K.918/UR.21 dated 2 March, 2015. The details of various claim of BEST and release by REC is as under:

Particular	Amount (Rs. Crore)	Interest Rate	Date
Claim of BEST			
Claim 1	167.45		FY 2013-14 & FY 2014-15
Claim 2	83.11		8 February, 2017 & 22 February, 2017
Claim 3	115.54		27 March, 2018
Claim 4	74.36		29 October, 2018
Release by REC			
Release 1	134.09	11.75%	4 August, 2015 & 6 August, 2015
Release 2	105.98	10.75%	31 March, 2017
Release 3	80.88	10.50%	FY 2017-18
Release 4	74.36	10.75%	FY 2018-19

4.9.4 BEST has submitted that it has computed the interest on long term loan as per Regulation 26 of the MYT Regulations, 2015. BEST has computed the weighted average interest rates as per actual loan portfolio during the year. BEST has further submitted that tranche of Rs. 80.88 Crore availed in FY 2017-18 has not been considered for computation of weighted average interest rate for FY 2017-18, as it was availed on 29 March, 2018. Therefore, it was outstanding only for 2 days. Inclusion of this tranche in closing balance of FY 2017-18 will yield interest rate which will not be correct representation of FY 2017-18.

4.9.5 BEST has considered the opening balance of net normative loan for the FY 2017-18 as Rs. 8.69 crores. This is revised opening balance after adjusting GFA due to reversal of excess IDC booked.

4.9.6 The computation of interest expenses is submitted as under:

Table 50: Details of Normative Interest on loan for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Source of Loan	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Opening Balance of Net Normative Loan	-	8.69	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets		27.15	-	27.66
Less: Reduction of Normative Loan due to consumer contribution & grant	7.04	10.12	7.04	47.03
Addition of Normative Loan due to capitalisation during the year	66.48	66.479	140.99	139.81

Source of Loan	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Repayment of Normative loan during the year	59.44	37.90	117.83	65.12
Closing Balance of Net Normative Loan	-	-	16.12	-
Average Balance of Net Normative Loan	-	4.35	8.06	-
Weighted average Rate of Interest on actual Loans (%)	11.07%	11.12%	11.07%	10.52%
Interest Expenses	-	0.48	0.89	-
Total Interest & Financing Charges	**-**	**0.48**	**0.89**	**-**

4.9.7 BEST has requested the Commission to approve the revised normative interest and financing charges as submitted above.

Commission's Analysis and Ruling

4.9.8 The Commission has noted the submissions of BEST. For Truing up, the Commission has computed the interest on loan capital in accordance with Regulation 29 of MYT Regulation, 2015. For computation of interest on loan capital, as discussed in earlier section, the Commission has not considered the adjustment in GFA due to reversal of excess IDC booked in opening normative loan of FY 2017-18. Accordingly, the Commission has considered the opening balance of net normative loan of FY 2017-18 as nil same as approved closing balance of loan for FY 2016-17. The normative opening loan balance for FY 2018-19 is considered same as approved closing balance of loan of FY 2017-18 in this Order.

4.9.9 The addition in normative loan has been considered equal to the debt component of approved asset addition during the year. The repayments are considered equal to depreciation allowed during the year. The weighted average interest rate is to be worked out as per proviso of Regulation 29.5 of the MYT Regulations 2015. Same is quoted as follows:

"Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual loan portfolio during the concerned year shall be considered as the rate of interest"

4.9.10 The Commission has considered the rate equal to the weighted average interest rate of actual loans during the year, as per the provisions of the MYT Regulations, 2015. For computing the weighted average interest rate, the Commission has considered the average of the opening and closing balances of the loan and the actual interest paid during the year based on the documentary evidences submitted by BEST and also available in the audited annual accounts to calculate the weighted average interest rate to be considered for computation of the interest on normative long term loans. BEST in its calculation of actual weighted average interest rate has not considered addition of Rs. 80.88 Crore of loan during FY 2017-18 which is deviation from the MYT Regulations, 2015 and hence the Commission has considered the same for calculation of actual weighted average interest rate. Based on the above, actual weighted interest rate works out to 9.60% and 10.52% for FY 2017-18 and FY 2018-19 respectively.

4.9.11 Accordingly, the Commission has approved the interest on loan capital for FY 2017-18 and FY 2018-19 as given in the Table below:

Table 51: Interest on Loan Capital for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening balance of loan	-	8.69	-	-	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	27.15	27.15	-	27.66	27.66
Loan drawal during the year	59.44	66.48	56.36	133.95	139.81	87.03
Loan repayment during the year	59.44	37.90	29.21	117.83	65.12	59.37
Closing balance of loan	-	-	-	16.12	-	-
Applicable interest rate (%)	11.07%	11.12%	9.60%	11.07%	10.52%	10.52%
Interest on loan capital	-	**0.48**	-	**0.89**	-	-

4.9.12 **The Commission approves Interest on Long Term Loan as nil for FY 2017-18 and FY 2018-19.**

4.10 Interest on Working Capital

BEST's Submission

4.10.1 BEST has computed the IoWC on normative basis as per Regulation 31 of the MYT Regulations, 2015. BEST has submitted that it has incurred the actual Interest on Working Capital of Rs. 48.42 Crore for FY 2017-18 and Rs. 11.09 Crore in FY 2018-19. The computation of IoWC on normative basis is given in Table below:

Table 52: Normative Interest on Working Capital for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
O&M expenses for a month	46.04	45.39	48.37	46.68
Maintenance Spares at 1% of Opening GFA	23.90	24.05	24.72	24.62
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	466.33	467.56	420.85	456.55
Less: Amount held as Security Deposit from Distribution System Users	365.12	378.29	376.07	398.62

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Less: One-month equivalent of cost of power purchase, Transmission Charges and MSLDC Charges	209.60	193.19	201.04	191.99
Total Working Capital Requirement	**(38.45)**	**(34.47)**	**(83.17)**	**(62.76)**
Computation of Working Capital Interest				
Interest Rate (%) - SBI Base Rate +150 basis points	10.20%	10.18%	9.45%	9.89%
Normative Interest on Working Capital	**1.75**	**1.62**	**1.11**	**1.28**
Actual Working Capital Interest	-	48.42	-	11.56

4.10.2 BEST has submitted that the normative interest on working capital for retail supply business is nil since there is no working capital requirement on account of high consumer security deposit. However, the wires business the interest on working capital has been worked out and the same is provided in the Table above.

4.10.3 BEST has submitted that Canara bank Over Draft (O.D.) is used for electric supply as well as transport. Amount of actual interest on O.D account is allocated to electric supply based on usage of O.D. limit by electric supply division. The actual interest of working capital for FY 2017-18 and FY 2018-19 has been detailed in the Table below:

Table 53: Actual Interest on Working Capital for FY 2017-18, as submitted by BEST (Rs. Crore)

Name of the Bank	Opening Balance	Rate of Interest (%)	Loan amount raised	Loan amount paid during the year	Loan balance at the end of the year	Interest Expenses
Canara O.D.	225	9.65	0	0	225	8.11
MCGM	664.35	10	0	485.27	179.08	40.31
Total	**889.35**		**0**	**253.02**	404.08	**48.42**

Table 54: Actual Interest on Working Capital for FY 2018-19, as submitted by BEST (Rs. Crore)

Name of the Bank	Opening Balance of loan	Rate of Interest (%)	Loan amount raised	Loan amount paid during the year	Loan balance at the end of the year	Interest Expenses
Canara O.D.	225	8.6	0	0	225	6.69
MCGM	179.09	10	0	157.45	21.64	4.87

Name of the Bank	Opening Balance of loan	Rate of Interest (%)	Loan amount raised	Loan amount paid during the year	Loan balance at the end of the year	Interest Expenses
Total	**404.09**		**0**	**253.02**	246.64	**11.56**
Gross Total (H1+H2)						**11.56**
Approved under Case No.203 of 2017						**1.11**

4.10.4 BEST has requested the Commission to approve normative Interest on Working Capital as shown in Table above and approve sharing of gains/(losses) based on the actual IoWC.

Commission's Analysis and Ruling

4.10.5 The MYT Regulations, 2015 stipulate that the rate of IoWC shall be considered on normative basis and shall be equal to the weighted average Base Rate prevailing during the concerned year plus 150 basis points. As per Regulation 31.2 of the MYT Regulations 2015:

"….Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points.".

4.10.6 As per the First Amendment in the MYT Regulations, 2017, definition of Base Rate is changed to one-year MCLR as declared by the State Bank of India from time to time. Accordingly, the Commission has calculated weighted average base rate for FY 2017-18 and FY 2018-19.

4.10.7 The Commission has reworked the calculation as per SBI Portal details of which are given in the table below:

Table 55: Rate of Interest on Working Capital for FY 2017-18 and FY 2018-19

Date	No. of days	Rate	Remarks
FY 2017-18			
01-04-2017	91	9.10%	SBI Base Rate
01-07-2017	92	9%	SBI Base Rate
01-10-2017	60	8.95%	SBI Base Rate
30-11-2017	91	7.95%	SBI MCLR Rate
01-03-2018	31	8.15%	SBI MCLR Rate
	Weighted Average	**8.68%**	
FY 2018-19			
01-04-2018	61	8.15%	
01-06-2018	92	8.25%	

Date	No. of days	Rate	Remarks
FY 2017-18			
01-09-2018	30	8.45%	
01-10-2018	70	8.50%	
10-12-2018	112	8.55%	
	Weighted Average	**8.39%**	

4.10.8 Accordingly, the rate of interest on working capital works out to 10.18% (8.68% plus 1.50%) and 9.89% (8.39% plus 1.50%) for FY 2017-18 and FY 2018-19 respectively.

4.10.9 The summary of normative IoWC for FY 2017-18 and FY 2018-19 as approved by the Commission is given in the Table below.

Table 56: Interest on Working Capital for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Wheeling Business						
Operation and Maintenance Expenses for one month	4.60	4.54	4.55	4.84	4.67	4.69
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	2.39	2.41	2.39	2.47	2.46	2.45
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	46.63	46.76	46.76	42.09	45.66	45.66
Less:						
Amount held as security desosits in cash	36.51	37.83	37.83	37.61	39.86	39.86
Total Working Capital	**17.12**	**15.87**	**15.86**	**11.79**	**12.92**	**12.93**
Rate of interest (%)	10.20%	10.18%	10.18%	9.45%	9.89%	9.89%
Interest of Working Capital	**1.75**	**1.62**	**1.61**	**1.11**	**1.28**	**1.28**
Retail Business						
Operation and Maintenance Expenses for one month	41.44	40.85	40.93	43.53	42.01	42.18
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	21.51	21.65	21.51	22.25	22.15	22.01
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	419.70	420.80	420.80	378.77	410.90	410.90
Less:						
Amount held as security desosits in cash	328.61	340.46	340.46	338.47	358.76	358.76
One month equivalent of cost of power purchase including transmission charges and SLDC charges	209.60	193.19	193.19	201.04	191.99	191.99
Total Working Capital	**(55.57)**	**(50.34)**	**(50.41)**	**(94.96)**	**(75.69)**	**(75.66)**
Rate of interest (%)	10.20%	10.18%	10.18%	9.45%	9.89%	9.89%
Interest of Working Capital	-	-	-	-	-	-

4.10.10 **The Commission approves normative Interest on Working Capital of Rs. 1.61 Crore and Rs. 1.28 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.11 Interest on Consumers' Security Deposit

BEST's Submission

4.11.1 The Commission has allowed interest on Consumer' Security Deposit (CSD) based on whether interest on CSD claimed by BEST has been actually paid to consumers or not in the MTR Order for final truing-up of FY 2015-16 and FY 2016-17. BEST has considered interest on CSD for FY 2017-18 as per audited actual accounts and for FY 2018-19 based on provisional actual interest on CSD.

4.11.2 Amount claimed as interest on CSD is adjusted against consumer's bill. BEST requested the Commission to approve interest on consumer security deposit on actual basis as shown in Table below.

Table 57: Interest on Consumer' Security Deposit for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Opening balance of security deposit	**37.24**	365.12	**35.02**	378.29
Addition during the year		13.17		20.33
Closing balance of security deposit		378.29		398.62
Net Interest on Security Deposit for current year		**34.19**		**36.05**

Commission's Analysis and Ruling

4.11.3 The Commission had sought details of opening balance, addition during the year and closing balance of CSD for FY 2017-18 and FY 2018-19, and sought confirmation as to whether the interest claimed was actually paid to the consumers. BEST submitted that the interest on CSD claimed for Truing up was actually paid to consumers. The Commission accepts the submission of BEST and approves the actual interest on CSD as reported in the audited accounts for FY 2017-18 and FY 2018-19, as shown in the Table below:

Table 58: Interest on Consumers' Security Deposit for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Interest on Consumer Security Deposit	37.24	34.19	34.19	35.02	36.05	36.05

4.11.4 **The Commission approves Rs. 34.19 Crore and Rs. 36.05 Crore as the Interest on Consumer's Security Deposit for FY 2017-18 and FY 2018-19, respectively.**

4.12 Contribution to Contingency Reserves

BEST's Submission

4.12.1 BEST has submitted the Contribution to Contingency Reserves for FY 2017-18 and FY 2018-19 as given in the Table below:

Table 59: Contribution to Contingency Reserves for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particular	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Contribution to Contingency Reserve	5.97	5.99	6.18	6.14

4.12.2 BEST has invested amount of Rs. 4.60 Crore in Assam SDL and Rs. 1.00 Crore in Rajasthan SDL on 28 March, 2019 against Rs. 5.99 Crore claimed for FY 2017-18. Investment corresponding to Contribution to Contingency Reserves for FY 2018-19 has being expedited by BEST.

Commission's Analysis and Ruling

4.12.3 Regulation 34.1 of the MYT Regulations, 2015 provides for Contributions to Contingency Reserve a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets within six months of the close of the Year. The relevant extract of the same is reproduced here below:

*"**34. Contribution to Contingency Reserves—***
34.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:
Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:
Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year
..."

4.12.4 As can be seen from the above Regulation 34 of MYT Regulations, 2015, the contribution to contingency reserve has to meet the following conditions:

- The contribution has to be not less than 0.25 % of the GFA and not more than 0.5% of the GFA annually;

- The total quantum of contingency reserve should not exceed 5% of the GFA;
- The contribution to the contingency reserve should be invested within a period of six months from the end of the year.

4.12.5 The Commission has examined the submissions of BEST in light of the above provisions. BEST has sought approval of contribution to contingency reserves of Rs. 5.99 Crore and Rs. 6.14 Crore for FY 2017-18 and FY 2018-19 respectively.

4.12.6 Addition to the contingency reserves during the FY 2017-18 as claimed by BEST is verified from the Audited Annual Accounts as well as the documentary evidence submitted along with the Petition. The Commission has observed that BEST has only invested Rs. 5.76 Crore against claim of Rs. 5.99 Crore for FY 2017-18. This actual investment is slightly lower at 0.24% of the GFA as against the prescribed limit of 0.25% as per the Regulations. Further, this amount was actually invested by BEST on 28 March, 2019 which is well beyond the timeline prescribed for making investments for FY 2017-18 i.e. 30 September, 2018 as per the MYT Regulations, 2015. Accordingly, the investment against contribution to contingency reserve made by BEST for FY 2017-18 is not eligible for recovery through ARR in FY 2017-18 as per the provisions of the MYT Regulations, 2015. The Commission records its displeasure as BEST has claimed the amount for recovery through the ARR for FY 2017-18 even though it is not meeting the requirements specified in the MYT Regulations, 2015. This not only reflects on the lack of discipline on the part of BEST with regard to ensuring timely investment of amount which is already approved by the Commission in the ARR and recovered by BEST through the tariff, it also highlights the fact that BEST is seeking approval of amounts which are not eligible for recovery as per the provisions of the Regulations. This is not desirable and should be avoided in future filings by BEST.

4.12.7 Accordingly, the Commission has considered nil investment for FY 2017-18 since the investment was done after prescribed timeline. This amount has been considered as part of FY 2018-19 for the purpose of approval of the ARR for FY 2018-19. BEST has not done any other investment for FY 2018-19.

4.12.8 Accordingly, the Commission approves nil contribution to contingency reserve for FY 2017-18 and Rs. 5.76 Crore for FY 2018-19 as shown in the Table below.

Table 60: Contribution to Contingency Reserve for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Contribution to Contingency Reserves	5.97	5.99	-	6.18	6.14	5.76

4.12.9 **The Commission approves Contribution to Contingency Reserve of Nil and Rs. 5.76 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.13 Other Expenses

BEST's Submission

4.13.1 BEST has submitted that it has incurred other expense of Rs.89.90 Crore in FY 2017-18 and Rs. 74.87 Crore in FY 2018-19. The break-up of other expense is as given below:

Table 61: Details of Other Expenses for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Prompt payment Discount	19.51	14.65	20.09	14.56
Power factor Incentive	90.00	70.24	45.00	55.49
ECS discount	0.60	0.48	0.62	0.35
Load factor Incentive	4.50	4.53	4.64	3.62
Reimbursement of transaction charges against payment through Visa Master Debit/ Credit card				0.79
Discount on Digital Payment to Consumers				0.06
Total	**114.61**	**89.90**	**70.35**	**74.87**

4.13.2 BEST has submitted that in the other expenses, Power factor incentives and Prompt payment discount are the major expenses and BEST has requested the Commission to approve as submitted in the above Table.

Commission's Analysis and Ruling

4.13.3 BEST has claimed the actual expenses incurred during FY 2017-18 and FY 2018-19 under other expenses for payment of PF incentive, prompt payment discount, and ECS discount. As per Regulation 35 of MYT Regulations, 2015, the Commission has verified the other expenses from audited annual accounts for BEST's submissions in the Truing up for FY 2017-18 and FY 2018-19 and approved other expenses as shown in Table below:

Table 62: Other Expenses for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Other Expenses	114.61	89.90	89.90	70.35	74.87	74.87

4.13.4 **The Commission approves Rs. 89.90 Crore and Rs. 74.87 Crore as Other Expenses for FY 2017-18 and FY 2018-19, respectively.**

4.14 Provision for Bad and Doubtful Debts

BEST's Submission

4.14.1 BEST has submitted that the Commission in MTR Order had approved Rs.7.24 Crore as provision for bad debts for FY 2017-18 and FY 2018-19. BEST has submitted that the amount of Rs.8.54 Crore was written off against pending dues for FY 2017-18 and Rs. 6.74 Crore for FY 2018-19.

4.14.2 BEST has submitted that it has made extensive efforts for recovery of such amount. The recovery of some dues is not expected because of various reasons such as demolition of premises / buildings /structures change in ownership of premises, shifting of consumer to outside BEST license area and addresses of such consumers not available etc.

4.14.3 BEST has submitted that as per Regulation 73 of the MYT Regulations, 2015, the Commission may allow a provision for bad and doubtful debts. Accordingly, BEST has submitted the actual bad debts written off based on audited accounts are shown in Table below:

Table 63: Provision for Bad and Doubtful Debts for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Bad debts written off / provision for bad and doubtful debts	7.24	8.54	7.24	6.74

4.14.4 BEST has requested the Commission to approve provision towards bad and doubtful debt as shown in Table for FY 2017-18 and FY 2018-19.

Commission's Analysis and Ruling

4.14.5 The Commission has noted the submission of BEST. As per the provisions of the Regulation 73 of the MYT Regulations, 2015, the Commission may allow provisioning of bad and doubtful debts up to 1.5% of the amount shown as receivables in the audited accounts.

4.14.6 The Commission has verified the provision for bad and doubtful debts from the audited annual accounts and approved the same as shown in the Table below:

Table 64: Provision for Bad and Doubtful Debts for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Provision for Bad and Doubtful Debts	7.24	8.54	8.54	7.24	6.74	6.74

4.14.7 While the Commission has approved provision for write-off of bad and doubtful debts, in case there is some recovery in the future period from consumers against whom the past debts were written off, then the same shall be included as part of the ARR and the benefit should be passed on to the consumers.

4.14.8 **The Commission approves the Provision for Bad and Doubtful Debts of Rs. 8.54 Crore and Rs. 6.74 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.15 Income Tax

BEST's Submission

4.15.1 BEST has submitted that being a Local Authority, it is exempted under Section 10 (20) of the Income Tax Act, 1961. Accordingly, it does not pay any income tax and has hence not claimed any for FY 2017-18 and FY 2018-19.

Commission's Analysis and Ruling

4.15.2 **Since BEST is exempted from paying Income Tax under Section 10(20) of the Income Tax Act, 1961, the Commission has not considered any Income Tax for FY 2017-18 and FY 2018-19.**

4.16 Return on Equity

BEST's Submission

4.16.1 BEST has computed the return on equity as per Regulation 28 of the MYT Regulations, 2015. For the purpose of arriving at the regulatory equity at the beginning of the year for FY 2017-18, BEST has considered the closing equity at the end of FY 2016-17 computed by adjustment in GFA due to reversal of excess IDC booked as explained earlier.

4.16.2 BEST has submitted that the allocation of assets of wire and supply business for FY 2017-18 are in the ratio of 90:10. BEST has considered the weighted average RoE as per Regulation 28 of the MYT Regulations, 2015 with weights as given in Allocation Matrix. The details of return on equity as claimed by BEST are as shown in Table below:

Table 65: Return on Equity for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Regulatory Equity at the beginning of the year	846.31	850.53	867.96	863.05
Capitalisation during the year		94.97		199.73
Consumer Contribution and Grants used during the year for Capitalisation		14.45		67.19

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Equity portion of capitalisation during the year	25.47	24.16	57.41	39.76
Reduction in Equity Capital on account of retirement / replacement of assets	3.83	11.64	3.83	11.85
Regulatory Equity at the end of the year	867.96	863.05	921.53	890.96
Return on Equity Computation				
Return on Regulatory Equity at the beginning of the year	132.87	133.53	136.27	135.50
Return on Regulatory Equity addition during the year	1.70	0.98	4.21	2.19
Total Return on Equity	**134.57**	**134.52**	**140.47**	**137.69**

4.16.3 BEST has requested Commission to approve the return on equity as shown in table above for FY 2017-18.

Commission's Analysis and Ruling

4.16.4 The Commission has computed the RoE, as per Regulation 28 of the MYT Regulations, 2015, based on opening equity, addition of equity as per approved capitalisation and weighted average rate of RoE based on allocation of assets to wires and supply business.

4.16.5 To determine the equity eligible for return as per Regulations, the Commission has not considered the adjustment in GFA due to reversal of excess IDC booked in opening equity of FY 2017-18 as discussed in Section 3 of this Order. Accordingly, the Commission has considered the opening equity of Rs. 846.31 Crore for FY 2017-18 same as approved closing equity for FY 2016-17 in MTR Order in Case No. 203 of 2017. For FY 2018-19, the Commission has considered the opening equity same as closing equity of FY 2017-18 as approved by the Commission in this Order.

4.16.6 As regards the impact of retirement of assets in the computation of RoE for FY 2017-18 and FY 2018-19, the Commission has considered the impact of asset retirement by reducing the equity equivalent to 30 % of value of the assets retired during the year.

4.16.7 The Commission has computed the RoE for FY 2017-18 and FY 2018-19 as per Regulation 28 of the MYT Regulations, 2015. The Commission has accepted the allocation of assets between the wires and supply business in the ratio of 90:10 in line with MYT Regulations, 2015 and computed the weighted average rate of return for FY 2017-18 and FY 2018-19.

4.16.8 The summary of RoE for FY 2017-18 and FY 2018-19 as submitted by BEST and as approved by the Commission is provided in Table below.

Table 66: Return on Equity for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Regulatory Equity at the beginning of the year	846.31	850.53	846.31	867.96	863.05	858.83
Equity portion of capitalization	25.47	24.16	24.16	57.41	39.76	37.30
Reduction in Equity due to Retirement/ Replacement of Assets	3.83	11.64	11.64	3.83	11.85	11.85
Regulatory Equity at the end of the year	867.96	863.05	858.83	921.53	890.96	884.28
Return on Regulatory Equity at the beginning of the year	132.87	133.53	132.87	136.27	135.50	134.84
Return on Equity portion of capitalization	1.70	0.98	0.98	4.21	2.19	2.00
Total Return on Regulatory Equity	**134.57**	**134.52**	**133.85**	**140.47**	**137.69**	**136.83**

4.16.9 **The Commission approves Return on Equity of Rs. 133.85Crore and Rs. 136.83 Crore for FY 2017-18 and for FY 2018-19, respectively.**

4.17 Return as Interest on Internal Funds

BEST's Submission

4.17.1 BEST has submitted the interest on internal funds as under:

Table 67: Return as Interest on Internal Fund for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Return as Interest on Internal funds	5.28	5.28	5.28	5.28

4.17.2 BEST has requested the Commission to approve the above return as interest on internal fund for FY 2017-18.

Commission's Analysis and Ruling

4.17.3 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal 13 of 2007 had directed the Commission to take into consideration interest on Government Grant as well as interest on internal funds, which is not included in the calculation of the Capital Base or notional equity in any way. Accordingly, the Commission has accepted the submission of BEST and approved the return as interest on internal funds of Rs.5.28 Crore for FY 2017-18 and FY 2018-19.

Table 68: Return as Interest on Internal Funds for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Return on Internal Funds	5.28	5.28	5.28	5.28	5.28	5.28

4.17.4 **The Commission approves return as interest on internal fund of Rs. 5.28 Crore for FY 2017-18 as well as FY 2018-19.**

4.18 Non-Tariff Income

BEST's Submission

4.18.1 BEST has submitted that it has earned the Non-Tariff Income of Rs.22.03 Crore in FY 2017-18 and Rs. 38.92 Crore in FY 2018-19 as included in the Annual Accounts of FY 2017-18 and FY 2018-19. The details of Non-Tariff Income under various sub-heads as submitted by BEST are given below:

Table 69: Non-Tariff Income for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Rents of land or buildings		0.85		0.93
Sale of Scrap		-		-
Income from investments		3.40		3.92
Interest on advances to suppliers/contractors		-		-
Rental from staff quarters		-		-
Rental from contractors		-		17.48
Income from hire charges from contractors and others		-		4.20
Supervision charges for capital works		-		-
Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission		0.75		0.43
Income from recovery against theft and/ or pilferage of electricity		13.09		8.83
Income from advertisements		5.17		5.17
Income from sale of tender documents		0.28		0.27
Others		3.20		6.94
Share of General Administration		6.92		3.90
Less: Sale of Scrap Capitalised Assets		(11.63)		(13.15)
Total	**36.13**	**22.03**	**37.21**	**38.92**

4.18.2 BEST has requested the Commission to approve Non-Tariff Income of Rs.22.03 Crore for FY 2017-18 and Rs. 38.92 Crore for FY 2018-19.

Commission's Analysis and Ruling

4.18.3 The Commission has noted the submissions of BEST and also verified the details of the non-tariff income from the audited accounts submitted by BEST. As regards non-consideration of income of Rs. 11.63 Crore and Rs. 13.15 Crore for FY 2017-18 and FY 2018-19 from sale of scrap, the Commission is of the view that the entire revenue from sale of capitalised assets as scrap has to be considered under Non-Tariff Income, as the assets that are scrapped were created from the tariffs levied on the consumers and also as per the standard practice adopted in all its previous Orders. The Commission's rationale is clear from Regulation 74.2 and 83.2 of MYT Regulations, 2015 under which the various heads of Non-Tariff Income for the Distribution Business are specified, and Regulation 74.2 (b) and 83.2 (b) considers "Income from sale of scrap" as Non-Tariff Income.

4.18.4 Accordingly, the Commission has calculated the Non-Tariff income for FY 2017-18 and FY 2018-19 after inclusion of the income from sale of scrap as shown in Table below:

Table 70: Non-Tariff Income for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Non-Tariff Income	36.13	22.03	33.66	37.21	38.92	52.07

4.18.5 **The Commission approves Return on Equity of Rs. 33.66 Crore and Rs. 52.07 Crore for FY 2017-18 and FY 2018-19, respectively.**

4.19 Incentive on reduction of Distribution Loss

BEST's Submission

4.19.1 BEST has submitted that, it has achieved an actual Distribution Loss of 5.82% and 4.18% against the normative target of 5.80% and 5.70% for FY 2017-18 and FY 2018-19 respectively. BEST has calculated incentive for FY 2017-18 and FY 2018-19 on account of reduction in Distribution Loss as given in Table below:

Table 71: Details of the Incentive on reduction of Distribution loss for FY 2017-18 and FY 2018-19, as submitted by BEST

Particulars	Units	FY 2017-18	FY 2018-19
Normative Distribution loss (target)	%	5.80%	5.70%
Normative sales considering same Energy input	MU	4545.00	4499.25

Particulars	Units	FY 2017-18	FY 2018-19
Actual sales	MU	4544.19	4572.01
Additional sales due to actual distribution loss less than the normative target	MU	(0.81)	72.76
Actual revenue for the year	Rs. Crore	3740.47	3652.43
Average billing rate	Rs. / unit	8.23	7.99
Revenue gain/(loss) due to actual distribution loss	Rs. Crore	(0.67)	58.12
Amount retained by BEST (1/3rd of incentive/ (loss))	Rs. Crore	(0.45)	19.37

4.19.2 BEST has proposed to recover the incentive for reduction of distribution loss in Truing up of FY 2017-18 and FY 2018-19 as shown in the Table above.

Commission's Analysis and Ruling

4.19.3 As discussed in Section of this Order, the Commission has approved distribution loss of 5.39% and 4.18% for FY 2017-18 and FY 2018-19 respectively. In accordance with the MYT Regulations, 2015, the Commission has considered the distribution loss to be a controllable parameter and has computed the efficiency gain on account of lower distribution loss of 5.39% and 4.18% against the target of 5.80% and 5.70% for FY 2017-18 and FY 2018-19 respectively as approved in the MYT Order in Case No. 33 of 2016.

4.19.4 The Commission has computed the sharing of efficiency gain on account of lower distribution loss considering the approved energy balance, sales and power purchase cost. Average power purchase cost has been computed by dividing the actual total power purchase cost by the total power purchase quantum. Accordingly, the Commission has approved the sharing of efficiency gain on account of lower distribution loss than target distribution loss as shown in the Table below:

Table 72: Incentive on reduction of Distribution Loss for FY 2017-18 and FY 2018-19, as approved by the Commission

Particulars	Units	FY 2017-18		FY 2018-19	
		MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Normative Distribution Loss (target)	%	5.80%	5.80%	5.70%	5.70%
Normative Energy Input considering same energy sales	MU	4,545.00	4988.42	4,499.25	5003.81
Actual Distribution Loss	%	5.82%	5.39%	4.18%	4.18%
Actual Energy Input	MU	4,544.19	4966.61	4,572.01	4924.18
Saving in Power Purchase due to actual distribution loss less than the normative target	MU	(0.81)	21.81	72.76	79.63
Actual Power Purchase Cost	Rs. Crore	3,740.47	2069.15	3,652.43	2071.44
Average Power Purchase Rate	Rs./kWh	8.23	4.17	7.99	4.21
Saving in Power Purchase Cost	Rs. Crore	(0.67)	9.08	58.12	33.50
Amount passed on to BEST	Rs. Crore	(0.45)	3.03	19.37	11.17
Amount retained by consumers	**Rs. Crore**	**(0.22)**	**6.06**	**38.75**	**22.33**

4.19.5 **The Commission approves an incentive of Rs. 3.03 Crore and Rs. 11.17 Crore on account of lower Distribution Loss for FY 2017-18 and FY 2018-19, respectively.**

4.20 Sharing of Gain/ (Loss) on account of O&M Expenses

BEST's Submission

4.20.1 BEST has submitted that the actual O&M expense for FY 2017-18 are lower than normative O&M expense for FY 2017-18. BEST has proposed sharing gains/ (losses) with the consumers as per Regulation 11 of the MYT Regulations, 2015 as shown in Table below:

Table 73: Sharing of O&M expense gain/ (loss) for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Normative O&M expenses	544.72	560.16
Actual O&M expenses	494.82	498.93
Sharing of Gains/(Losses)	**16.63**	**20.41**

4.20.2 BEST has submitted that gain on account of lower O&M expenses be included in ARR of FY 2017-18 and FY 2018-19 as shown in Table above.

Commission's Analysis and Ruling

4.20.3 As discussed in the earlier section of this Order, the Commission has considered the normative O&M Expenses for FY 2017-18 and FY 2018-19, and has computed the efficiency gain/ (loss) for O&M expenses as shown in the following Table:

Table 74: Sharing of Gain/ (Loss) on account of O&M expenses for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
O&M expenses as per MYT Regulations ,2015	544.72	545.67	560.16	562.40
Actual O&M expenses	494.82	494.82	498.93	498.93
Gain/ (Loss) due to variation in O&M expenses	49.90	50.85	61.23	63.47
Amount retained by BEST (1/3rd of above gain or 2/3 of above (loss))	16.63	16.95	20.41	21.16
Amount passed on to consumers (2/3rd of above gain or 1/3 of above (loss))	33.27	33.90	40.82	42.31

4.20.4 **The Commission approves the sharing of efficiency gain/ (loss) of Rs. 16.95 Crore and Rs. 21.16 Crore on account of O&M Expenses, with BEST for FY 2017-18 and FY 2018-19, respectively.**

4.21 Sharing of Efficiency Gain / Loss on account of IoWC

BEST's Submission

4.21.1 BEST has submitted the sharing of gain/ loss of Interest on Working Capital as shown in the Table below.

Table 75: Sharing of IoWC gain/loss for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs Crore)

Particulars	FY 2017-18	FY 2018-19
Normative IoWC (A)	1.62	1.28
Actual IoWC (B)	48.42	11.56
Loss (C) = (B)-(A)	46.80	10.28
Controllable Loss shared (D)= 1/3*(C)	15.60	3.43

Commission's Analysis and Ruling

4.21.2 The Commission has approved the IoWC as per Regulation 31 of the MYT Regulation, 2015 in earlier section. BEST has provided details of actual interest on working capital for FY 2017-18 and FY 2018-19.

Table 76: Actual Interest on Working Capital for FY 2017-18 and FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19
Canara O.D.	8.11	6.69
MCGM	40.31	4.87
Total	**48.42**	**11.56**

4.21.3 As submitted by BEST, it has overdraft facility arrangement with Canara Bank for Rs. 225 Crore for consolidated business (Transport and Electricity Supply). Based on utilization of the facility, interest is charged by Canara Bank. BEST has paid Rs. 8.11 Crore and Rs. 6.69 Crore as interest for FY 2017-18 and FY 2018-19 respectively.

4.21.4 The Commission has observed that BEST has also considered MCGM loan interest amount as part of actual interest on working capital. As submitted during MYT Order in Case No. 33 of 2016, BEST has utilized Rs. 1,600 Crore of loan provided by MCGM for payment of power purchase bills. Relevant part of the same is reproduced here below:

"2.5

…

Considering its critical financial position, BEST was unable to make payment of Tata Power Company. Ltd.(Generation Business) (TPC-G) bills. TPC-G had approached the State Government to direct BEST to clear the outstanding bills. The State Government directed MCGM to grant a temporary advance of Rs. 1600 crore @10% interest to BEST to clear the outstanding TPC-G bills. This has resulted in increase in interest charges from FY 2013-14 onwards.

…"

4.21.5 The Commission notes that Truing-up of all past years is already carried out by the Commission and all the cost pertaining to past years is allowed. Hence, there is no issue of short-fall of funds for payment of ARR related cost. Collection efficiency of BEST is near to 100% and hence the allowed revenues are also recovered in timely manner. Thus, such revenue collected from Consumer through tariff, which factored in payment to be made to generators, should have been used for making payments towards power purchase. However, BEST has resorted to MCGM loan for this purpose. Consumer should not be burdened for the financial decisions of BEST which are not as per the provisions of the Regulations. Further BEST has not been able to justify the reasons for requiring such loan from MCGM when all its costs are fully recovered from the approved tariffs. Hence, interest cost towards MCGM loan is not allowed as part of the ARR. The Commission expects BEST to manage its fund judiciously.

4.21.6 The Commission has also observed that BEST has not considered contribution of delay in receipt of payment to the actual interest on working capital. Relevant extract of Regulation 31.6 of MYT Regulations, 2015 is reproduced below:

"31.6 For the purpose of Truing-up for each year, the variation between the normative interest on working capital computed at the time of Truing-up and the actual interest on working capital incurred by the Generating Company or Licensee or MSLDC, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors, and shared between it and the respective Beneficiary or consumer as the case may be, in accordance with Regulation 11 :

Provided that the contribution of delay in receipt of payment to the actual interest on working capital shall be deducted from the actual interest on working capital, before sharing of the efficiency gain or efficiency loss, as the case may be."

4.21.7 Accordingly, the Commission has reduced actual IOWC by delayed payment charges along with interest on arrears of Rs. 30.13 Crore and Rs. 24.93 Core collected by BEST during FY 2017-18 and FY 2018-19 respectively. Hence, actual IoWC works out to nil for FY 2017-18 and FY 2018-19.

4.21.8 Accordingly, BEST has computed the efficiency Gain/ (Loss) for IoWC as shown in the following Table:

Table 77: Sharing of IoWC Gain/ (Loss) for FY 2017-18 and FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
IoWC as per MYT Regulations, 2015	1.62	1.61	1.28	1.28
Actual IoWC	48.42	-	11.56	-
Gain/ (Loss) due to variation in IOWC expenses	(46.80)	1.61	(10.28)	1.28
Amount retained by BEST (1/3rd of above gain or 2/3 of above (loss))	(31.20)	0.54	(6.85)	0.43
Amount passed on to consumers (2/3rd of above gain or 1/3 of above (loss))	(15.60)	1.08	(3.43)	0.85

4.21.9 **The Commission approves the sharing of efficiency gain/ (loss) of Rs. 0.54 Crore and Rs. 0.43 Crore on account of IoWC, with BEST for FY 2017-18 and FY 2018-19, respectively.**

4.22 Aggregate Revenue Requirement for FY 2017-18 and FY 2018-19

BEST's Submission

4.22.1 BEST has submitted the Truing-up for FY 2017-18 and FY 2018-19 based on comparison of the actual expense incurred and revenue earned during the year as compared to the figures approved by the Commission in the MTR Order. The Truing up summary for FY 2017-18 and FY 2018-19 is given below.

Table 78: True-up of Aggregate Revenue Requirement for FY 2017-18, as submitted by BEST (Rs. Crore)

Particular	MTR Order	MYT Petition	Deviation
Power Purchase Expenses (excluding Inter-State Transmission & SLDC Charges)	2,266.20	2,069.15	(197.05)
Operation & Maintenance Expenses	552.49	494.82	(57.67)
Depreciation	111.62	105.90	(5.72)
Interest on Loan Capital	-	0.48	0.48
Interest on Working Capital	1.75	1.62	(0.13)
Interest on Consumer Security Deposit	37.24	34.19	(3.05)
Provision for bad and doubtful debts	7.24	8.54	1.30
Contribution to contingency reserves	5.97	5.99	0.02
Income Tax	-	-	-

Particular	MTR Order	MYT Petition	Deviation
Other expenses	114.61	89.90	(24.71)
Intra State Transmission & SLDC charges	249.04	249.08	0.04
Total Revenue Expenditure	**3,346.16**	**3,059.67**	
Add: Return on Equity Capital	134.57	134.52	(0.05)
Add: Return as interest on internal funds	5.28	5.28	-
Add: Sharing of Gain/(Loss) of distribution loss	-	(0.45)	(0.45)
Add: Sharing of Gain/(Loss) on IoWC	-	15.60	15.60
Add: O&M sharing of gain and loss		16.63	16.63
Aggregate Revenue Requirement	**3,486.01**	**3,231.25**	
Less: Non-Tariff Income	36.13	22.03	(14.10)
Less: Income from other business	-	-	-
Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-
Less: Receipts on account of Additional Surcharge, if any	-	-	-
Aggregate Revenue Requirement from Retail Tariff	**3,449.88**	**3,209.22**	
Add: Deficit of Transport Operations			-
Aggregate Revenue Requirement adding deficit of transport operations	**3,449.88**	**3,209.22**	
Past recoveries of BEST along with carrying cost	358.99	358.99	-
Adjustment in GFA due to reversal of excess IDC	-	12.94	12.94
Aggregate Revenue Requirement from Total Distribution business	**3,808.87**	**3,581.15**	
			-
Revenue			-
Revenue from sale of electricity	3,730.63	3,740.47	9.84
			-
Total Revenue Gap/(Surplus)	**78.24**	**(159.32)**	**(237.56)**

Table 79: True-up of Aggregate Revenue Requirement for FY 2018-19, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition	Deviation
Power Purchase Expenses (excluding Inter-State Transmission & SLDC Charges)	2,207.82	2,071.44	(136.38)
Operation & Maintenance Expenses	580.43	498.93	(81.50)
Depreciation	117.83	103.57	(14.26)
Interest on Loan Capital	0.89	-	(0.89)
Interest on Working Capital	1.11	1.28	0.16
Interest on Consumer Security Deposit	35.02	36.05	1.03
Provision for bad and doubtful debts	7.24	6.74	(0.50)
Contribution to contingency reserves	6.18	6.14	(0.04)

Particulars	MTR Order	MYT Petition	Deviation
Intra-State Transmission Charges	204.03	231.75	27.72
MSLDC Fees & Charges	0.67	0.725	0.06
Income Tax	-	-	-
Other expenses	70.35	74.87	4.52
Total Revenue Expenditure	**3,231.58**	**3,031.49**	
Add: Return on Equity Capital	140.47	137.69	(2.78)
Add: Return as interest on internal funds	5.28	5.28	-
Add: Sharing of Gain/(Loss) of distribution loss	-	19.37	19.37
Add: Sharing of Gain & Loss on IoWC	-	3.43	3.43
Add: Sharing of Gain & Loss on O&M expense	-	20.41	20.41
Aggregate Revenue Requirement	**3,377.33**	**3,217.67**	
Less: Non-Tariff Income	37.21	38.92	1.71
ARR from Wire & Retail Supply	**3,340.12**	**3,178.75**	
Add: Revenue Gap from 2nd control period	168.52	168.52	**-**
Add: Revenue Gap from FY 2016-17 & FY 2017-18	(177.88)	(431.86)	(253.98)
Total Revenue Requirement from Wire & Retail Supply	**3,330.75**	**2,915.41**	
Revenue			
Revenue from sale of electricity	3,629.34	3,652.43	23.09
Revenue Gap/ (Surplus) @ Existing Tariff	**(298.58)**	**(737.02)**	**(438.43)**

Commission's Analysis and Ruling

4.22.2 Based on the ARR components approved in the preceding paragraphs in this Order and considering the net revenue from retail Tariff, the Commission approves the ARR and Revenue Gap for FY 2017-18 and FY 2018-19, as shown in the Table below:

Table 80: ARR and Revenue Gap for FY 2017-18, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (excluding Inter-State Transmission & SLDC Charges)	2,266.20	2,069.15	2,069.15
Operation & Maintenance Expenses	552.49	494.82	494.82
Depreciation	111.62	105.90	105.22
Interest on Loan Capital	-	0.48	-
Interest on Working Capital	1.75	1.62	-
Interest on Consumer Security Deposit	37.24	34.19	34.19
Provision for bad and doubtful debts	7.24	8.54	8.54
Contribution to contingency reserves	5.97	5.99	-
Income Tax	-	-	-
Other expenses	114.61	89.90	89.90
Intra State Transmission & SLDC charges	249.04	249.08	249.08
Total Revenue Expenditure	**3,346.16**	**3,059.67**	**3,050.90**
Add: Return on Equity Capital	134.57	134.52	133.85
Add: Return as interest on internal funds	5.28	5.28	5.28
Add: Sharing of Gain/(Loss) of distribution loss	-	(0.45)	3.03
Add: Sharing of Gain/(Loss) on IoWC	-	15.60	0.54
Add: Sharing of Gain/(Loss) on O&M	-	16.63	16.95
Aggregate Revenue Requirement	**3,486.01**	**3,231.25**	**3,210.55**
Less: Non-Tariff Income	36.13	22.03	33.66
Aggregate Revenue Requirement from Retail Tariff	**3,449.88**	**3,209.22**	**3,176.89**
Add: Deficit of Transport Operations			-
Aggregate Revenue Requirement adding deficit of transport operations	**3,449.88**	**3,209.22**	**3,176.89**
Past recoveries of BEST along with carrying cost	358.99	358.99	358.99
Adjustment in GFA due to reversal of excess IDC	-	12.94	-
Aggregate Revenue Requirement from Total Distribution business	**3,808.87**	**3,581.15**	**3,535.88**
Revenue			
Revenue from sale of electricity	**3,730.63**	**3,740.47**	**3,740.47**
Total Revenue Gap/(Surplus)	**78.24**	**(159.32)**	**(204.58)**

4.22.3 **The Commission approves Revenue Surplus of Rs. 204.58 Crore on Truing-up of ARR for FY 2017-18. Major disapproval in the claim of BEST is in Contribution to Contingency Reserves, sharing of Gain/ (Loss) on IoWC, Non-Tariff Income and Adjustment in GFA due to reversal of excess IDC.**

Table 81: ARR and Revenue Gap for FY 2018-19, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (excluding Inter-State Transmission & SLDC Charges)	2,207.82	2,071.44	2,071.44
Operation & Maintenance Expenses	580.43	498.93	498.93
Depreciation	117.83	103.57	102.77
Interest on Loan Capital	0.89	-	-
Interest on Working Capital	1.11	1.28	-
Interest on Consumer Security Deposit	35.02	36.05	36.05
Provision for bad and doubtful debts	7.24	6.74	6.74
Contribution to contingency reserves	6.18	6.14	5.76
Intra-State Transmission Charges	204.03	231.75	231.75
MSLDC Fees & Charges	0.67	0.73	0.73
Income Tax	-	-	-
Other expenses	70.35	74.87	74.87
Total Revenue Expenditure	**3,231.58**	**3,031.49**	**3,029.04**
Add: Return on Equity Capital	140.47	137.69	136.83
Add: Return as interest on internal funds	5.28	5.28	5.28
Add: Sharing of Gain/(Loss) of distribution loss	-	19.37	11.17
Add: Sharing of Gain/(Loss) on IoWC	-	3.43	0.43
Add: Sharing of Gain/(Loss) on O&M	-	20.41	21.16
Aggregate Revenue Requirement	**3,377.33**	**3,217.67**	**3,203.90**
Less: Non-Tariff Income	37.21	38.92	52.07
ARR from Wire & Retail Supply	**3,340.12**	**3,178.75**	**3,151.83**
Add: Revenue Gap from 2nd control period	168.52	168.52	168.52
Add: Revenue Gap from FY 2016-17 & FY 2017-18	(177.88)	(431.86)	(481.66)
Total Revenue Requirement from Wire & Retail Supply	**3,330.75**	**2,915.41**	**2,838.69**
			-
Revenue			-
Revenue from sale of electricity	**3,629.34**	**3,652.43**	**3,652.43**
Revenue Gap/ (Surplus) @ Existing Tariff	**(298.58)**	**(737.02)**	**(813.74)**

4.22.4 **The Commission approves consolidated Revenue Surplus of Rs. 813.74 Crore on Truing-up of ARR for FY 2018-19. Major disapproval in the claim of BEST is in sharing of Gain/ (Loss) on Distribution Loses and Non-Tariff Income. This revenue surplus is adjusted along with the associated holding cost in the ARR of FY 2020-21.**

5 PROVISIONAL TRUING UP OF ARR FOR FY 2019-20

5.1 Introduction

BEST's Submission

5.1.1 BEST has proposed provisional truing up of FY 2019-20 with respect to the Regulation 5.1 (a) (ii) of MYT Regulations, 2019 which specifies for provisional truing to be filed for FY 2019-20 in line with the MYT Regulations, 2015 along with the Multi Year Tariff Petition for FY 2020-21 to FY 2024-25.

5.1.2 BEST has considered the latest available actual figures for the H1 of FY 2019-20 and estimated value for the H2 of the FY 2019-20 since FY 2019-20 is not yet completed.

5.1.3 The estimated numbers are therefore compared with the numbers approved in last MTR Order in Case No. 203 of 2017 for provisional truing-up.

5.2 Energy Sales

BEST's Submission

5.2.1 BEST has submitted the summary of the category wise sales as approved by the Commission in the MTR Order, actual sales for H1 of FY 2019-20, estimated sales for H2 of FY 2019-20 and sales considered for provisional True-up are shown in the Table below.

Table 82: Tariff Category-wise energy consumption for FY 2019-20, as submitted by BEST (MU)

Consumer Category	MTR Order	MYT Petition (H1)	MYT Petition (H2)	MYT Petition (Apr- March)	Provisional True-up requirement
HT Category					
HT - I Industry	137.28	92.74	64.03	156.77	19.50
HT - II Commercial	270.00	118.72	127.95	246.67	(23.33)
HT - III Group Housing	32.63	15.75	14.90	30.65	(1.98)
HT IV- PWW	37.99	18.98	16.75	35.73	(2.27)
HT V- Railways, Metro, Monorail	2.29	1.12	1.02	2.14	(0.14)
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	26.49	13.81	12.78	26.59	0.10
HT VI-(B) Public services (Others)	167.24	84.80	76.19	160.99	(6.25)
HT-VII Temporary Supply	18.31	9.14	17.13	26.27	7.96
Sub-total	**692.23**	**355.06**	**330.76**	**685.82**	**(6.42)**

Consumer Category	MTR Order	MYT Petition (H1)	MYT Petition (H2)	MYT Petition (Apr- March)	Provisional True-up requirement
LT Category					
LT-I (A) Residential (BPL)	0.58	0.01	0.06	0.07	(0.50)
LT – I (B) Residential					
0 – 100 units	813.80	379.35	370.17	749.52	(64.28)
101 – 300 units	730.25	379.69	313.33	693.02	(37.23)
301 - 500 units	229.70	127.89	93.93	221.82	(7.88)
> 501 units	414.44	208.14	174.19	382.33	(32.11)
LT - II (a) Commercial					
0 - 500 units	599.54	287.00	400.74	687.74	88.20
> 500 units	377.27	175.31	32.87	208.18	(169.10)
LT - II (b) Commercial >20 & <=50 kW	215.93	110.22	100.97	211.19	(4.75)
LT - II (c) Commercial >50	371.38	194.65	175.46	370.11	(1.27)
LT - III (A) Industry (upto 20 kW)	44.90	23.75	19.49	43.25	(1.65)
LT-III (b) Industrial above 20 kW	88.94	43.55	46.79	90.33	1.40
LT-IV PWW	6.78	2.67	4.15	6.82	0.03
LT - V Advertisement & Hoardings	1.63	0.71	0.81	1.52	(0.11)
LT - VI Street Lights	18.65	8.96	10.09	19.05	0.40
LT - VII (a) Temporary Supply Religious	0.21	0.12	0.08	0.20	(0.01)
LT - VII (b) Temporary Supply Others	32.00	5.49	9.41	14.90	(17.10)
LT - VIII Crematorium and Burial Grounds	2.15	0.77	0.78	1.54	(0.61)
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions	61.28	29.63	25.59	55.22	(6.06)
LT - IX (B) Public Services - others	168.09	85.42	77.75	163.17	(4.92)
LT-X (A) Agriculture-Pumpsets	-	-	-	-	-
LT-X (B) Agriculture-Others	-	-	-	-	-
LT XI Vehicle Charging	-	0.12	0.12	0.24	0.24
Sub-total	**4,177.52**	**2,063.44**	**1,856.78**	**3,920.22**	**(257.30)**
Total	**4,869.75**	**2,418.49**	**2,187.54**	**4,606.03**	**(263.72)**

5.2.2 BEST has computed sales of all months in H2 by taking into consideration seasonality of energy sales. BEST has estimated the annual sales of FY 2019-20 as per category-wise CAGR. Actual sales for each category for H1 are deducted from estimated sales to arrive at sales for H2 of FY 2019-20. Estimated sales for October 2019 to March 2020 are divided on pro-rata basis of sales in FY 2018-19 for that month vis-à-vis total actual sales for H2 of FY 2018-19.

5.2.3 BEST has considered the category wise actual sales data for H1 of the FY 2019-20. The difference of Annual sales estimated through Trend analysis method and the actual sales is distributed over the period of H2 of FY 2019-20 by considering the ratio of category wise sales to total sales in corresponding month of previous year. The estimated impact on sales due to DSM, net metering and roof top has been adjusted accordingly.

5.2.4 BEST has considered the average of actual monthly consumption from H1 of FY 2019-20 as the estimated monthly sales for the period of H2 of FY 2019-20 for the LT (IX) Vehicle charging category as energy sales to LT (IX) Vehicle charging category has commenced very recently (i.e. from February 2019) resulting in data insufficiency for adopting the Trend Analysis Method which was used for estimating the sales of remaining categories.

5.2.5 BEST has requested the Commission to approve the sales as submitted for FY 2019-20, for provisional Truing-up purpose.

Commission's Analysis and Ruling

5.2.6 The Commission has noted that BEST has submitted provisional actual sales data up to September, 2019 for each consumer category as shown in the BEST submission.

5.2.7 The Commission has observed that there is minimal growth in the sales of BEST over past period. BEST has also not achieved sales approved for FY 2018-19 in MTR Order in Case No. 203 of 2017. Sales growth in last five years is as shown in the Table below:

Table 83: Increase in Energy Sales for FY 2014-15 to FY 2018-19

Year	Sales (MU)	YoY Growth
FY 2013-14	4351.52	
FY 2014-15	4418.83	1.55%
FY 2015-16	4576.60	3.57%
FY 2016-17	4402.76	(3.79%)
FY 2017-18	4544.19	3.21%
FY 2018-19	4572.01	0.61%

5.2.8 In view of the above, the Commission has approved the sales for FY 2019-20 as submitted by BEST for provisional Truing up which is YoY 0.74% as shown in the Table below:

Table 84: Energy Sales for FY 2019-20, as approved by the Commission (MU)

Particulars	MTR Order	MYT Petition	Approved in this Order
Energy Sales	4,869.75	4,606.03	4,606.03

5.2.9 **The Commission approves energy sales of 4,606.03 MU on provisional Truing up of ARR for FY 2019-20.**

5.3 Distribution Losses and Energy Balance

BEST's Submission

5.3.1 BEST has considered target Distribution loss of 5.60% for the purpose of estimation for FY 2019-20 as approved in MTR Order.

5.3.2 BEST has submitted that it has considered the Transmission loss of 3.17% for FY 2019-20 which are the actual Transmission losses incurred for H1 of FY 2019-20.

5.3.3 BEST has estimated energy requirement for FY 2019-20 at G-T interface based on target Distribution loss and provisional actual Transmission loss as shown in the Table below.

Table 85: Energy Balance for FY 2019-20, as submitted by BEST

Particulars	MTR Order	MYT Petition
Sales (MU)	4,869.75	4,606.03
Distribution loss (%)	5.60%	5.60%
Energy Requirement at T-D interface (MU)	5,158.63	4,879.27
Intra-state Transmission loss (%)	3.30%	3.17%
Energy Requirement at G-T interface (MU)	**5,334.47**	**5,039.00**

5.3.4 BEST has submitted that it has been able to maintain its Distribution losses in the range of 5% to 6% which are almost near to the technical minimum of the network by taking various initiatives such as continuous vigilance activities, raids, consumer awareness on theft and energy conservation, legal actions against theft incidences and faulty meter replacements. The Distribution loss for FY 2018-19 is an aberration in single year and is not a consistent achievement. Reducing losses at higher loss levels is easier than reducing losses at efficient levels. BEST's Distribution losses are at most efficient levels and further reducing or even maintaining the same is highly difficult proposition.

5.3.5 The Distribution losses have been varying both upwards and downwards in the past many years. The same is evident in the Table below.

Table 86: Distribution Losses as submitted by BEST

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Distribution loss (%)	5.90%	6.53%	5.83%	5.58%	5.82%

5.3.6 BEST has further submitted that it is quite possible that even maintaining the losses at 4.18% in the future period would not be possible unless the losses remains at this level for a consistent period. Further, the Distribution losses are impacted by various technical, commercial and other parameters; such as sales mix such as weather variations, vintage of the network and equipment, line loading, etc.

5.3.7 Further, the purchase units are recorded on 1st of every month i.e. the purchase are for 365 days. Whereas, BEST has a total of 24 billing cycles of 30 days billing period for its around 10.36 lacs consumers, these cycles have different meter reading dates spread throughout the month. In some years the billing period can vary from 365 days to 366 days due to holidays. BEST has daily average sale of 12.5 MUs. Hence, any such variation in billing cycle for a day or two can also cause the loss to vary by 0.5%. Therefore, the Distribution loss targets for the future periods should have buffer to accommodate such variations.

5.3.8 BEST has requested the Commission to consider BEST's loss target proposal and keep a room to perform at the efficient levels. If the Commission does not consider BEST's proposal for Distribution loss targets, it might get penalised for not achieving the loss target even though it is operating at the most efficient level.

5.3.9 BEST has requested the Commission to approve energy requirement and Distribution loss as shown in the above Table for FY 2019-20 at G<>T interface. Any variation in actual Distribution loss may be adjusted at time of final truing-up of FY 2019-20.

Commission's Analysis and Ruling

5.3.10 The Commission noted the submission of BEST. For computation of Energy Balance and energy requirement for FY 2019-20, the Commission has considered the actual sales as approved in this Order.

5.3.11 In MTR Order in Case No. 203 of 2017, the Commission has approved Distribution loss target of 5.60% for FY 2019-20. The Commission has noted that BEST has achieved actual Distribution loss of 4.18% for FY 2018-19 but has still sought Distribution loss target of 5.60% for FY 2019-20. BEST has not been able to conclusively justify its claim that it may not be able to maintain the loss levels of 2018-19. The justification given is very generic in nature. Also, the Commission opines that BEST should carry a detailed analysis of the reasons which have resulted in reaching a low loss level of 4.18% in 2018-19 and shall continue improving further. To maintain consistency in its approach, the Commission has decided not to restate the loss trajectory below 4.18% for 2019-20 and thus during provisional Truing-up for FY 2019-20, the Commission maintains Distribution loss target of 5.60% same as approved in MTR Order in Case No. 203 of 2017. However, for the reasons mentioned above, for the next Control Period, the Commission has set lower loss trajectory.

5.3.12 Accordingly, the Commission has considered the T< >D input of 4879.27 MU for FY 2019-20. The actual InSTS Loss (April, 2019 to January, 2020) has been considered as 3.18% based on the information shared by MSLDC.

5.3.13 In view of the above, the Distribution Loss and Energy Balance as provisionally approved by the Commission for FY 2019-20 are given in the Table below:

Table 87: Energy Balance for FY 2019-20, as approved by the Commission

Particulars	Unit	MTR Order	MYT Petition	Approved in this Order
Sales	MU	4,869.75	4,606.03	4,606.03
Distribution Loss	%	5.60%	5.60%	5.60%
Energy Requirement at T<>D interface	MU	5,158.63	4,879.27	4,879.27
Intra-state Transmission Loss	%	3.30%	3.17%	3.18%
Energy Requirement at G<>T interface	MU	5,334.47	5,039.00	5,039.45

5.3.14 **The Commission approves energy requirement at G<>T interface of 5,039.45 MU on provisional Truing up of ARR for FY 2019-20.**

5.4 Power Purchase Expenses for FY 2019-20

BEST's Submission

5.4.1 BEST has worked out power purchase expenses for FY 2019-20 based on the energy balance submitted above. BEST has considered the power purchase cost towards power procured from TPC-G and Walwhan Solar Energy Maharashtra (Erstwhile Welspun Energy) as approved by the Commission in the MTR Order.

5.4.2 BEST has estimated the power procurement from short term non-solar renewable energy as 68 MU for FY 2019-20 based on the power procured from short term non-solar renewable energy of FY 2018-19 which is 68.22 Mus.

5.4.3 BEST has estimated the cost towards solar and non-solar based on the RPO obligation for FY 2019-20 and the recent cost of REC's in the market.

5.4.4 BEST has assumed that the short fall in power requirement will be procured from the short-term bilateral power purchase sources and computed the power purchase cost for FY 2019-20 considering a tariff of Rs. 4.00/kWh as the average tariff of bilateral power for the period H1 of 2019-20 was Rs. 4.12/kWh. BEST has procured bilateral power from various Traders/ Generators for FY 2019-20 (H1) after inviting e-tender through Ministry of Power's DEEP e-portal, in line with MoP Guidelines on Short Term Competitive bidding. This short-term power is purchased on RTC basis as well as for particular time slots depending upon BEST's requirement to meet the demand. Further, the power is purchased through Power Exchange to meet any shortfall.

5.4.5 The estimated cost of power purchase for FY 2019-20 is given in the Table below:

Table 88: Estimated Power Purchase for FY 2019-20, as submitted by BEST

Particulars	MYT Petition		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Long term / Medium term Sources			
TPC-G	3,521.45	1,529.59	4.34
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56
Short term Sources			
Bilateral Power Purchase	1,418.05	567.22	4.00
Short Term Non-Solar RE Purchase	68.00	47.40	6.97
REC Procurement-Solar	144.41	39.16	2.71
REC Procurement-Non-Solar	504.65	142.82	2.83
Payment for stand-by energy purchase in FY 2016-17 & FY 2017-18	-	2.78	-
Prior period payments for pool imbalances of FY 2017-18 & FY 2018-19	-	183.77	-
Stand by Charges	-	102.64	-
Transmission charges		224.52	
MSLDC Charges		1.13	
Total	**5,039.00**	**2,867.98**	

5.4.6 The Commission in its Order in Case No. 249 of 2018 dated 2 January, 2019, allowed BEST to tie up 100 MW Power with M/s. Manikaran Power Ltd. through M/s. Sai Wardha Power Generation Ltd. Since the code of conduct was in place, approval from the Election Commission was also sought and the same was approved by the end of March 2019. Post the approval, BEST has undertaken the balance process and signed a medium term PPA for procuring 100 MW power with M/s Manikaran Power Limited on 24 May, 2019 through M/s. Sai Wardha Power Generation Ltd.

5.4.7 While both the parties initiated the process to fulfil the Conditions Precedent as per the terms of the PPA, M/s Sai Wardha Power Generation Ltd. (SWPGL) was admitted to Corporate Insolvency Resolution Process (CIRP) by the NCLT, Hyderabad. All the major decisions related to operation of plants were to be approved by the Committee of Creditors (CoC)/NCLT. The resolution plan was approved by CoC on 25 July, 2019 and filed with NCLT for its approval in 6 August, 2019, due to which MTOA application could not be submitted. Thereafter, the resolution plan of SWPGL was approved by the NCLT, Hyderabad vide their Order dated 17 October, 2019.

5.4.8 Post the Order, M/s Manikaran Power Ltd. has submitted the Application for MTOA to MSETCL and approval is awaited. Therefore, commencement of power is expected from FY 2020-21 onwards and power from M/s Manikaran has not been considered in FY 2019-20.

5.4.9 BEST has considered prior period payments for FY 2019-20 as shown in Table below:

Table 89: Summary of prior period payments for FY 2019-20, as submitted by BEST (Rs. Crore)

Prior Period Payment	MYT Petition
Payment of Provisional Variable charge FBSM bills for FY 2017-18.	99.11
Payment of Provisional Fixed charge FBSM bill for FY 2011-12 to 2017-18 as per MERC Order in Case No. 297 of 2018.	22.53
Payment of Provisional Variable charge FBSM bills for FY 2018-19.	62.13
Total (A)	**183.77**
Payment towards Standby Energy support availed from MSEDCL during FY 2016-17.	0.77
Payment towards Standby Energy support availed from MSEDCL during FY 2017-18.	2.01
Total (B)	**2.78**
Grand Total (C=A+B)	**186.55**

Commission's Analysis and Ruling

5.4.10 **Procurement from TPC-G:** BEST is purchasing power from TPC-G in accordance with the Tariff approved by the Commission for sale of energy of TPC-G. The Commission has observed that power purchase cost sought by BEST is in line with the approvals provided in MTR Order in Case No. 203 of 2017. In view of the above, the Commission approves power purchase cost of TPC-G as sought by BEST for FY 2019-20.

5.4.11 **Non-Solar RE Sources:** BEST is purchasing non-solar power from various generators on short-term basis at preferential tariff. The total landed price at InSTS periphery for all non-solar RE purchases as submitted by BEST includes the wheeling charge, short term open access charge and scheduling charge to wheel power to BEST's license area from non-solar RE projects connected to the MSEDCL network in Maharashtra. BEST has estimated power purchase cost of Rs. 47.40 Crore of 68 MU at Rs. 6.97 per kWh. Accordingly, the Commission provisionally approves non-solar power purchase cost of Rs. 47.40 Crore for FY 2019-20.

5.4.12 **Solar RE Sources:** BEST has submitted that it meets the solar RE purchase obligation through a long term power purchase agreement entered with Walwhan Solar Energy Maharashtra. As per agreement, BEST procures entire solar power from

20 MW solar plant of Walwhan Solar Energy Maharashtra with guaranteed generation of 31.50 MU. During FY 2019-20, BEST has purchased 31.50 MU at PPA rate of Rs. 8.56/kWh. Therefore, power purchase cost for 31.50 MU is Rs. 26.96 Crore. The Commission provisionally approves solar power purchase cost of Rs. 26.96 Crore for FY 2019-20.

5.4.13 **REC Purchase:** To meet solar RPO of 3.50% for FY 2019-20, BEST is required to purchase 175 MU of solar energy. BEST has projected 31.50 MU of solar energy and hence to meet remaining solar RPO, BEST has projected purchase of 144.41 MU of solar REC at Rs. 2.71/ kWh. To meet Non-Solar RPO of 11.50% for FY 2019-20, BEST is required to purchase 575 MU of solar energy. BEST has projected 68 MU from Non-solar sources and hence to meet remaining non-solar RPO, BEST has projected 504.65 MU of non-solar REC at Rs. 2.83/ kWh. The Commission had sought invoices of REC purchase carried out in FY 2019-20 to validate the REC purchase rates considered by BEST. Based on scrutiny of the documents submitted by BEST, the Commission provisionally approves solar REC purchase cost of Rs. 39.16 Crore and non-solar REC purchase cost of Rs. 142.82 Crore. While approving this cost on account of purchase of REC, Commission notes that BEST should have planned their procurement for purchase of RE Power and purchase REC purchase could have been resorted to only in case of shortfall in RE power.

5.4.14 **Power Purchase from Bilateral Sources:** The Commission has observed that BEST has estimated purchase of 1,418.05 MU under bilateral contracts amounting to Rs. 567.22 Crore at the average rate of Rs. 4.00/ kWh. BEST has purchased its balance power purchase requirement from bilateral sources at Rs. 4.12 / kWh during FY 2019-20 through competitive bidding process from DEEP portal during April, 2019 to September, 2019. The Commission has sought details of actual short-term power purchase from BEST and accepted its submissions in this regard. In line with assumption of BEST, the Commission has also considered balance power purchase requirement from bilateral sources. Accordingly, the Commission approves power purchase of 1418.50 MU under bilateral contracts amounting to Rs. 567.40 Crore for FY 2019-20.

5.4.15 **Other Charges:** BEST has estimated FBSM bill to be paid in FY 2019-20 of Rs. 186.55 Crore. The Commission has sought details of actual payment made by BEST during FY 2019-20. As submitted by BEST, Rs. 80.08 Crore payment has been already made in FY 2019-20. Accordingly, the Commission approves Rs. 80.08 Crore of FBSM charges payment during provisional true-up of FY 2019-20. The Commission will provide necessary treatment to remaining amount of Rs. 106.47 Crore which BEST has claimed in provisional truing-up of FY 2019-20 during approval of power purchase cost of FY 2020-21.

5.4.16 **Power Purchase from Manikaran Power Limited:** The Commission has observed that BEST has not envisaged any power availability from Manikaran Power Limited (Manikaran). The Commission in its Order in Case No. 249 of 2018 dated 2 January, 2019 allowed BEST to sign medium term PPA with Manikaran for 100 MW and power was supposed to start from April, 2019. As submitted by BEST, due to Code of Conduct imposed for General Lok Sabha Elections, BEST had forwarded the proposal of execution of PPA to the Chief Secretary, Mantaralaya as well as Election Commission and approval was received by end of March, 2019. BEST has issued Letter of Award on 26 March, 2019 and after undertaking balance process, signed PPA on 24 May, 2019. The Commission does not accept the reason for delay in process on account of Code of Conduct of Lok Sabha Elections as it was imposed on 10 March, 2019 which is more than 2 months from the date of issuance of Order by the Commission. After getting approval Order from the Commission, BEST should have immediately issued Letter of Award if they required the power supply to start from 1 April, 2019. Even after getting approvals from Chief Secretary and Election Commission, it took around 2 months to sign the PPA between BEST and Manikaran. BEST has not provided any reasons for this delay of 2 months. The Commission notes that overall there is delay in process by 5 months from the date of issuance of Order by the Commission and signing of PPA. The Commission notes that there were no external factors which have resulted in delay in signing of PPA and it is purely on account of delay attributable to either BEST or Manikaran.

5.4.17 BEST has further submitted that during process to fulfil the Conditions Precedent as per the terms of the PPA, M/s Sai Wardha Power Generation Ltd. (SWPGL), with whom Manikaran had tied up for supply of power to BEST, was admitted to Corporate Insolvency Resolution Process by the NCLT, Hyderabad. Hence, Manikaran was not able to file MTOA application as Resolution Plan of SWPGL was approved by NCLT on 17 October, 2017. The Commission notes that BEST has provided reasons for further delay, however, it has not provided details of measures taken by it to overcome this problem.

5.4.18 The PPA signed between BEST and Manikaran has various provisions relating to the actions to be initiated in case of delay in supply of power by the supplier. BEST has not provided details regarding the course of action taken by it relating to the delay in supply of power from Manikaran. BEST has not provided details whether they have invoked any clause related to Damages for delay in supply of power by the Supplier as per the terms of the PPA. The PPA also has a clause pertaining to substitution of supply by the supplier in case of any issues with the existing source. BEST has also not provided any details whether they have explored option of substitution of supply as envisaged under the PPA.

5.4.19 The Commission expresses its serious displeasure over such delay in procurement of power even after getting timely approval from the Commission. To meet the power purchase requirement, BEST has purchased short-term power through Bilateral/ Exchange during FY 2019-20. BEST in its Petition submitted that it has purchased short-term power at rate of Rs. 4.12/ kWh during first six months of FY 2019-20 and considered short-term power purchase rate of Rs. 4.00 /kWh for FY 2019-20. As submitted by BEST, power purchase cost of Manikaran was approved at rate of Rs. 3.98 /kWh.

5.4.20 During course of proceedings, the Commission sought latest details of short-term power procurement by BEST. The Commission observed that during first nine months of FY 2019-20, BEST has carried out short-term power purchase at rate of Rs. 3.90 /kWh. To work out the likely impact of the delay in start of supply of power by Manikaran on the overall estimated Power Purchase Cost of BEST for the FY 2019-20, the Commission, based on the latest data up to December, 2019, has worked out the likely power purchase cost which would have been incurred by BEST in case power was available from Manikaran during FY 2019-20 and actual power purchase cost incurred by BEST by purchasing short-term power from the Market in absence of power supply from Manikaran. The analysis of the estimated impact of the non-availability of power from Manikaran is given in the table below:

Table 90: Estimation of impact of the non-availability of power from Manikaran

Months	Manikaran Power - Assumed		Bilateral Sources - Actual		Exchange - Actual	
	MU	Rate (Rs./kWh)	MU	Rate (Rs./kWh)	MU	Rate (Rs./kWh)
Apr-19	62.05	3.98	25.55	6.02	17.48	3.60
May-19	62.05	3.98	49.08	5.59	27.48	3.87
Jun-19	62.05	3.98	35.75	5.60	33.81	3.62
Jul-19	62.05	3.98	-	-	32.11	3.34
Aug-19	62.05	3.98	-	-	45.97	3.29
Sep-19	62.05	3.98	-	-	67.44	2.96
Oct-19	62.05	3.98	84.46	3.93	10.78	2.88
Nov-19	62.05	3.98	16.64	4.59	44.47	3.30
Dec-19	62.05	3.98			96.19	3.39
Total	**558.45**	**3.98**	**211.47**	**4.90**	**375.73**	**3.34**
Total Power Purchase Cost (Rs. Crore)	**222.26**		**103.66**		**125.40**	
Comparative Analysis						
Power Purchase	**558.45**	**3.98**	**211.47**	**4.90**	**346.98**	**3.37***
Total Power Purchase (MU)	**558.45**		**558.45**			
Cost of Power Purchase (Rs. Crore)	**222.26**		**103.66**		**116.97**	
Total Power Purchase Cost (Rs. Crore)	**222.26**		**220.63**			
Difference in Power Purchase Cost - Rs. Crore (Manikaran minus Bilateral & Exchange)	**1.63**					

*The average rate of power purchase from power exchange is computed based on stacking of the power purchase rate in different month in descending order and considering power purchase up to 346.98 MU

5.4.21 The Commission observed that as the short-term power purchase rates have gone down in recent time and hence there is no adverse financial impact on the consumers due to delay in supply of power from Manikaran as per current data.

5.4.22 As data of three months is still pending in FY 2019-20, it will be premature to conclude that there is no adverse financial implication to consumers due to delay in Manikaran power and hence at the time of final truing-up, the Commission will analyse actual short-term power purchased carried out by BEST vis-à-vis power purchase rate of Manikaran and if it is found that BEST has purchased short-term power at higher rate than the approved rate of Manikaran, then Commission will appropriately work out the additional financial burden for the year 2019-20 and deal with this additional burden (if any) appropriately.

5.4.23 BEST has considered power supply from Manikaran from FY 2020-21 onwards for five years whereas it was scheduled to supply power from FY 2019-20 onwards for five years. The Commission in its approval of the PPA has approved the starting date of supply of power from Manikaran Power as 1 April, 2019. However, considering that the power supply will now only start on 1 April, 2020, BEST is directed to file separate Petition for approval of delay in supply of power from Manikaran covering aspects like various measures that were available to BEST under the terms of the PPA to address the delay in supply and the provisions which were actually invoked by BEST in this regard.

5.4.24 **Transmission Charges and MSLDC Charges:** The Commission approves actual Transmission Charges of Rs. 224.52 Crore as per InSTS Order in Case No. 265 of 2018 and MSLDC Charges of Rs. 1.13 Crore as per MSLDC MTR Order in Case No. 168 off 2017 for the provisional truing-up of FY 2019-20.

5.4.25 **Standby Charges:** In line with submissions of BEST, the Commission provisionally approves the Standby Charges of Rs. 102.64 Crore for FY 2019-20.

5.4.25.1 The summary of power purchase quantum and expenses, including other charges, Stand-by Charges and transmission Charges for FY 2019-20, as submitted by BEST and as approved by the Commission in provisional Truing up, is given in the following Table:

Table 91: Power Purchase by BEST for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
Long term / Medium term Sources						
TPC-G	3,521.45	1,529.59	4.34	3,521.45	1,529.59	4.34
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Short term Sources						
Bilateral Power Purchase	1,418.05	567.22	4.00	1,418.50	567.40	4.00
Short Term Non-Solar Purchase	68.00	47.40	6.97	68.00	47.40	6.97
REC Procurement-Solar	144.41	39.16	2.71	144.41	39.16	2.71
REC Procurement-Non-Solar	504.65	142.82	2.83	504.65	142.82	2.83
Payment for stand-by energy purchase in FY 2016-17 & FY 2017-18	-	2.78			2.78	
Prior period payments for pool imbalances of FY 2017-18 & FY 2018-19	-	183.77			77.3	
Stand by Charges		102.64			102.64	
Transmission charges		224.52			224.52	
MSLDC Charges		1.13			1.13	
Total	**5,039.00**	**2,867.98**	**5.69**	**5,039.45**	**2,761.69**	**5.48**

5.4.26 **The Commission approves the total cost of power purchase of Rs. 2,761.69 Crore on provisional Truing up of ARR for FY 2019-20.**

5.5 Operation and Maintenance Expenses

BEST's Submission

5.5.1 BEST has computed normative O&M expense for FY 2019-20 as shown in Table below.

Table 92: O&M Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particular	Total
Normative O&M expense for FY 2018-19	560.16
Provisional normative O&M expense for FY 2019-20	576.03

** Note- Escalation rate of 2.83% p.a. of FY 2018-19 is assumed for FY 2019-20*

5.5.2 BEST has submitted that there has been revision in pay scale as per MoU entered between Employee Union and Management. This MoU is over and above wage agreement considered in the last MYT Order. Due to this MoU, employee expenses are expected to increase from mid-year (from October 2019 onwards). Accordingly, BEST has estimated the actual O&M expense for FY 2019-20 that is Rs. 584.87 Crore.

5.5.3 BEST has further submitted that the estimated O&M expense is higher than normative O&M expense computed above. These expenses do not reflect increase in entire year for all employees. As pay scale revision is implemented for all employees and for the entire year, O&M expense is expected to increase further.

5.5.4 The Commission had approved O&M Expense of Rs. 609.78 Crore in MTR Order without considering impact of wage revision. In spite of the same, approved O&M expense is higher than estimated actual O&M expense which includes impact of wage revision, because the same was escalated at 5.056% instead of 3.48% for FY 2017-18 and 2.83% for FY 2018-19.

5.5.5 Therefore, BEST requested the Commission to consider the estimated actual O&M expense in the ARR for FY 2019-20 instead of normative O&M expense as shown in Table below.

Table 93: O&M Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	Revised normative*	Revised Normative without efficiency factor deduction	Estimated Actual	MYT Petition
O&M Expenses	609.78	576.03	592.96	584.87	584.87

** Note- Computed at revised escalation rate after deducting efficiency factor of 1%*

5.5.6 **Employee Expenses:**

5.5.6.1 BEST has estimated the Employee Expenses for FY 2019-20 are as shown in the Table below:

Table 94: Employee Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition (Apr-Sep)	MYT Petition (Oct-Mar)	MYT Petition
Basic Salary	59.84	88.82	148.66
Dearness Allowance (DA)	61.69	65.36	127.05
House Rent Allowance	6.80	18.77	25.57
Conveyance Allowance	0.23	0.74	0.97
Leave Travel Allowance	-	3.50	3.50
Earned Leave Encashment	-	0.49	0.49
Other Allowances	0.99	3.15	4.14
Medical Reimbursement	2.68	8.53	11.21
Overtime Payment	-	6.91	6.91
Bonus/Ex-Gratia Payments	0.01	28.22	28.23
Provision for PF Fund	15.80	17.84	33.64
Gratuity Payment	10.09	29.91	40.00
Functional Allowance as per Agreement	3.99	4.10	8.09
Gross Employee Expenses	**162.12**	**276.34**	**438.46**
Less: Expenses Capitalised	21.45	22.55	44.00
Net Employee Expenses	**140.67**	**253.79**	**394.46**

5.5.7 Administrative & General Expenses:

5.5.7.1 BEST has considered Administrative & General (A&G) Expenses as shown in the Table below:

Table 95: Administrative & General Expenses for FY 2019-20 as submitted by BEST (Rs. Crore)

Particulars	MYT Petition (Apr-Sep)	MYT Petition (Oct-Mar)	MYT Petition
Rent Rates & Taxes	0.19	6.36	6.55
Telephone & Postage, etc.	1.73	3.54	5.27
Legal charges & Audit fee	0.99	0.03	1.02
Professional, Consultancy, Technical fee	0.12	0.20	0.32
Electricity charges	-	6.00	6.00
Security arrangements	5.05	7.15	12.20
Printing & Stationery	0.77	1.27	2.04
Advertisements	0.18	2.94	3.12
License Fee and other related fee	0.75	0.09	0.84
Vehicle Running Expenses Truck / Delivery Van	1.51	5.09	6.60
Training	-	0.01	0.01
Bank Charges	-	1.10	1.10
Miscellaneous Expenses	4.61	7.44	12.05
Share of General Administration Expenses	19.60	58.68	78.28
Total A &G Expenses	**35.50**	**99.90**	**135.40**

5.5.7.2 BEST has submitted that the share of general administration (GA) is significant portion of A&G expense. For FY 2019-20, it is Rs. 78.28 Crore out of Rs. 135.40 Crore. General administration expense depends upon number of employees catering to general administration and their salaries and other expenses. Due to agreement for revision in wages, expense on these employees has increased, which has resulted in increase in share of general administration. These employees are over and above the employees identified as part of the Electricity Supply Business whose costs are included in the employee expenses submitted by BEST.

5.5.8 Repair & Maintenance Expenses:

5.5.8.1 BEST has considered Repair & Maintenance Expenses as shown in the Table below:

Table 96: Repair and Maintenance Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition (Apr-Sep)	MYT Petition (Oct-Mar)	MYT Petition
Plant & Machinery	2.94	3.04	5.98
Buildings	0	0.04	0.04
Civil Works	2.87	11.38	14.25
Hydraulic Works	0	0	-
Lines & Cable Networks	13.95	12.32	26.27
Vehicles	0	0	-
Furniture & Fixtures	0.06	0.79	0.85
Office Equipment	2.05	0.85	2.90
Meter & Equipment	2.06	2.66	4.72
Gross R&M Expenses	**23.93**	**31.08**	**55.01**
Less: R&M Expenses Capitalised			
Net R&M Expenses	**23.93**	**31.08**	**55.01**

Commission's Analysis and Ruling

5.5.9 The Commission has noted the submissions of BEST. In line with the approach adopted by the Commission for previous years, the Commission has recomputed and approved the revised normative O&M expenses for FY 2019-20 in line with the provisions of the MYT Regulations, 2015. The Commission has already discussed the methodology for working out normative O&M in true up of FY 2018-19. Considering the normative O&M expense of FY 2018-19 and applying escalation factor of 3.07% (same as worked out for FY 2018-19) on the same, normative O&M expense for FY 2019-20 works out to Rs. 579.64 Crore. The working of the same is as shown in the Table below.

Table 97: Revised Normative O&M Expenses for FY 2019-20, as approved by the Commission (Rs. Crore)

Particular	Total
Normative O&M expenses of FY 2018-19 after applying escalation factor	562.40
Escalation factor for FY 2019-20	3.07%
Normative O&M expenses of FY 2019-20 after applying escalation factor	579.64

5.5.10 As submitted by BEST, revision in pay scale as per MoU entered between Unions and Management is approved and accordingly, payment has been made to employees from October, 2019 onwards. BEST has sought estimated O&M expenses of Rs. 584.87 Crore which includes the impact of the wage revision as against normative O&M

expenses of Rs. 579.64 Crore and hence is seeking approval for an additional payment of Rs. 5.23 Crore.

5.5.11 The Commission has noted that BEST has started making payments from October, 2019 onwards only and hence impact of wage revision considered by BEST in the Petition is not based on the actual payments made to the employees as Petition was filed on 29 November, 2019. The Commission also observes that BEST has not provided details of likely additional payment due to wage revision in FY 2019-20. The Commission has also noted that BEST in its reply to data gaps submitted that wage settlement of the Officers is in process and will be finalized in due course. As wage revision is not implemented in totality, the Commission does not find merit in approving impact of wage revision on adhoc basis. The Commission directs BEST to submit impact of wage revision separately along with necessary documentary proof during final truing-up of FY 2019-20. The Commission will carry out necessary prudence check and provide treatment of wage revision as per MYT Regulations, 2015.

5.5.12 Accordingly, the Commission has provisionally approved the normative O&M expenses for FY 2019-20 as given in the following Table:

Table 98: O&M Expenses for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
O&M Expenses	609.78	584.87	579.64

5.5.13 **The Commission provisionally approves the normative O&M expenses of Rs. 579.64 Crore on provisional Truing up of ARR for FY 2019-20.**

5.6 Capital Expenditure and Capitalization

BEST's Submission

5.6.1 BEST has estimated the provisional capital expenditure Rs. 215.22 Crore for FY 2019-20 as against approved capitalisation of Rs. 147.69 Crores in MTR Order. The provisional capital expenditure and capitalization for FY 2019-20 is given in the Table below:

Table 99: Details of Capital Expenditure for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition	Provisional True-up requirement
Capital Expenditure	147.69	202.66	54.97
Capitalisation	147.69	215.22	67.53
IDC			
Capitalization + IDC	**147.69**	**215.22**	**67.53**

5.6.2 BEST has submitted the break-up of capital expenditure for FY 2019-20 as given in the Table below:

Table 100: Capital Expenditure for Distribution Wire business, as submitted by BEST (Rs. Crore)

Particulars	Capital Expenditure	Capitalization
(i) In principle approved by MERC		
New RSS Commissioning	7.58	7.58
Augmentation/Replacement of existing RSS	4.27	4.27
SCADA and digitization	5.84	5.84
IPDS Project (60% Grant from GoI)	81.26	93.82
(ii) Yet to receive in-principle MERC approval		
Augmentation/Replacement of existing RSS	6.55	6.55
Extension of Distribution Network	45.05	45.05
(iii) Non DPR SCHEMES except Street Lighting	7.84	7.84
(iv) Street Lighting (100 % MCGM Grant)	2.25	2.25
(v) New Distribution Substation & Augmentation & alteration to existing DSS	25.58	25.58
TOTAL (A)	**186.22**	**198.78**
Retail Supply business		
(i) In principle approved by MERC		
IPDS DPR-Energy Meter	7.45	7.45
(ii) Yet to receive in-principle MERC approval		
Energy Meter	8.99	8.99
TOTAL (B)	**16.44**	**16.44**
Total (A) + (B)	**202.66**	**215.22**

5.6.3 The Government of India (GoI) has sanctioned grant worth Rs. 104.65 Crore for execution of Capital Schemes under IPDS to the BEST Undertaking. MTR Order was issued by the Commission in September, 2018 and scheme for IPDS project was approved by the Commission on 26 July, 2019. Therefore, BEST has submitted that the estimated capital expenditure is higher than approved capital expenditure for FY 2019-20 since capital expenditure corresponding to this scheme was not included in approved capitalisation.

Commission's Analysis and Ruling

5.6.4 During proceedings, the Commission had sought details of the various capital expenditure schemes to be executed by the BEST along with its approval details. Out of the claim of Rs. 215.22 Crore of capitalization during FY 2019-20, DPR's of capital expenditure schemes of Rs. 176.75 Crore only are approved by the Commission and for the remaining Rs. 38.47 Crore worth of schemes, the DPRs are yet to be approved by the Commission.

Table 101: Classification of Capitalization schemes (Rs. Crore)

Particular	Amount
DPR – Approved	166.35
DPR – Submitted/ Not Approved	38.78
Non-DPR	10.09
Total	**215.22**

5.6.5 In view of the above, the Commission approves capitalization of Rs. 176.44 Crore for FY 2019-20 which includes only approved DPR schemes and non-DPR schemes.

5.6.6 Further, as discussed in Section 4.6 of this Order, capitalization of Rs. 3.28 Crore was shifted to FY 2019-20 as against BEST claim for capitalization in FY 2018-19 as only civil work was carried out which cannot be put to use in isolation. This approval will be subject to prudence check at the time of truing up for FY 2019-20 when the Commission will examine if the assets have been put to use and accordingly provide appropriate treatment. Accordingly, the Commission approves additional capitalization of Rs. 3.28 Crore over and above Rs. 176.44 Crore approved for FY 2019-20.

Table 102: Capitalisation for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Capitalisation with IDC	147.69	215.22	179.72

5.6.7 **The Commission provisionally approves the capitalisation including IDC of Rs. 179.72 Crore on provisional Truing up of ARR for FY 2019-20.**

5.7 Funding of Capital Expenditure

BEST's Submission

5.7.1 BEST has submitted that it has considered the normative debt: equity ratio of 70:30 for funding of the capital expenditure schemes after deducting the funding from capital connection fee and Government Grants. Capital connection fee i.e. consumer's contribution considered for FY 2019-20 is same as that for FY 2018-19.

5.7.2 BEST has submitted that the entire provisional capital expenditure of Rs. 215.22 Crore would be capitalized in FY 2019-20. BEST has considered IDC for the FY 2019-20 as 'Nil'.

5.7.3 BEST has submitted that it has received Rs. 37.99 crores as grants for IPDS scheme during FY 2019-20. However, final grant allowed depends upon scope of work completed within prescribed timeline. Therefore, final grant approved will change as per project progress achieved within prescribed deadline. Any variation in actual Grant received for IPDS project will be adjusted at time of final truing-up of FY 2019-20. In addition, BEST has also assumed that 100% Grants for an amount of Rs. 2.25 Crore towards street lighting will be received in FY 2019-20.

5.7.4 The funding of capitalisation as submitted by BEST is as shown in the Table below:

Table 103: Details of funding of Capitalisation for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition
Capital Connection Fee	10.69
Government Grant	40.24
Loan	115.00
Internal Source	49.29
Total of Capitalisation including IDC	**215.22**

5.7.5 Further, any reduction in debt and equity due to capital connection fee is considered at during final truing up of FY 2019-20.

Commission's Analysis and Ruling

5.7.6 The Commission has noted the submissions of BEST and considered the normative debt: equity ratio of 70:30 in accordance with the MYT Regulations, 2015, after deducting the consumer contribution of Rs.10.06 Crore and Grant of Rs. 40.24 Crore as submitted by BEST. Accordingly, the sources of capitalisation considered by the Commission for provisional Truing up of FY 2019-20 are shown in Table below:

Table 104: Details of funding of Capitalisation for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Capitalization	**147.69**	**215.22**	**179.72**
Sources of Funding			
Consumer Contribution	10.06	10.69	10.69
Grants	-	40.24	40.24
Loan	96.34	115.00	90.15
Equity	41.29	49.29	38.64

5.7.7 BEST has proposed total capitalisation of Rs. 118.09 Crore against the IPDC scheme out of which Rs. 91.71 Crore was approved by the Commission. For remaining amount sanction from Government of India was received by BEST subsequent to approval of the Commission and hence it is yet to be approved by the Commission. IPDS scheme has grant amount of 60% of the value of the total scheme and remaining amount is envisaged to be funded through debt: equity ratio of 70:30.

5.7.8 BEST has presently capitalized only Rs. 24.17 Crore during FY 2018-19 and major capitalisation pertaining to the IPDS scheme of Rs. 93.82 Crore is proposed to be capitalized in FY 2019-20. The Commission will carry out detailed analysis of the IPDS scheme after completion of Scheme which is expected in FY 2019-20. At that time, it will be examined if BEST has been able to secure 60% grant as envisaged under the schemes or otherwise and appropriate action may be taken by the Commission.

5.7.9 It is also noted that while BEST has submitted that it has received Rs. 37.99 Crore as grants for IPDS scheme during FY 2019-20, the final grant allowed would depend upon scope of work completed within prescribed timeline. BEST has also stated that any change in the actual Grant received for IPDS project will be adjusted at time of final truing-up of FY 2019-20. The Commission does not agree with the contention of BEST. It is important for BEST to ensure that the project is implemented within the prescribed timelines so that the funding continues to be in the form of grant and the benefits out of this grant are passed on to the consumers. The Commission will not allow any impact in the cost on account of delay in implementation of the project through the ARR during the truing up of FY 2019-20.

5.7.10 **The Commission approves the funding of the Capitalisation at Rs. 10.69 Crore out of Consumer Contribution, Rs. 40.24 Crore through Grants, Rs. 90.15 Crore through loan and Rs. 38.64 Crore through equity on provisional truing up of ARR for FY 2019-20. The Commission expects that BEST will complete all its projects in time so that the full eligibility amount is received as grant from GoI.**

5.8 Depreciation

BEST's Submission

5.8.1 BEST has considered the same approach as submitted in truing up of FY 2018-19. BEST has considered the closing GFA for FY 2018-19 as the opening GFA for FY 2019-20.

5.8.2 BEST has calculated closing GFA of FY 2019-20 by adding capitalisation with IDC and deducting value of assets to be retired in FY 2019-20 as submitted by BEST in the Petition.

5.8.3 BEST has estimated the assets to be retired in FY 2019-20 to be equal to assets retired in FY 2018-19 as per provisional accounts. Calculation of average GFA considered for calculation of depreciation for Truing up of FY 2019-20 is given below:

Table 105: Gross Fixed Assets for FY 2019-20, as submitted by BEST (Rs. Crore)

Particular	MYT Petition
Opening GFA	2621.77
Capitalisation with IDC	215.22
Retirement	39.51
Closing GFA	2797.48
Average GFA	2709.62

5.8.4 BEST has considered the average depreciation rate of 4.07% that is derived for FY 2018-19 based on Provisional Accounts of FY 2018-19. The depreciation for FY 2019-20 is calculated based on the average depreciation rate of 4.07% over the average GFA of FY 2019-20. The opening balance of Gross block and the corresponding depreciation that has been charged during the year is given in the Table below:

Table 106: Depreciation Expense for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition
Average GFA	2709.62
Average Rate of Depreciation (%)	4.07%
Depreciation	110.41

5.8.5 BEST requested the Commission to approve depreciation expense as shown in the Table above for FY 2019-20.

Commission's Analysis and Ruling

5.8.6 The Commission has computed the depreciation in accordance with Regulation 27 of the MYT Regulations, 2015. The Commission has considered the closing GFA for FY 2018-19 as approved after Truing up in this Order, as the opening GFA for FY 2019-20. The Commission has considered the asset addition in FY 2019-20 in line with the approved capitalisation. The Commission has considered asset retirement same as proposed by BEST. Based on the approved opening GFA, asset addition and asset retirement, the closing GFA for FY 2019-20 is approved.

5.8.7 The Commission has computed the depreciation on the average of approved opening and closing GFA for FY 2019-20 by applying the depreciation rate of 4.07% approved for FY 2018-19 after Truing up in this Order. The depreciation for FY 2019-20 provisionally approved by the Commission as given in the following Table:

Table 107: Depreciation for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Opening GFA	2,660.77	2,621.77	2,598.11
Capitalization with IDC	147.69	215.22	179.72
Retirement	12.77	39.51	39.51
Transfer	-	-	-
Closing GFA	2,795.69	2,797.48	2,738.32
Average GFA	2,728.23	2,709.62	2,668.22
Depreciation Rate	4.59%	4.07%	4.07%
Depreciation	**125.26**	**110.41**	**108.72**

5.8.8 **The Commission approves depreciation of Rs. 108.72 Crore on provisional Truing up of ARR for FY 2019-20.**

5.9 Interest on Long Term Loan

BEST's Submission

5.9.1 BEST has submitted the details of provisional loan portfolio and interest expenses incurred during FY 2019-20 as shown in the Table below:

Table 108: Details of Provisional Interest Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	Opening Balance	Addition	Repayment	Closing Balance	Interest Expense
APDRP Loan	13.39	-	2.22	11.17	1.28
REC	395.31	-	39.53	355.78	40.44
Total	**408.70**	**-**	**41.75**	**366.95**	**41.72**

5.9.2 BEST has considered loan repayment equal to depreciation and loan addition is considered as per funding of capitalisation mentioned above. Change in loan addition due to change in amount of assets retired may be considered at time of final truing-up.

5.9.3 BEST has worked out the weighted average interest rate based on opening loan balance of FY 2019-20 and applied on the normative loan as per Regulation 29 of the MYT Regulations, 2015.

Table 109: Details of Normative Interest on loan for FY 2019-20, as submitted by BEST (Rs. Crore)

Source of loan	MTR Order	MYT Petition	Provisional True-up requirement
Opening Balance of Net Normative Loan	16.12	-	
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	27.66	

Source of loan	MTR Order	MYT Petition	Provisional True-up requirement
Less: Reduction of Normative Loan due to consumer contribution & grant	7.04	35.65*	
Addition of Normative Loan due to capitalisation during the year	103.38	105.65*	
Repayment of Normative loan during the year	112.46	87.35	
Closing Balance of Net Normative Loan	0.00	-	
Closing Balance of Gross Normative Loan			
Average Balance of Net Normative Loan	8.06	-	
Weighted average Rate of Interest on actual Loans (%)	11.14%	11.27%	
Interest Expenses	0.90	-	
Financing Charges			
Total Interest & Financing Charges	**0.90**	**-**	**(0.90)**

** Note- Normative loan addition is Rs. 115.00 Crore net of Rs. 35.65 Crore due to consumer contribution/ grant*

5.9.4 BEST requested the Commission to approve the interest expense on normative basis for FY 2019-20.

Commission's Analysis and Ruling

5.9.5 The Commission has noted the submissions of BEST. The closing normative loan for FY 2018-19 approved in this Order is considered as the opening normative loan for FY 2019-20. The addition in normative loan has been considered equal to the debt component of asset addition during the year. Loan repayment is considered equal to depreciation and loan addition is considered as per funding of capitalisation.

5.9.6 As regards the interest rate to be considered, the Regulation 29.5 of the MYT Regulations, 2015 states that the rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year shall be considered as the rate of interest. In view of the same and considering that BEST has fixed interest rate loans, the Commission has considered interest rate of 11.27% for FY 2019-20 based on BEST submission, subject to truing up subsequently. The Commission has applied this weighted average interest rate on the normative loan portfolio to compute the interest on loan capital. As there is nil opening balance of normative loan for FY 2019-20 and the depreciation amount approved during the year is more than the loan addition approved for the year, the effective average loan balance for the year is nil and hence the interest on long term loan is also nil. Accordingly, the Commission has approved the interest on loan capital for FY 2019-20 as shown in the following Table:

Table 110: Interest on Loan Capital for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Opening balance of loan	16.12	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	27.66	27.66
Loan drawal during the year	96.34	115.00	90.15
Loan repayment during the year	112.46	87.35	62.50
Closing balance of loan	-	-	-
Applicable interest rate (%)	11.14%	11.27%	11.27%
Interest on loan capital	**0.90**	-	-

5.9.7 **The Commission approves Nil Interest on Long Term Loan on provisional Truing up of ARR for FY 2019-20.**

5.10 Interest on Working Capital

BEST's Submission

5.10.1 BEST has submitted that MCGM has provided interest free loan of Rs. 21.64 crores for ex gratia bonus and therefore, it has not been considered in the estimated interest on working capital loan for FY 2019-20. Estimated interest on working capital loan for FY 2019-20 is summarized in the Table below:

Table 111: Interest on Working Capital for FY 2019-20 as per actual (Rs. Crores)

Name of the Bank	Opening Balance	Rate of Interest (%)	Amount raised	Amount paid during the year	Interest amount	Balance at the end of the year
Canara Bank Overdraft.	225.00	9.00	0.00	0.00	**10.16**	225.00

5.10.2 BEST has calculated the Interest on Working Capital on normative basis as per Regulation 35 of the MYT Regulations, 2015. Rate of IoWC is considered as SBI MCLR as on 1 December, 2019 viz. 8.00% + 150 basis point. The computation of Interest on Working Capital on normative basis is shown in the Table below:

Table 112: Normative Interest on Working Capital for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
O&M expenses for a month	50.81	48.00
Maintenance Spares at 1% of opening GFA	26.61	26.22
One and half months equivalent of the expected revenue	425.70	430.94

Particulars	MTR Order	MYT Petition
from charges for use of Distribution Wires		
Less: Amount held as Security Deposit from Distribution System Users	387.36	410.58
Less: One month equivalent of cost of power purchase, Transmission Charges and MSLDC Charges	205.6	239.00
Total Working Capital Requirement	**(89.83)**	**(144.42)**
Computation of Working Capital Interest		
Interest Rate (%) - SBI Base Rate +150 basis points	9.45%	9.50%
Normative Interest on Working Capital	**1.09**	**0.90**
Actual Working Capital Interest	**-**	**10.16**

5.10.3 BEST has submitted that the normative interest on working capital for retail supply business is Nil, due to 90% of consumer security deposit being adjusted from working capital requirement of the supply business as per allocation matrix in the MYT Regulations, 2015. However, the IoWC of distribution wires business is not Nil.

5.10.4 BEST has requested the Commission to approve the Interest on Working Capital on normative basis in line with the MYT Regulations, 2015.

Commission's Analysis and Ruling

5.10.5 For provisional Truing up, the Commission approves the normative IoWC for FY 2019-20 in accordance with Regulation 31 of the MYT Regulation, 2015. The interest rate for computing IoWC is considered as per Regulation 31.2 (c) of the MYT Regulations, 2015 and as per the first amendment to MYT Regulations, 2015, weighted average SBI one year MCLR as on 1 December, 2019 of 8.00% plus 150 basis points. Thus, the interest rate of 9.50% (8.00% + 1.50% = 9.50%) has been considered for estimation of the IoWC. The Commission has applied this rate to compute the normative IoWC. The IoWC approved by the Commission is given in the Table below:

Table 113: Interest on Working Capital for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Wheeling Business			
Operation and Maintenance Expenses for one month	5.08	4.80	4.83
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	2.66	2.62	2.60
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	42.57	43.09	43.09
Less:			
Amount held as security desosits in cash	38.74	41.06	41.06
Total Working Capital	**11.58**	**9.46**	**9.46**
Rate of interest (%)	9.45%	9.50%	9.50%
Interest of Working Capital	**1.09**	**0.90**	**0.90**
Retail Business			
Operation and Maintenance Expenses for one month	45.73	43.20	43.47
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	23.95	23.60	23.38
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	383.13	387.85	387.85
Less:			
Amount held as security desosits in cash	348.62	369.52	369.52
One month equivalent of cost of power purchase including transmission charges and SLDC charges	205.60	239.00	230.14
Total Working Capital	**(101.41)**	**(153.88)**	**(144.96)**
Rate of interest (%)	9.45%	9.50%	9.50%
Interest of Working Capital	-	-	-

5.10.6 **The Commission approves Normative Interest on Working Capital of Rs. 0.90 Crore on provisional Truing up of ARR for FY 2019-20.**

5.11 Interest on Consumers' Security Deposit

BEST's Submission

5.11.1 BEST has considered the closing balance of FY 2018-19 as the opening balance of security deposit for FY 2019-20. BEST has further submitted that it has considered annual growth rate of 3% on amount of CSD held for computation of interest on CSD since no closing balance is available for computation of interest on CSD as FY 2019-20 being the current year of operation.

5.11.2 BEST has considered the base rate for computation of Interest on CSD as defined in Tariff Regulations + 150 basis points. BEST requested the Commission to approve the Interest on Consumer Security Deposit for FY 2019-20 as shown in Table below.

Table 114: Interest on Consumer' Security Deposit for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Average Consumer security deposit	381.71	404.60
Interest Rate (%) - SBI Base Rate +150 basis points	9.65%	9.50%
Interest on Security Deposit	36.07	38.44

Commission's Analysis and Ruling

5.11.3 The Commission has noted the submission of BEST. The Commission has considered the increase in security deposit of 3% in line with submission of BEST. The Commission has calculated the interest on CSD applying the rate computed based on the 1-year SBI Base Rate at the beginning of the year i.e. 1 April, 2019 plus 150 basis points i.e. 9.50%. The Commission approves the interest on CSD as shown in the following Table:

Table 115: Interest on Consumers' Security Deposit for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Interest on Consumer Security Deposit	36.07	38.44	38.44

5.11.4 **The Commission approves Interest on Consumers' Security Deposit of Rs. 38.44 Crore on provisional Truing up of ARR for FY 2019-20.**

5.12 Contribution to Contingency Reserves

BEST's Submission

5.12.1 BEST has estimated contribution to contingency reserves to be 0.25% of opening GFA as per Regulation 34.1 of the MYT Regulations, 2015.

5.12.2 BEST has submitted the Contribution to Contingency Reserves for FY 2019-20 given in the Table below:

Table 116: Contribution to Contingency Reserves for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening Balance of Contingency Reserves	48.02	48.00

Particulars	MTR Order	MYT Petition
Opening Gross Fixed Assets	2,660.77	2,621.77
Opening Balance of Contingency Reserves as % of Opening GFA	1.80%	1.83%
Contribution to Contingency Reserves during the year	6.80	6.55
Utilisation of Contingency Reserves during the year	-	-
Closing Balance of Contingency Reserves	**54.82**	**54.56**
Closing Balance of Contingency Reserves as % of Opening GFA	2.06%	2.08%

Commission's Analysis and Ruling

5.12.3 For provisional Truing up, the Commission has considered the contribution to contingency reserves at 0.25% of opening GFA for FY 2019-20 as per Regulation 34.1 of the MYT Regulations, 2015. The Commission has also verified that the Contingency Reserve has not reached the limit of 5% of GFA as specified in the MYT Regulations, 2015. Accordingly, it approves the contribution to contingency reserves amounting to Rs. 6.50 Crore for FY 2019-20 as shown in the following Table:

Table 117: Contribution to Contingency Reserves for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Contribution to Contingency Reserves	6.80	6.55	6.50

5.12.4 **The Commission approves contribution to Contingency Reserves of Rs. 6.50 Crore on provisional Truing up of ARR for FY 2019-20.**

5.13 Other Expenses

BEST's Submission

5.13.1 BEST has submitted that the estimated other expenses for FY 2019-20 are lower than the approved in the MTR Order in Case No. 203 of 2017.

5.13.2 BEST has submitted that the provisional 'other expense' for FY 2019-20 as shown in the Table below:

Table 118: Details of Other Expenses for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Prompt payment Discount	20.70	30.00
Power factor Incentive	45.00	14.70
ECS discount	0.64	
Incentives related to load factor/ load management	4.77	6.00
Total	**71.11**	**50.75**

5.13.3 BEST requested the Commission to approve the provisional amount as submitted by BEST for other expenses given in the above Table.

Commission's Analysis and Ruling

5.13.4 As per Regulation 35 of the MYT Regulations, 2015, the Commission has accepted the submission of BEST regarding PF incentive, prompt payment discount, ECS discount and load factor incentive, and considered them accordingly in the provisional Truing up for FY 2019-20. The other expenses approved by the Commission on provisional Truing up are shown in the Table below:

Table 119: Other Expenses for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Other Expenses	71.11	50.75	50.75

5.13.5 **The Commission approves Other Expenses of Rs. 50.75 Crore on provisional Truing up of ARR for FY 2019-20.**

5.14 Provision for Bad and Doubtful Debts

BEST's Submission

5.14.1 BEST has submitted that it has kept provision for bad and doubtful debts at the rate of 1.5% of the amount shown as trade receivables. BEST has considered the receivables for the year to be same as that of FY 2018-19 for FY 2019-20. The details are shown in the Table below:

Table 120: Provision for Bad and Doubtful Debts for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening Balance of Provision for bad and doubtful debts	-	-
Receivables for the year	482.74	449.33
Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%
Provision for bad & doubtful debts during the year	7.24	6.74
Actual bad and doubtful debts written off		
Closing Balance of Provision for bad and doubtful debts	-	-

5.14.2 BEST has requested the Commission to approve the provision for bad and doubtful debts as shown in the Table above for FY 2019-20.

Commission's Analysis and Ruling

5.14.3 The Commission has approved the provision for bad and doubtful debt same as that approved for FY 2018-19 which shall be reconciled at the time of final Truing up based on the Audited Accounts. The provision for bad and doubtful debts provisionally approved by the Commission for FY 2019-20 is shown in the Table below:

Table 121: Provision for Bad and Doubtful Debts for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Provision for Bad and Doubtful Debts	7.24	6.74	6.74

5.14.4 **The Commission approves the Provision for Bad and Doubtful Debts of Rs. 6.74 Crore on provisional Truing up of ARR for FY 2019-20.**

5.15 Income Tax

BEST's Submission

5.15.1 BEST has submitted that being a Local Authority, the income of BEST is exempted under Section 10 (20) of the Income Tax Act,1961. Accordingly, it does not pay any income tax and has hence not included any for FY 2019-20.

Commission's Analysis and Ruling

5.15.2 **Considering that BEST is exempt from the payment of Income Tax pursuant to the Section 10(20) of the Income Tax Act,1961 the Commission has not considered any Income Tax in FY 2019-20.**

5.16 Return on Equity

BEST's Submission

5.16.1 BEST has computed the return on equity as per Regulation 28 of the MYT Regulations, 2015. For the purpose of arriving at the regulatory equity at the beginning of the year for FY 2019-20, BEST has considered the closing equity at the end of FY 2018-19 as submitted in the true-up of FY 2018-19.

5.16.2 BEST has submitted the details of return on equity as under:

Table 122: Return on Equity for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Regulatory Equity at the beginning of the year	921.53	890.96
Capitalisation during the year		215.22
Consumer Contribution and Grants used during the year for Capitalisation		50.93
Equity portion of capitalisation during the year	41.29	49.29

Particulars	MTR Order	MYT Petition
Reduction in Equity Capital on account of retirement / replacement of assets	3.83	11.85
Regulatory Equity at the end of the year	958.99	928.39
Return on Equity Computation		
Return on Regulatory Equity at the beginning of the year	144.68	139.88
Return on Regulatory Equity addition during the year	2.94	2.94
Total Return on Equity	**147.62**	**142.82**

5.16.3 BEST has requested Commission to approve the return on equity as shown in Table above for FY 2019-20.

Commission's Analysis and Ruling

5.16.4 The Commission has computed RoE in accordance with Regulation 28 of the MYT Regulations, 2015, based on opening equity, addition of equity as per approved capitalisation and weighted average rate of RoE based on allocation of assets to the wires and supply business.

5.16.5 To determine the equity eligible for return as per the Regulations, the Commission has considered the closing equity for FY 2018-19 approved in this Order on True up, as the opening equity for FY 2019-20. The addition in equity has been considered equal to the equity component of asset addition during the year. The impact of the replacement of assets is considered by reducing the equity to the extent of 30 % of the GFA of the assets that have been retired during the year.

5.16.6 The RoE approved upon provisional Truing up is as per the following Table:

Table 123: Return on Equity for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Regulatory Equity at the beginning of the year	921.53	890.96	884.28
Equity portion of capitalization	41.29	49.29	38.64
Reduction in Equity due to Retirement/ Replacement of Assets	3.83	11.85	11.85
Regulatory Equity at the end of the year	958.99	928.39	911.06
Return on Regulatory Equity at the beginning of the year	144.68	139.88	138.83
Return on Equity portion of capitalization	2.94	2.94	2.10
Total Return on Regulatory Equity	**147.62**	**142.82**	**140.93**

5.16.7 **The Commission approves Return on Equity of Rs. 140.93 Crore on provisional Truing up of ARR for FY 2019-20.**

5.17 Return as Interest on Internal Funds

BEST's Submission

5.17.1 BEST has submitted the interest on internal funds as under:

Table 124: Return as Interest on Internal Fund for FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Cumulative Grants at the end of the year		87.99
Interest on Internal funds (at 6%)		5.28
Normative debt component		0
On Government assistance at the start of the year	**5.28**	**5.28**

5.17.2 BEST has requested the Commission to approve the above return as interest on internal fund for FY 2019-20.

Commission's Analysis and Ruling

5.17.3 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal 13 of 2007 had directed the Commission to take into consideration interest on Government Grant as well as interest on internal funds, which is not included in the calculation of the Capital Base or notional equity in any way. Accordingly, the Commission has accepted the submission of BEST and approved the Return on Internal Funds of Rs.5.28 Crore for FY 2019-20 on provisional Truing up.

Table 125: Return as Interest on Internal Funds for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Return on Internal Funds	5.28	5.28	5.28

5.17.4 **The Commission approves Return on Internal Funds of Rs. 5.28 Crore on provisional Truing up of ARR for FY 2019-20.**

5.18 Non-Tariff Income

BEST's Submission

5.18.1 BEST has submitted that it has considered the Non-Tariff income of FY 2019-20 by escalating the Non-Tariff income of FY 2018-19 with an escalation of 3% resulting income of Rs. 40.09 Crore.

Commission's Analysis and Ruling

5.18.2 The Commission has noted the submissions of BEST and for the purpose of provisional truing up of FY 2019-20. The Commission has escalated approved non-tariff income of FY 2018-19 by 3% to work out non-tariff income of FY 2019-20.

5.18.3 The Non-Tariff Income approved by the Commission on provisional Truing up of FY 2019-20, as shown in the Table below:

Table 126: Non-Tariff Income for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Non-Tariff Income	38.33	40.09	53.63

5.18.4 **The Commission approves Non-Tariff Income of Rs. 53.63 Crore on provisional Truing up of ARR for FY 2017-18.**

5.19 Revenue from Existing Tariff

BEST's Submission

5.19.1 BEST has submitted that the revenue from existing tariff has been worked out based on provisional actual data for FY 2019-20. BEST has considered the projected sales based on the number of consumers, demand charges, fixed charges, contract demand, energy charges and wheeling charges as per the Commission approved in the MTR Order. BEST has considered the estimated sales for FY 2019-20. BEST has estimated the revenue from FAC by considering the actual data available for H1 of FY 2019-20 and assumed the same may be collected for H2 of the FY 2019-20.

5.19.2 BEST has calculated the expected revenue from existing tariff for FY 2019-20 as summation of revenue from fixed charge, demand charge, energy charge, wheeling charge and FAC charges and other estimated revenue which includes PF penalty, ToD charges etc.

5.19.3 BEST requested the Commission to approve the revenue of Rs. 3447.52 for provisional truing-up of FY 2019-20.

Commission's Analysis and Ruling

5.19.4 **The Commission has noted the submission of BEST. BEST has considered actual revenue of April to September 2019 and estimated for October 2019 to March 2020. The Commission considers the submission of BEST and approves revenue of Rs. 3,447.52 Crore provisionally for FY 2019-20 same as submitted by BEST**.

5.20 Provisional True-up of Aggregate Revenue Requirement for FY 2019-20

BEST's Submission

5.20.1 BEST has submitted the Truing-up for FY 2019-20 based on comparison of the revised estimates of expense incurred and revenue earned during the year as compared to the figures approved by the Commission in the MTR Order. The Truing up summary for FY 2019-20 is given below.

Table 127: Provisional true-up of Aggregate Revenue Requirement for FY 2019-20, as submitted by BEST (Rs. Crore)

Particular	MTR Order	MYT Petition	Provisional True-up requirement
Power Purchase Expenses (including Inter-State Transmission Charges)	2,241.63	2,642.33	400.70
Operation & Maintenance Expenses	609.78	584.87	(24.91)
Depreciation	125.26	110.41	(14.86)
Interest on Loan Capital	0.90	-	(0.90)
Interest on Working Capital	1.09	0.90	(0.20)
Interest on Consumer Security Deposit	36.07	38.44	2.36
Write-off of Provision for bad and doubtful debts	7.24	6.74	(0.50)
Contribution to contingency reserves	6.80	6.55	(0.24)
Intra-State Transmission Charges	224.47	224.52	0.05
MSLDC Fees & Charges	1.13	1.13	0.00
Income Tax	-	-	-
Other Expenses	71.11	50.75	(20.36)
Total Revenue Expenditure	**3,325.48**	**3,666.64**	**341.15**
Add: Return on Equity Capital	147.62	142.82	(4.80)
Add: Return on Internal fund	5.28	5.28	-
Add: Sharing of Gain & Loss on IoWC	-	-	-
Aggregate Revenue Requirement	**3,478.38**	**3,814.74**	**370.29**
Less: Non-Tariff Income	38.33	40.09	1.76
Less: Income from other business	-	-	-
Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-
Less: Receipts on account of Additional Surcharge, if any	-	-	-
Aggregate Revenue Requirement from Retail Supply	**3,440.05**	**3,774.65**	**334.59**
Recovery of gap/(surplus) of previous years till the third control period			
Recovery of gap/(surplus) of previous years in the fourth control period			
Revenue from sale of electricity at	3,405.62	3,447.52	41.90

Particular	MTR Order	MYT Petition	Provisional True-up requirement
existing/proposed Tariff			
Revenue gap/(surplus)	**34.43**	**327.13**	

5.20.2 BEST has requested the Commission to approve the revenue gap as shown in the Table above for provisional truing up of FY 2019-20.

Commission's Analysis and Ruling

5.20.3 Based on approval of the ARR and revenue elements as set out above, the Commission approves the Revenue Gap on provisional Truing up for FY 2019-20 as shown in the Table below:

Table 128: ARR and Revenue Gap of Wire Business for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Operation & Maintenance Expenses	396.36	380.17	376.77
Depreciation	112.74	99.37	97.85
Interest on Loan Capital	0.81	-	-
Interest on Working Capital	0.11	0.90	0.90
Interest on deposit from Consumers and Distribution System Users	3.61	3.84	3.84
Provision for bad and doubtful debts	0.72	0.67	0.67
Contribution to contingency reserves	6.12	5.90	5.85
Income Tax	-	-	-
Total Revenue Expenditure	520.46	490.85	485.88
Add: Return on Equity Capital	132.86	128.54	126.84
Add: Return on Internal fund	4.75	4.75	4.75
Add: Sharing of Gain/(Loss) of distribution loss			-
Add: Sharing of Gains & Loss on IoWC			-
Add: O&M sharing of gain and loss			-
Aggregate Revenue Requirement	658.07	624.14	617.47
Less: Non-Tariff Income	3.83	4.01	5.36
Less: Income from other business	-	-	-
Aggregate Revenue Requirement from Distribution Wires	**654.24**	**620.13**	**612.11**
Revenue		**616.54**	**616.54**
Revenue from sale of electricity		616.54	616.54
Total Revenue Gap/(Surplus)		**3.59**	**(4.43)**

Table 129: ARR and Revenue Gap of Retail for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (including Inter-State Transmission Charges)	2,241.63	2,642.33	2,536.04
Operation & Maintenance Expenses	213.42	204.70	202.87
Depreciation	12.53	11.04	10.87
Interest on Loan Capital	0.09	-	-
Interest on Working Capital	0.98	-	-
Interest on Consumer Security Deposit	32.46	34.59	34.59
Write-off of Provision for bad and doubtful debts	6.52	6.07	6.07
Contribution to contingency reserves	0.68	0.66	0.65
Intra-State Transmission Charges	224.47	224.52	224.52
MSLDC Fees & Charges	1.13	1.13	1.13
Income Tax	-	-	-
Other Expenses	71.11	50.75	50.75
Total Revenue Expenditure	**2,805.02**	**3,175.79**	**3,067.49**
Add: Return on Equity Capital	14.76	14.28	14.09
Add: Return on Internal fund	0.53	0.53	0.53
Add: Sharing of Gain & Loss on IoWC	0.00	-	-
Add: O&M sharing of gain and loss			-
Aggregate Revenue Requirement	**2,820.31**	**3,190.60**	**3,082.11**
Less: Non-Tariff Income	34.50	36.08	48.27
Less: Income from other business	-	-	-
Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-
Less: Receipts on account of Additional Surcharge, if any	-	-	-
Aggregate Revenue Requirement from Retail Supply	**2,785.81**	**3,154.52**	**3,033.85**
Revenue		2,830.98	2,830.98
Revenue from sale of electricity		2,830.98	2,830.98
Total Revenue Gap/(Surplus)		**323.54**	**202.87**

Table 130: ARR and Revenue Gap for FY 2019-20, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (including Inter-State Transmission Charges)	2,241.63	2,642.33	2,536.04
Operation & Maintenance Expenses	609.78	584.87	579.64
Depreciation	125.26	110.41	108.72
Interest on Loan Capital	0.90	-	-
Interest on Working Capital	1.09	0.90	0.90
Interest on Consumer Security Deposit	36.07	38.44	38.44
Provision for bad and doubtful debts	7.24	6.74	6.74
Contribution to contingency reserves	6.80	6.55	6.50
Intra-State Transmission Charges	224.47	224.52	224.52
MSLDC Fees & Charges	1.13	1.13	1.13
Income Tax	-	-	-
Other Expenses	71.11	50.75	50.75
Total Revenue Expenditure	**3,325.48**	**3,666.64**	**3,553.37**
Add: Return on Equity Capital	147.62	142.82	140.93
Add: Return on Internal fund	5.28	5.28	5.28
Add: Sharing of Gain & Loss on IoWC	-	-	-
Aggregate Revenue Requirement	**3,478.38**	**3,814.74**	**3,699.59**
Less: Non-Tariff Income	38.33	40.09	53.63
Aggregate Revenue Requirement from Wire and Retail Supply	**3,440.05**	**3,774.65**	**3,645.96**
Revenue from sale of electricity at existing Tariff	3,584.06	3,447.52	3,447.52
Revenue gap/(surplus)	**34.43**	**327.13**	**198.44**

5.20.4 **Accordingly, the Commission approves a stand-alone Revenue Gap of Rs. 198.44 Crore on provisional Truing up of ARR for FY 2019-20.**

6 MYT PETITION FOR FY 2020-21 TO FY 2024-25

6.1 Introduction

6.1.1 In accordance with Regulation 5 of the MYT Regulations, 2019, BEST submitted the estimated ARR, Revenue from sale of power at existing Tariffs and charges, projected Revenue Gap/(Surplus) and proposed category-wise Tariff for each year of the 4th Control Period.

6.1.2 The Commission has analysed the projected expenses over the 4th Control Period under various heads, viz., O&M expenses, depreciation, interest on loans, interest on working capital, etc., in accordance with the MYT Regulations, 2019. The approach adopted by the Commission for approval of the expenditure on each expense head and the total expenditure approved is elaborated in the subsequent paragraphs.

6.2 Energy Sales

BEST's Submission

6.2.1 BEST has considered the Base load demand for the Fourth Control period to be same as the estimated base load for FY 2019-20. The Peak load demand is estimated as per the actual peak demand data of FY 2017-18 to FY 2019-20 and escalated it with the CAGR. However, BEST submitted that in current scenario it is difficult to estimate load for the next five years due to conversion to LED Lighting load, Net Metering for solar rooftop installations, upcoming demand for EV charging, lower than expected industrial and commercial growth in recent past etc.

6.2.2 The Base load and Peak load considered by BEST for the MYT period of FY 2020-21 to FY 2024-25 are given below:

Table 131: Peak Demand Projections for the MYT period of FY 2020-21 to FY 2024-25, as submitted by BEST (MW)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Base Load	383.04	383.04	383.04	383.04	383.04
Peak Load	963.16	968.18	973.23	978.30	983.40

6.2.3 BEST has submitted that the energy demand predominantly comprises of commercial and residential consumers. BEST has submitted the actual sales from FY 2011-12 to FY 2019-20 (till September). BEST has considered ratio of category wise sales to total sales in corresponding month for projecting category wise sales for remaining period of FY 2019-20 (October 2019 to March 2020).

6.2.4 BEST has adopted a Trend Analysis Method for projecting the energy sales where CAGR has been worked out from the past actual sales figures in the past years for respective tariff categories. This has given the sales growth trend based on CAGR for 1-year, 2-year, 3-year, 4-year, 5-year and 7-year. Based on the available trend, BEST has considered the minimum CAGR for projecting the category wise sales for Fourth MYT Control Period of FY 2020-21 to FY 2024-25. The growth rate is considered as Nil for the category where CAGR is found to be negative. BEST has considered the combined CAGR where the past sales data for these categories are not available due to change in categories, for projecting the sales growth.

6.2.5 BEST has submitted the category wise CAGR growth rate considered for sales projections is as presented in the Table below:

Table 132: Category wise energy sales from FY 2011-12 to FY 2018-19 (in MU) and CAGR (in %)

Tariff category before November 2016	Tariff category from November 2016	Actual								CAGR %						
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	YOY	2 Year	3 Year	4 Year	5 Year	7 Year	Escalation Considered
HT Category																
HT - I Industry		149.14	169.40	178.77	185.40	199.51	199.31	177.44	192.61	8.55%	(1.70)	(1.17)	1.28	3.80	8.90	0.00
	HT - I Industry	149.14	169.40	178.77	185.40	199.51	185.36	138.98	156.86							0.00
	HT IV- PWW from FY2016-17 - (Previously up to FY2015-16 billed under HT-I Industrial)	-	-	-	-	-	13.95	38.46	35.75							0.00
HT - II Commercial + HT - V Public Hosp/Sch and ChariTable Org	HT - II Commercial + HT - V Public Hosp/Sch and Charitable Org	423.99	415.70	432.68	456.33	472.36	468.55	465.51	436.65	(6.20)	(3.46)	(2.59)	(1.46)	0.46	0.99	0.00
HT - II Commercial		423.99	381.59	350.52	358.01	362.65	332.12	269.70	246.81							0.00
HT V- Railways, Metro, Monorail from Nov 16- (previously up to FY2015-16 billed under HT-II Commercial)		-	-	-	-	-	0.94	2.28	2.14							0.00
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions) from		-	-	-	-	-	75.20	26.46	26.61							0.00

Tariff category before November 2016	**Tariff category from November 2016**	**Actual**								**CAGR %**						
		FY 2011-12	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**YOY**	**2 Year**	**3 Year**	**4 Year**	**5 Year**	**7 Year**	**Escalation Considered**
FY2016-17 (Previously up to FY2015-16 billed under HT V)																
HT V (a) Hospital and Educational Institutions		0.00	34.11	82.15	98.32	109.71	0.00	0.00	0.00							0.00
HT VI-(B) Public services (Others) from FY2016-17 (Previously up to Fy2015-16 billed under HT V)		-	-	-	-	-	60.29	167.06	161.08							0.00
HT - III Grp. Housing	HT - III Grp. Housing	31.76	32.27	32.82	33.19	32.02	31.69	32.13	30.67	(4.53)	(1.62)	(1.42)	(2.59)	(3.33)	(1.16)	0.00
HT - IV Temp	HT-VII Temporary	5.02	4.01	7.84	11.37	7.78	8.60	11.98	21.31	77.88	57.42	39.93	23.29	64.90	61.89	23.29
HT-VII Temporary Supply from FY 2016-17 (Previously up to FY2015-16- billed under HT - IV Temporary)		-	-	-	-	-	8.60	11.98	21.31							23.29
HT - IV Temp		5.02	4.01	7.84	11.37	7.78	0.00	0.00	0.00							23.29
Total HT Category		609.91	621.38	652.11	686.29	711.66	708.15	687.07	681.24	(0.12)	(1.56)	(1.21)	0.00	2.58	4.01	0.00
LT Category																

Tariff category before November 2016	Tariff category from November 2016	Actual								CAGR %						
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	YOY	2 Year	3 Year	4 Year	5 Year	7 Year	Escalation Considered
BPL	LT-I (A) Residential (BPL)	0.23	0.39	0.07	0.05	0.21	0.06	0.22	0.07	(65.99)	6.99	(30.08)	14.48	1.88	(32.04)	0.00
LT - I Residential	LT - I(B) Residential	1731.06	1800.26	1795.93	1846.51	1940.99	1855.43	1967.49	2020.60	2.70	4.36	1.35	3.05	6.07	5.29	1.35
0 – 100		668.00	687.85	698.58	706.79	721.19	724.82	734.42	739.96							1.35
101 – 300		561.44	584.31	588.58	609.68	648.11	623.99	667.72	684.18							1.35
301 – 500		171.18	178.53	173.43	186.52	204.38	181.99	206.21	219.00							1.35
> 501		330.44	349.57	335.33	343.51	367.31	324.64	359.14	377.46							1.35
LT - II (a) Commercial	LT - II (a) Commercial and LT - IX(a) Pub Hosp/Sch	896.82	933.50	904.97	899.66	919.40	882.69	935.14	943.51	0.90	3.39	0.87	1.60	2.11	1.71	0.87
0 – 500		522.60	543.37	539.94	542.73	556.15	536.82	550.18	888.73							0.87
> 500		374.23	379.49	353.35	344.47	349.55	316.82	329.75								0.87
LT - IX (a) Hospital and Educational Institutions		0.00	10.64	11.68	12.45	13.70	8.38	0.00	0.00							0.87
LT - IX (A) Public Services - Govt. Hosp. & Edu. Institutions from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions<=20 Kw)		-	-	-	-	-	20.67	55.20	54.78							0.87
LT - II (b) and (c) Commercial and	LT - II (b) and (c)	819.26	813.11	778.05	771.49	785.61	743.04	750.16	744.89	(0.70)	0.12	(1.76)	(1.16)	(2.15)	(3.12)	0.00

Tariff category before November 2016	**Tariff category from November 2016**	**Actual**								**CAGR %**						
		FY 2011-12	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**YOY**	**2 Year**	**3 Year**	**4 Year**	**5 Year**	**7 Year**	**Escalation Considered**
LT - IX (b)	Commercial and LT - IX (b)															
LT - II (b) Commercial		273.14	260.89	240.95	234.59	236.19	221.87	214.43	211.31							0.00
LT - II (c) Commercial		546.12	516.42	470.70	462.91	462.17	407.91	368.80	370.32							0.00
LT - IX (b) Hospital and Educational Institutions		0.00	35.80	66.40	73.99	87.25	54.70	0.00	0.00							0.00
LT - IX (B) Public Services - others from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions>20 Kw)		-	-	-	-	-	58.56	166.92	163.26							0.00
LT - III Industrial	LT - III (A) Industry (upto 20 kW)	50.52	48.25	45.19	43.62	43.11	41.97	43.09	43.27	0.42	1.54	0.12	(0.26)	(2.14)	(5.03)	0.00
0 – 500		23.37	22.44	21.28	20.79	20.50	20.05	19.51	43.27							0.00
> 500		27.16	25.81	23.91	22.83	22.61	21.92	23.58								0.00
LT - IV (a) and (b) Industrial	LT - IV (a) and (b) Industrial	103.02	103.79	99.96	99.80	100.11	97.67	96.91	97.21	0.31	(0.24)	(0.98)	(0.87)	(1.38)	(1.92)	0.00
LT - IV (a) Industrial		54.45	54.28	51.95	52.11	51.82	30.45	0.00	0.00							0.00
LT - IV (b)		48.57	49.51	48.01	47.70	48.29	28.75	0.00	0.00							0.00

Tariff category before November 2016	Tariff category from November 2016	Actual								CAGR %						
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	YOY	2 Year	3 Year	4 Year	5 Year	7 Year	Escalation Considered
Industrial																
LT-IV PWW (Previously up to FY2015-16 billed under LT IV (A) & (B) Industrial)		-	-	-	-	-	2.68	6.87	6.82							0.00
LT-III (b) Industrial		-	-	-	-	-	35.79	90.04	90.39							0.00
LT - V Adv & Hoardings	LT - V Adv & Hoardings	3.21	2.66	1.81	1.60	1.68	1.69	1.63	1.52	(6.54)	(5.24)	(3.19)	(1.67)	(8.29)	(22.02)	0.00
LT - VI St. Lighting	LT - VI St. Lighting	29.90	30.17	30.99	29.99	29.79	29.61	28.22	23.00	(18.48) %	(11.86)	(8.26)	(8.46)	(13.85)	(8.37)	0.00
LT - VII (a) and (b) Temp - Religious	LT - VII (a) and (b) Temp – Religious	40.85	38.20	41.03	38.64	42.75	41.19	32.62	15.11	(53.67)	(39.43)	(29.29)	(26.87)	(39.32)	(28.22)	0.00
LT - VII (a) Temp - Religious		0.09	1.60	4.06	2.27	2.36	2.69	0.21	0.20							0.00
LT - VII (b) Temp - Others		40.76	36.60	36.97	36.37	40.38	38.50	32.40	14.91							0.00
LT - VIII Crematorium	LT - VIII Crematorium	1.26	1.24	1.41	1.20	1.30	1.46	1.66	1.54	(7.26)	2.91	5.90	8.75	4.48	6.86	0.00
LT XI Vehicle Charging	LT XI Vehicle Charging	-	-	-	-	-	-	-	0.03	0.00	0.00	0.00	0.00	0.00	0.00	25.00
Total LT Category		**3,676.14**	**3,771.57**	**3,699.41**	**3,732.54**	**3,864.94**	**3,694.81**	**3,857.13**	**3,890.76**	**0.87**	**2.62**	**0.22**	**1.39**	**2.55**	**1.91**	**0.22**
Total HT and LT Category		**4,286.05**	**4,392.95**	**4,351.52**	**4,418.83**	**4,576.60**	**4,402.96**	**4,544.19**	**4,572.01**	**0.61**	**1.90**	**(0.03)**	**1.14**	**2.50**	**2.18**	**0.00**

Table 133: Category wise energy sales estimated from FY 2019-20 to FY 2024-25 and impact of others (in MU)

Tariff category before November 2016	Tariff category from November 2016	Estimated sales based on CAGR						Less Impact of DSM, Net Metering and Rooftop solar					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category													
HT - I Industry		192.61	192.61	192.61	192.61	192.61	192.61	0.11	0.17	0.25	0.37	0.56	0.84
	HT - I Industry	156.86	156.86	156.86	156.86	156.86	156.86	0.09	0.14	0.20	0.30	0.46	0.69
	HT IV- PWW from FY2016-17 - (Previously up to FY2015-16 billed under HT-I Industrial)	35.75	35.75	35.75	35.75	35.75	35.75	0.02	0.03	0.05	0.07	0.10	0.16
HT - II Commercial + HT - V Public Hosp/Sch and Charitable Org	HT - II Commercial + HT - V Public Hosp/Sch and Charitable Org	436.65	436.65	436.65	436.65	436.65	436.65	0.25	0.38	0.57	0.85	1.27	1.91
HT - II Commercial		246.81	246.81	246.81	246.81	246.81	246.81	0.14	0.21	0.32	0.48	0.72	1.08
HT V- Railways, Metro, Monorail from Nov 16-(previously up to FY2015-16 billed under HT-II Commercial)		2.14	2.14	2.14	2.14	2.14	2.14	0.00	0.00	0.00	0.00	0.01	0.01
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions) from FY2016-17 (Previously up to FY2015-16 billed under HT V)		26.61	26.61	26.61	26.61	26.61	26.61	0.02	0.02	0.03	0.05	0.08	0.12
HT V (a) Hospital and Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-
HT VI-(B) Public services (Others) from FY2016-17 (Previously up to Fy2015-16 billed under HT V)		161.08	161.08	161.08	161.08	161.08	161.08	0.09	0.14	0.21	0.31	0.47	0.70

Tariff category before November 2016	Tariff category from November 2016	Estimated sales based on CAGR						Less Impact of DSM, Net Metering and Rooftop solar					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT - III Grp. Housing	HT - III Grp. Housing	30.67	30.67	30.67	30.67	30.67	30.67	0.02	0.03	0.04	0.06	0.09	0.13
HT - IV Temp	HT-VII Temporary	26.28	32.40	39.94	49.25	60.72	74.86	0.01	0.02	0.03	0.04	0.06	0.09
HT-VII Temporary Supply from FY 2016-17 (Previously up to FY2015-16- billed under HT - IV Temporary)		26.28	32.40	39.94	49.25	60.72	74.86	0.01	0.02	0.03	0.04	0.06	0.09
HT - IV Temp		-	-	-	-	-	-	-	-	-	-	-	-
Total HT Category		**686.21**	**692.33**	**699.87**	**709.18**	**720.65**	**734.79**	**0.39**	**0.59**	**0.88**	**1.32**	**1.99**	**2.98**
LT Category													
BPL	LT-I (A) Residential (BPL)	0.07	0.07	0.07	0.07	0.07	0.07	0.00	0.00	0.00	0.00	0.00	0.00
LT - I Residential	LT - I(B) Residential	2,047.86	2,075.48	2,103.48	2,131.85	2,160.61	2,189.75	1.16	1.75	2.62	3.93	5.89	8.84
0 – 100		749.94	760.06	770.31	780.70	791.24	801.91	0.43	0.64	0.96	1.44	2.16	3.24
101 – 300		693.41	702.76	712.24	721.85	731.59	741.46	0.39	0.59	0.89	1.33	1.99	2.99
301 – 500		221.95	224.94	227.98	231.05	234.17	237.33	0.13	0.19	0.28	0.43	0.64	0.96
> 501		382.55	387.71	392.94	398.24	403.61	409.06	0.22	0.33	0.49	0.73	1.10	1.65
LT - II (a) Commercial	LT - II (a) Commercial and LT - IX(a) Pub Hosp/Sch	951.68	959.93	968.24	976.63	985.09	993.63	0.54	0.82	1.22	1.83	2.75	4.13
0 – 500		896.43	904.20	912.03	919.93	927.90	935.94	0.51	0.77	1.15	1.73	2.59	3.89
> 500		-	-	-	-	-	-	-	-	-	-	-	-
LT - IX (a) Hospital and Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-

Tariff category before November 2016	Tariff category from November 2016	Estimated sales based on CAGR						Less Impact of DSM, Net Metering and Rooftop solar					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions<=20 Kw)		55.25	55.73	56.21	56.70	57.19	57.69	0.03	0.05	0.07	0.11	0.16	0.24
LT - II (b) and (c) Commercial and LT - IX (b)	LT - II (b) and (c) Commercial and LT - IX (b)	744.89	744.89	744.89	744.89	744.89	744.89	0.43	0.64	0.97	1.45	2.17	3.26
LT - II (b) Commercial		211.31	211.31	211.31	211.31	211.31	211.31	0.12	0.18	0.27	0.41	0.62	0.92
LT - II (c) Commercial		370.32	370.32	370.32	370.32	370.32	370.32	0.21	0.32	0.48	0.72	1.08	1.62
LT - IX (b) Hospital and Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-
LT - IX (B) Public Services -others from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions>20 Kw)		163.26	163.26	163.26	163.26	163.26	163.26	0.09	0.14	0.21	0.32	0.48	0.71
LT - III Industrial	LT - III (A) Industry (upto 20 kW)	43.27	43.27	43.27	43.27	43.27	43.27	0.02	0.04	0.06	0.08	0.13	0.19
0 – 500		43.27	43.27	43.27	43.27	43.27	43.27	0.02	0.04	0.06	0.08	0.13	0.19
> 500		-	-	-	-	-	-	-	-	-	-	-	-
LT - IV (a) and (b) Industrial	LT - IV (a) and (b) Industrial	97.21	97.21	97.21	97.21	97.21	97.21	0.06	0.08	0.13	0.19	0.28	0.43
LT - IV (a) Industrial		-	-	-	-	-	-	-	-	-	-	-	-
LT - IV (b) Industrial		-	-	-	-	-	-	-	-	-	-	-	-
LT-IV PWW (Previously up to FY2015-16 billed under LT IV (A) & (B) Industrial)		6.82	6.82	6.82	6.82	6.82	6.82	0.00	0.01	0.01	0.01	0.02	0.03
LT-III (b) Industrial		90.39	90.39	90.39	90.39	90.39	90.39	0.05	0.08	0.12	0.18	0.26	0.40
LT - V Adv & Hoardings	LT - V Adv &	1.52	1.52	1.52	1.52	1.52	1.52	0.00	0.00	0.00	0.00	0.00	0.01

Tariff category before November 2016	Tariff category from November 2016	Estimated sales based on CAGR						Less Impact of DSM, Net Metering and Rooftop solar					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Hoardings												
LT - VI St. Lighting	LT - VI St. Lighting	23.00	23.00	23.00	23.00	23.00	23.00	3.95	7.06	8.91	8.91	8.91	8.91
LT - VII (a) and (b) Temp – Religious	LT - VII (a) and (b) Temp – Religious	15.11	15.11	15.11	15.11	15.11	15.11	0.01	0.01	0.02	0.03	0.04	0.07
LT - VII (a) Temp – Religious		0.20	0.20	0.20	0.20	0.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00
LT - VII (b) Temp – Others		14.91	14.91	14.91	14.91	14.91	14.91	0.01	0.01	0.02	0.03	0.04	0.07
LT - VIII Crematorium	LT - VIII Crematorium	1.54	1.54	1.54	1.54	1.54	1.54	0.00	0.00	0.00	0.00	0.00	0.01
LT XI Vehicle Charging	LT XI Vehicle Charging	0.24	0.30	0.37	0.46	0.58	0.72	0.00	0.00	0.00	0.00	0.00	0.00
Total LT Category		**3,926.40**	**3,962.33**	**3,998.71**	**4,035.57**	**4,072.90**	**4,110.73**	**2.23**	**3.34**	**5.01**	**7.52**	**11.28**	**16.92**
Total HT and LT Category		**4,612.60**	**4,654.65**	**4,698.59**	**4,744.74**	**4,793.55**	**4,845.51**	**2.62**	**3.93**	**5.90**	**8.84**	**13.26**	**19.90**

Table 134: Category wise energy sales estimated from FY 2019-20 to FY 2024-25 and impact of others (in MU)

Tariff category before November 2016	Tariff category from November 2016	Total sales after Considering the Impact					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category							
HT - I Industry		192.50	192.44	192.36	192.24	192.05	191.77
	HT - I Industry	156.77	156.73	156.66	156.56	156.41	156.18
	HT IV- PWW from FY2016-17 - (Previously up to FY2015-16 billed under HT-I Industrial)	35.73	35.71	35.70	35.68	35.64	35.59

Tariff category before November 2016	Tariff category from November 2016	Total sales after Considering the Impact					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT - II Commercial + HT - V Public Hosp/Sch and Charitable Org	HT - II Commercial + HT - V Public Hosp/Sch and Charitable Org	436.40	436.27	436.08	435.80	435.37	434.74
HT - II Commercial		246.67	246.60	246.49	246.33	246.09	245.73
HT V- Railways, Metro, Monorail from Nov 16- (previously up to FY2015-16 billed under HT-II Commercial)		2.14	2.14	2.14	2.14	2.14	2.14
HT VI-(A) Public services (Govt. Hospitals and Educational Institutions) from FY2016-17 (Previously up to FY2015-16 billed under HT V)		26.59	26.59	26.57	26.56	26.53	26.49
HT V (a) Hospital and Educational Institutions		-	-	-	-	-	-
HT VI-(B) Public services (Others) from FY2016-17 (Previously up to Fy2015-16 billed under HT V)		160.99	160.95	160.88	160.77	160.61	160.38
HT - III Grp. Housing	HT - III Grp. Housing	30.65	30.65	30.63	30.61	30.58	30.54
HT - IV Temp	HT-VII Temporary	26.27	32.38	39.92	49.21	60.65	74.76
HT-VII Temporary Supply from FY 2016-17 (Previously up to FY2015-16- billed under HT - IV Temporary)		26.27	32.38	39.92	49.21	60.65	74.76
HT - IV Temp		-	-	-	-	-	-
Total HT Category		**685.82**	**691.74**	**698.99**	**707.85**	**718.66**	**731.81**
LT Category							
BPL	LT-I (A) Residential (BPL)	0.07	0.07	0.07	0.07	0.07	0.07
LT - I Residential	LT - I(B) Residential	2046.69	2073.73	2100.86	2127.92	2154.72	2180.92
0 – 100		749.52	759.42	769.35	779.27	789.08	798.67

Tariff category before November 2016	Tariff category from November 2016	Total sales after Considering the Impact					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
101 – 300		693.02	702.17	711.36	720.52	729.59	738.47
301 – 500		221.82	224.75	227.69	230.63	233.53	236.37
> 501		382.33	387.39	392.45	397.51	402.51	407.41
LT - II (a) Commercial	LT - II (a) Commercial and LT - IX(a) Pub Hosp/Sch	951.14	959.11	967.02	974.80	982.34	989.50
0 – 500		895.92	903.43	910.88	918.20	925.31	932.05
> 500		-	-	-	-	-	-
LT - IX (a) Hospital and Educational Institutions		-	-	-	-	-	-
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions<=20 Kw)		55.22	55.68	56.14	56.59	57.03	57.45
LT - II (b) and (c) Commercial and LT - IX (b)	LT - II (b) and (c) Commercial and LT - IX (b)	744.46	744.25	743.93	743.45	742.72	741.64
LT - II (b) Commercial		211.19	211.13	211.04	210.90	210.69	210.39
LT - II (c) Commercial		370.11	370.00	369.84	369.60	369.24	368.70
LT - IX (b) Hospital and Educational Institutions		-	-	-	-	-	-
LT - IX (B) Public Services -others from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions>20 Kw)		163.17	163.12	163.05	162.94	162.78	162.55
LT - III Industrial	LT - III (A) Industry (upto 20 kW)	43.25	43.23	43.21	43.19	43.14	43.08
0 – 500		43.25	43.23	43.21	43.19	43.14	43.08
> 500		-	-	-	-	-	-
LT - IV (a) and (b) Industrial	LT - IV (a) and (b) Industrial	97.15	97.12	97.08	97.02	96.93	96.78
LT - IV (a) Industrial		-	-	-	-	-	-

Tariff category before November 2016	Tariff category from November 2016	Total sales after Considering the Impact					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
LT - IV (b) Industrial		-	-	-	-	-	-
LT-IV PWW (Previously up to FY2015-16 billed under LT IV (A) & (B) Industrial)		6.82	6.82	6.81	6.81	6.80	6.79
LT-III (b) Industrial		90.33	90.31	90.27	90.21	90.12	89.99
LT - V Adv & Hoardings	LT - V Adv & Hoardings	1.52	1.52	1.52	1.52	1.52	1.51
LT - VI St. Lighting	LT - VI St. Lighting	19.05	15.94	14.09	14.09	14.09	14.09
LT - VII (a) and (b) Temp – Religious	LT - VII (a) and (b) Temp – Religious	15.10	15.10	15.09	15.08	15.07	15.04
LT - VII (a) Temp – Religious		0.20	0.20	0.20	0.20	0.20	0.20
LT - VII (b) Temp – Others		14.90	14.90	14.89	14.88	14.87	14.85
LT - VIII Crematorium	LT - VIII Crematorium	1.54	1.54	1.54	1.54	1.54	1.54
LT XI Vehicle Charging	LT XI Vehicle Charging	0.24	0.30	0.37	0.46	0.58	0.72
Total LT Category		**3,920.22**	**3,951.92**	**3,984.79**	**4,019.14**	**4,052.71**	**4,084.90**
Total HT and LT Category		**4,606.03**	**4,643.66**	**4,683.78**	**4,726.99**	**4,771.37**	**4,816.71**

Commission's Analysis and Ruling

6.2.6 The Commission has noted the submission of BEST. The Commission has sought justification for projection of nominal increase / no increase in sales for consumer categories for the 4th Control Period. BEST submitted that energy sale has decreased in recent years for many consumer categories. The reasons given for a very low sales increase is the same as was given for the true up/provisional true up years. BEST has further submitted that, the maximum demand in BEST area of supply has remained more or less constant during past few years.

6.2.7 BEST has submitted that in the present MYT Petition, BEST has followed a realistic approach, in addition to consideration of impact of Net Metering, Rooftop Solar and DSM measures while re-estimation of sales for the Fourth Control Period and accordingly considered appropriate CAGR for various categories. No details have been submitted by BEST in support of this claim.

6.2.8 As per Regulation 6.4 of the MYT Regulations, 2019, the power purchase requirement is to be projected considering the target set for energy efficiency and DSM schemes. The Commission has also taken into account the impact on energy sales due to DSM, Net Metering and Rooftop Solar, as submitted by BEST.

6.2.9 The Commission, for the 4th Control period, has accepted the category wise energy sales as has been estimated by BEST. Accordingly, the category wise sales approved by the Commission for FY 2020-21 to FY 2024-25 are given in the Table below:

Table 135: Category-wise Energy Sales from FY 2020-21 to FY 2024-25, as approved by the Commission (MU)

Consumer Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category					
HT - I Industry	156.73	156.66	156.56	156.41	156.18
HT - II Commercial	246.60	246.49	246.33	246.09	245.73
HT - III Group Housing	30.65	30.63	30.61	30.58	30.54
HT IV- PWW	35.71	35.70	35.68	35.64	35.59
HT V- Railways, Metro, Monorail	2.14	2.14	2.14	2.14	2.14
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	26.59	26.57	26.56	26.53	26.49
HT VI-(B) Public services (Others)	160.95	160.88	160.77	160.61	160.38
HT-VII Temporary Supply	32.38	39.92	49.21	60.65	74.76
HT-VIII Electric Vehicle (EV) Charging Stations					
Sub-total	**691.74**	**698.99**	**707.85**	**718.66**	**731.81**
LT Category					
LT-I (A) Residential (BPL)	0.07	0.07	0.07	0.07	0.07
LT - I(B) Residential					
0 – 100 units	759.42	769.35	779.27	789.08	798.67
101 – 300 units	702.17	711.36	720.52	729.59	738.47
301 - 500 units	224.75	227.69	230.63	233.53	236.37
> 501 units	387.39	392.45	397.51	402.51	407.41
LT - II (a) Commercial	903.43	910.88	918.20	925.31	932.05
LT - II (b) Commercial >20 & </=50 kW	211.13	211.04	210.90	210.69	210.39
LT - II (c) Commercial >50	370.00	369.84	369.60	369.24	368.70
LT - III (A) Industry (upto 20 kW)	43.23	43.21	43.19	43.14	43.08
LT III(B) Industry Above 20 kW	90.31	90.27	90.21	90.12	89.99
LT-IV PWW	6.82	6.81	6.81	6.80	6.79
LT - V Advertisement & Hoardings	1.52	1.52	1.52	1.52	1.51
LT - VI Street Lights	15.94	14.09	14.09	14.09	14.09
LT - VII (a) Temporary Supply Religious	0.20	0.20	0.20	0.20	0.20
LT - VII (b) Temporary Supply Others	14.90	14.89	14.88	14.87	14.85
LT - VIII Crematorium and Burial Grounds	1.54	1.54	1.54	1.54	1.54
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions</=20 Kw)	55.68	56.14	56.59	57.03	57.45
LT - IX (B) Public Services -others from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions>20 Kw)	163.12	163.05	162.94	162.78	162.55
LT XI Vehicle Charging	0.30	0.37	0.46	0.58	0.72
Sub-total	**3,951.92**	**3,984.79**	**4,019.14**	**4,052.71**	**4,084.90**
Total	**4,643.66**	**4,683.78**	**4,726.99**	**4,771.37**	**4,816.71**

6.2.10 **The Commission approves Energy Sales of 4,643.66 MU for FY 2020-21, 4,683.78 MU for FY 2021-22, 4,726.99 MU for FY 2022-23, 4,771.37 MU for FY 2023-24 and FY 4,816.71 for FY 2024-25.**

6.3 Distribution Losses and Energy Balance

BEST's Submission

6.3.1 BEST has provided detailed justification for the proposed Distribution loss trajectory which is detailed out in Section 5.3 of this Order.

6.3.2 Further, BEST submitted that present Distribution losses are one of the lowest in the country and any further reduction will not be possible. BEST also submitted that in case, the Commission does not consider its proposal for Distribution loss target for the MYT Period, it may get penalised for not achieving the loss target even though it is operating at the most efficient level. BEST Submitted that it is committed to continue making efforts for maintaining and keeping the losses lower, the Commission is requested to consider Distribution loss target proposal and keep a room to perform at the efficient levels.

6.3.3 BEST has submitted that the Commission has approved Distribution losses as 5.60 % for the FY 2019-20. BEST has projected reduction in Distribution loss for the Fourth MYT control period by 0.1% each year as compared to 5.60% approved by the Commission for FY 2019-20.

6.3.4 BEST has submitted that the Intra-State Transmission (InSTS) loss of 3.17% has been considered while estimating the energy balance for the Fourth MYT Control Period as submitted by InSTS Tariff Petition for the fourth control period.

6.3.5 Based on the Target Distribution loss considered by BEST and Transmission loss of 3.17%, BEST has estimated energy requirement for the MYT period of FY 2020-21 to FY 2024-25. The following Table shows the energy balance for MYT period of FY 2020-21 to FY 2024-25.

Table 136: Energy Balance for the MYT control period of 2020-21 to FY 2024-25, as submitted by BEST

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Power Purchase at G<>T Periphery	**MU's**	**5,074.80**	**5,113.23**	**5,154.96**	**5,197.87**	**5,241.72**
Intra State Transmission Losses	MU's	160.87	162.09	163.41	164.77	166.16
Intra State Transmission Losses	%	3.17%	3.17%	3.17%	3.17%	3.17%
Energy Input at Distribution Periphery	**MU's**	**4,913.93**	**4,951.14**	**4,991.54**	**5,003.09**	**5,075.56**
Distribution Losses	MU's	270.27	267.36	264.55	261.72	258.85
Distribution Losses	%	5.50%	5.40%	5.30%	5.20%	5.10%
Energy sales to consumers	**MU's**	**4,643.66**	**4,683.78**	**4,726.99**	**4,771.37**	**4,816.71**

Commission's Analysis and Ruling

6.3.6 The Commission has noted the submission of BEST. BEST has proposed the Distribution losses level as 5.50 % for the FY 2020-21 and reduction in Distribution loss of the subsequent years for the Fourth MYT control period by 0.1% each year as compared to 5.60% approved by the Commission for FY 2019-20.

6.3.7 The Commission observes that BEST has always achieved the Distribution loss targets set by the Commission. The Commission also appreciates efforts of BEST in achieving one of the lowest Distribution loss levels in the Country during FY 2018-19. BEST has achieved an actual Distribution loss level of 4.18% as against approved Distribution loss of 5.70% for FY 2018-19 and hence it is imperative that it should strive to achieve further efficiency in Distribution losses or atleast retain this achievement rather than proposing loss levels higher than the levels that have been achieved. The Commission is not inclined to accept this proposition of BEST.

6.3.8 To assess the possibility of further scope for improvement in Distribution losses, the Commission sought details from BEST regarding the proportion of electro-mechanical Meters out of total consumer Meters. BEST in its reply submitted that there are nearly 4,14,164 lakh electro-mechanical Meters in the system as on 31 March, 2019, which accounts for nearly 40% of total consumer Meters.

6.3.9 The Commission is of the view that there is scope for reduction of Distribution loss in FY 2020-21 to FY 2024-25 by replacement of electromechanical Meters and such other measures. The Commission has approved capital expenditure schemes for replacement of such meters, development of substations, revamping of existing receiving substations, extension and improvement of distribution network, etc. the benefit of which would accrue to consumers. The Commission directs BEST to continue its efforts in bringing down the Distribution losses to the lowest possible levels and ensure that performance does not deteriorate beyond the levels already achieved in the past.

6.3.10 The Commission also appreciates the fact that the reduction in losses achieved by BEST in FY 2018-19 over FY 2017-18 has been significant (1.21%) considering the already low loss levels. Further, the distribution loss levels achieved are also amongst the lowest in the country. Accordingly, while there is a scope for further reduction in Distribution Losses on account of reasons outlined in para 6.3.8 and 6.3.9 above, the Commission for the purpose of the present approvals has retained the Distribution loss target at 4.18% for the entire Control Period as given in the Table below.

Table 137: Distribution Loss Trajectory for FY 2020-21 to FY 2024-25, as approved by the Commission (MU)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Distribution Loss (%) Target	4.18%	4.18%	4.18%	4.18%	4.18%

6.3.11 For the computation of Energy Balance, the Commission has considered the InSTS Loss of 3.18%, as considered for provisional truing up for FY 2019-20. Accordingly, it has computed the Energy Balance for the Fourth Control Period as shown in the Table below:

Table 138: Energy Balance for FY 2020-21 to FY 2024-25, as approved by the Commission (MU)

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Sales	MU	4,643.66	4,683.78	4,726.99	4,771.37	4,816.71
Distribution Loss	%	4.18%	4.18%	4.18%	4.18%	4.18%
Energy Requirement at T<>D interface	MU	4,846.23	4,888.10	4,933.20	4,979.52	5,026.83
Intra-state Transmission Loss	%	3.18%	3.18%	3.18%	3.18%	3.18%
Energy Requirement at G<>T interface	**MU**	**5,005.33**	**5,048.58**	**5,095.15**	**5,142.99**	**5,191.85**

6.3.12 **Accordingly, the Commission approves energy requirement at G<>T interface of 5,005.33 MU for FY 2020-21, 5,048.58 MU for FY 2021-22, 5,095.15 MU for FY 2022-23, 5,142.99 for FY 2023-24 and 5,191.85 MU for FY 2024-25.**

6.4 Power Purchase Expenses

BEST's Submission

6.4.1 BEST has estimated the energy requirement for the 4th MYT Control period of FY 2020-21 to FY 2024-25 based on the Energy Balance and estimated Distribution and Transmission loss. BEST has proposed to meet its power purchase requirement from various sources. Accordingly, the Power Purchase Expenses are estimated as follows:

a) Power Purchase from TPC-G;

b) Power Purchase from Manikaran Power Limited;

c) Purchase from Renewable Energy sources;

d) Power Purchase from external sources (Energy Exchange);

e) Transmission Charges, MSLDC charges and Standby charges.

f) Others

6.4.2 BEST has projected supply based on the allocated capacity of Tata Power to BEST as per PPA along with RE generators of solar and biomass. The details of existing PPAs are presented in the Table below:

Table 139: Available PPAs as on date as submitted by BEST

Sr. No.	Power Project / Agency	Type of Source	BEST's Contracted Capacity (MW)
PPA-1	TPC-G	Hydro	228
	TPC-G Unit No-5	Thermal	256
	TPC-G Unit No-7	Thermal	92
	TPC-G Unit No-8	Thermal	100
PPA-2	Welspun Energy Maharashtra/ Walwhan Solar MH Limited	Solar PV	20
PPA-3*	Spark Green Energy Ahmednagar Ltd.	Biomass	25
	Spark Green Energy Satara Ltd.	Biomass	25
PPA-4	Manikaran Power Limited		100
	Total		**846**

*Note: Power supply from Spark Green Energy is not considered and the details are as explained in the subsequent sections of the Petition.

6.4.3 BEST has considered the Transmission losses and weighted average auxiliary consumption for projecting supply for future years. The Commission in the MTR Order has not considered costly power purchase from TPC-G Unit-6 (Oil & RLNG) for FY 2019-20 and accordingly the Unit was withdrawn under economic shutdown. Further, the revised PPA also does not include Unit 6 and the availability from Unit-6 has been projected as Nil in the revised PPA.

6.4.4 BEST has submitted the projected availability in MUs considering existing PPAs as shown in Table below:

Table 140: Availability Projections in MU's

Power Project / Agency	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
TPC-G	3,584.33	3,654.53	3,567.89	3,608.21	3,652.67
Manikaran Power Limited	744.60	744.60	744.60	744.60	744.60
Bilateral	714.36	682.61	498.35	390.56	257.02
Walwhan Solar MH Limited	31.50	31.50	31.50	31.50	31.50
Other Renewable sources	-	-	312.61	423.00	555.93
Total	**5,074.80**	**5,113.23**	**5,154.96**	**5,197.87**	**5,241.72**

6.4.5 BEST has submitted that in case of shortfall of power supply, it will have to explore additional supply sources to meet the demand supply gap. BEST has projected the demand supply gap to be met through bilateral purchase sources for the FY 2020-21 and FY 2021-22 based on the calculated demand and supply projections and BEST has planned to purchase Non-Solar for FY 2020-21 to FY 2024-25, Solar REC for FY 2020-21 & FY 2021-22 and procurement from renewable solar energy sources through bidding from FY 2022-23 onwards for meeting the demand and also for RPO compliance.

6.4.6 BEST has submitted that the PPA with TPC-G will expire in FY 2023-24, however, BEST has considered the availability of power from TPC-G for FY 2024-25 as well envisaging the business between BEST and Tata Power will be continued as usual. In case the renewal of PPA with TPC-G fails, BEST will have to explore the availability of additional power from other sources for FY 2024-25.

6.4.7 Procurement from TPC-G:

BEST's Submission

6.4.7.1 BEST has signed a Power Purchase Agreement with TPC-G for extension to its earlier PPAs dated 21 December, 2006, 5 February, 2010 and 26 March, 2018. BEST has signed the PPA in accordance with direction of the Commission in Case No. 249 of 2018.

6.4.7.2 BEST has considered net generation of each of the TPC-G Units based on the estimated net generation planned of TPC-G received by BEST through email dated 19 September, 2019. The allocation of the net generation to BEST has been considered based on the percentage allocation of capacity to the BEST from each of the Unit as per the Power Purchase Agreement.

6.4.7.3 BEST has not considered any purchase of power from Unit 6 in accordance with the Power Purchase Agreement dated 28 March, 2019.

6.4.7.4 For the purpose of estimating the power purchase cost for the Fourth MYT control period, BEST has considered the variable charges of TPC-G same as the actual average charges of Variable Cost paid by BEST for the H1 of FY 2019-20. BEST has considered the fixed cost for the Fourth MYT control period as Rs. 492.62 crores i.e. the fixed cost approved by the Commission for FY 2019-20 in the MTR Order in Case No. 203 of 2017. BEST has submitted that it has not considered any escalation of variable charge or fixed charge for this period.

6.4.7.5 Based on above principles, the Unit wise power purchase quantum from TPC-G has been estimated, as shown in the Tables below:

Table 141: Generation from TPC-G for FY 2020-21 to FY 2024-25, as submitted by BEST

Power Project / Agency	Type of Source	Estimated Net Generation from TPC-G (MUs)					Net Generation Allocated to BEST (MUs)				
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Unit-5	Thermal	2968	3181	2964	3125	3158	1519	1628	1517	1599	1616
Unit-7	Thermal	1241	1241	1241	1244	1165	635	635	635	637	596
Unit-8	Thermal	1719	1622	1683	1574	1744	688	649	673	630	698
Bhira	Hydro	885	885	885	885	885	453	453	453	453	453
Bhivpuri	Hydro	288	288	288	288	288	147	147	147	147	147
Khopoli	Hydro	279	279	279	279	279	143	143	143	143	143
TOTAL		7380	7496	7340	7395	7519	3584	3655	3568	3608	3653

6.4.7.6 BEST has summarized the power purchase cost from TPC-G for the next control period given in the Table below:

Table 142: Estimated Variable and Fixed Cost of TPC-G for FY 2020-21 to FY 2024-25, as submitted by BEST (MUs)

Financial year	Net Generation to BEST (MU)	Variable Charge (Rs. /kWh)	Variable Cost (Rs. Crores)	Total Fixed Cost (Rs. Crores)	Total Cost (Variable + Fixed) (Rs. Crores)	Avg. Rate (Rs./kWh)
FY 2020-21	3584.33	3.01	1078.88	492.62	1571.50	4.38
FY 2021-22	3654.53	3.01	1100.01	492.62	1592.63	4.36
FY 2022-23	3567.89	3.01	1073.93	492.62	1566.55	4.39
FY 2023-24	3608.21	3.01	1086.07	492.62	1578.69	4.38
FY 2024-25	3652.67	3.01	1099.45	492.62	1592.07	4.36

Commission's Analysis and Ruling

6.4.7.7 The Commission has noted the submissions of BEST. The existing PPA of BEST with TPC-G will expire on 31 March, 2024, however, BEST has considered availability and purchase of power from TPC-G till FY 2024-25 in line with submission of BEST.

6.4.7.8 The Commission observes that, in the past, BEST has preferred to enter into long-term arrangements for supply of power only with TPC-G rather than actively explore alternative sources that may be cheaper and through competitive bidding. The Commission is concerned that this should not become a fait accompli for future requirements, and the other options or combination of alternatives not foreclosed merely due to paucity of time, notwithstanding the significance of the islanding arrangement for Mumbai and subject to the remaining transmission constraints. These options may include medium and/or long-term arrangements through competitive bidding also. Considering these concerns, BEST would have to approach the Commission well before the expiry of its PPA for its extension or otherwise. Hence, the Commission directs BEST to approach the Commission for approval of its plans for future power procurement in accordance with Regulation 20 of the MYT Regulations, 2019.

6.4.7.9 At this stage, however, for the purposes of this Order, the Commission has taken the power quantum and cost of power purchase from TPC-G as approved in TPC-G's MYT Order in Case No. 300 of 2019. However, this shall not be construed as implicit approval to entering into a PPA with TPC-G beyond 31 March, 2024.

6.4.7.10 For working out the power purchase cost for 4th Control Period, the Commission has run Merit Order to despatch cheapest power from available sources on annual basis. The Commission has considered renewable power and hydro power as must run sources. BEST sources power from TPC-G and Manikaran through medium term contract and the balance power, if required to meet the demand, is assumed to be purchased from short-term bilateral sources or power exchange. In FY 2020-21 and FY 2021-22, renewable energy is not available and hence Manikaran and TPC-G is fully utilised and remaining requirement is met through short-term bilateral power purchase. For FY 202-23 to FY 2024-25, RE Energy is assumed to be available and hence RE Energy (must-run), TPC-G Hydro (must-run) and Manikaran Power (variable cost of Rs. 2/ kWh) are getting fully despatched. Out of three units of TPC-G (Unit5, Unit-7 and Unit-8), Unit-5 which has higher variable cost is not getting fully despatched. Out of the total available generation from Unit 5, 58.40 MU in FY 2022-23, 165.90 MU in FY 2023-24 and 298.20 MU in FY 2024-25 are not getting despatched. Accordingly, the generation from TPC-G and associated cost are approved by the Commission.

6.4.7.11 Considering the limited number of sources of power, the merit order has been run on an annual basis and may not correctly represent real time requirement of BEST. Based on the real time demand supply scenario, it is possible that generation from TPC-G may get despatch for higher or lower quantum which will be taken care at the time of truing-up, subject to prudence check.

6.4.7.12 Accordingly, the fixed cost of purchase from TPC-G as approved by the Commission is shown in the Table below:

Table 143: Estimated fixed cost of power purchase from TPC-G for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Unit -5	196.31	197.25	198.18	202.11	206.33
Unit -7	75.86	74.88	74.15	75.95	77.04
Unit -8	93.96	93.36	92.68	91.48	90.71
Hydro	73.81	76.11	78.14	78.24	79.36
Total	**439.93**	**441.61**	**443.15**	**447.78**	**453.44**

6.4.7.13 The variable cost of purchase from TPC-G approved by the Commission is shown in the Table below:

Table 144: Estimated variable cost of power purchase from TPC-G for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Net Generation (MU)	3,588.43	3,656.63	3,510.94	3,443.90	3,355.21
Rate of Purchase (Rs./kWh)	3.28	3.39	3.47	3.55	3.64
Variable Cost (Rs. Crore)	1,178.28	1,239.48	1,217.81	1,222.04	1,222.70

6.4.7.14 The total cost of power purchase from TPC-G as approved by the Commission is shown in the following Table:

Table 145: Total cost of power purchase from TPC-G for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Variable Cost	1,178.28	1,239.48	1,217.81	1,222.04	1,222.70
Fixed Cost	439.93	441.61	443.15	447.78	453.44
Total Cost	**1,618.22**	**1,681.08**	**1,660.96**	**1,669.82**	**1,676.14**
Net Generation (MU)	3,588.43	3,656.63	3,510.94	3,443.90	3,355.21
Per Unit Cost (Rs./kWh)	**4.51**	**4.60**	**4.73**	**4.85**	**5.00**

6.4.7.15 **Accordingly, the Commission approves the cost of power purchase from TPC-G of Rs. 1,618.22 Crore for FY 2020-21, Rs. 1,681.08 Crore for FY 2021-22, Rs. 1,660.96 Crore for FY 2022-23, Rs. 1,669.82 Crore for FY 2023-24 and Rs. 1,676.14 Crore for FY 2024-25.**

6.4.7.16 **In addition to the above, the Commission also approves impact of past period truing-up of Rs. 83.78 Crore to be recovered in FY 2020-21 as approved in TPC-G's MYT Order in Case No. 300 of 2019.**

6.4.8 Power Purchase from Manikaran Power Limited:

BEST's Submission

6.4.8.1 BEST undertaking has signed a 100 MW medium-term Agreement for Procurement of Power (APP) with M/s Manikaran Power Limited on 24 May, 2019 through M/s Sai Waradha Power Generation Ltd for 5 years from 1 April, 2019 to 31 March, 2024.

6.4.8.2 The Commission in its Order in Case No. 249 of 2018 dated 2 January, 2019, allowed BEST to tie up 100 MW Power with M/s. Manikaran Power Ltd. through M/s. Sai Wardha Power Generation Ltd. Since the code of conduct was in place, approval from the Election Commission was also sought and the same was approved by the end of March 2019. Post the approval, BEST has undertaken the balance process and signed a medium term PPA for procuring 100 MW power with M/s Manikaran Power Limited on 24 May, 2019 through M/s. Sai Wardha Power Generation Ltd.

6.4.8.3 While both the parties initiated the process to fulfil the Conditions Precedent as per the terms of the PPA, Corporate Insolvency Resolution Process (CIRP) by the NCLT, Hyderabad was initiated against M/s Sai Wardha Power Generation Ltd. (SWPGL). All the major decisions related to operation of plants were required to be approved by the Committee of Creditors (CoC)/NCLT. The resolution plan was approved by CoC on 25 July, 2019 and filed with NCLT for its approval in 6 August, 2019, due to which MTOA application could not be submitted. Thereafter, the resolution plan of SWPGL was approved by the NCLT, Hyderabad vide their Order dated 17 October, 2019.

6.4.8.4 Post the Order, M/s Manikaran Power Ltd. has submitted the Application for MTOA to MSETCL and approval is awaited. Therefore, BEST has envisaged the commencement of power supply form FY 2020-21 onwards.

6.4.8.5 The Fixed and Variable charge rate are subjected to escalation as per the clause 11.3 and 12.3 of the PPA. BEST has escalated the Variable charges and Fixed charges with an escalation factor of 2.76% computed based on WPI of January 2018 and January 2019 for the purpose of estimating the cost of power procurement from Manikaran Power Limited in accordance with the terms of the PPA.

Commission's Analysis and Ruling

6.4.8.6 The Commission noted the submission of BEST. The Commission in its Order dated 2 January, 2019 in Case No. 249 of 2018 allowed BEST to tie up with M/s Manikaran Power Limited. The Commission observed that BEST has signed a medium term agreement to procure 100 MW of power with Manikaran Power Limited on 24 May, 2019. The power was to be supplied by M/s Waradha Power Generation Ltd. through M/s Manikaran Power Limited for a period of 5 years from 1 April, 2019 to 31 March, 2024. The Commission notes that there is delay in signing of agreement along with subsequent events as stated by BEST in its submissions which has led to the power supply not commencing on 1 April, 2019. Considering BEST's submission in this regard, the Commission considers availability of power from M/s Manikaran Power Limited for a period from 1 April, 2020 to 31 March, 2025.

6.4.8.7 The Commission has simulated Merit Order run to despatch cheapest power from the available sources of power after considering renewable power and hydro power as must run. Due to lower variable cost of Manikaran Power Limited, it is getting fully despatched (85% PLF) during the 4th Control Period. Accordingly, generation from Manikaran Power Limited and associated cost are approved by the Commission.

6.4.8.8 BEST has estimated fixed and variable charges with escalation factor of 2.76% computed based on WPI of January, 2018 and January, 2019 for the purpose of estimating the cost of power procurement in accordance with the terms of the PPA. The Commission approves fixed charges and variable charges considered by BEST for working out power purchase cost from Manikaran Power Limited. The Commission directs BEST to ensure that the conditions of escalation be scrutinised as per the PPA. The Commission has already examined this issue in para 5.4.16 to 5.4.23 of this Order and necessary directions have been given.

6.4.8.9 The total cost of power purchase from Manikaran as approved by the Commission is shown in the following Table:

Table 146: Total cost of power purchase from Manikaran for FY 2020-21 to FY 2024-25, as approved by the Commission

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Procurement (MU)	744.60	744.60	744.60	744.60	744.60
Fixed Cost (Rs. Crore)	174.48	175.44	176.41	177.39	178.36
Energy Charges (Rs./kWh)	2.03	2.06	2.09	2.12	2.15
Energy Cost (Rs. Crore)	151.15	153.39	155.62	157.86	160.09
Total Cost (Rs. Crore)	325.64	328.83	332.03	335.24	338.45
Rate (Rs./kWh)	4.37	4.42	4.46	4.50	4.55

6.4.8.10 **Accordingly, the Commission approves the cost of power purchase from Manikaran Power Limited of Rs. 325.64 Crore for FY 2020-21, Rs. 328.83 Crore for FY 2021-22, Rs. 332.03 Crore for FY 2022-23, Rs. 335.24 Crore for FY 2023-24 and Rs. 338.45 Crore for FY 2024-25.**

6.4.9 Purchase from Renewable Energy sources:

BEST's Submission

6.4.9.1 BEST has considered the quantum of energy purchase requirement from Renewable Energy for the purpose of fulfilling the Renewable Purchase Obligation based on the draft RPO Regulations, 2019 for MYT period of FY 2020-21 to FY 2024-25. The Commission has increased the Solar RPO targets from 4.5% to 13.5% within a short period in the draft RPO Regulations, 2019. The renewable purchase obligation as per the draft RPO Regulations, 2019 for the MYT control period is as shown in the Table below:

Table 147: RPO % for FY 2020-21 to FY 2024-25, as submitted by BEST (as per draft RE RPO Regulations)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Solar RPO (%)	4.50%	6.00%	8.00%	10.50%	13.50%
Non-Solar RPO (%)	11.50%	11.50%	11.50%	11.50%	11.50%

6.4.9.2 BEST has entered into long term PPA to procure 31.5 MUs of Solar power annually, from Walwhan Solar Energy Maharashtra (Erstwhile Welspun) at tariff of Rs. 8.56 kWh.

6.4.9.3 BEST has estimated the power purchase cost from renewable energy sources by considering that BEST will meet the shortfall in RPO targets through purchasing REC certificates for FY 2020-21 and FY 2021-22. Further, for fulfilment of Solar RPO compliance from FY 2022-23 onwards, BEST has considered that renewable power will be procured through long term sources through bidding process.

6.4.9.4 BEST has estimated the RPO requirement excluding estimated power procurement from TPC-G Hydro as per Regulation 10.2 of the draft MERC RPO Regulations, 2019.

6.4.9.5 Based on the total power purchase requirement and RPO targets as above, the estimated renewable purchase obligation of BEST for MYT period of FY 2020-21 to FY 2024-25 is shown in the Table below.

Table 148: RPO as for FY 2020-21 to FY 2024-25, as submitted by BEST (MUs)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Energy Requirement at G<>T Periphery	5,074.80	5,113.23	5,154.96	5,197.87	5,241.72
TPC-G Hydro	742.99	742.99	742.99	742.99	742.99
Energy Requirement at G<>T Periphery exclu. Hydro	4,331.81	4,370.24	4,411.97	4,454.88	4,498.73
Solar RPO (%) as per RPO Regulations	4.50%	6%	8%	10.50%	13.50%
Non-Solar RPO (%) as per RPO Regulations	11.50%	11.50%	11.50%	11.50%	11.50%
Total RPO (%) as per RPO Regulations	16.00%	17.50%	19.50%	22.00%	25.00%
Solar RPO					
Solar RPO (MU) as per RPO Regulations	194.93	262.21	352.96	467.76	607.33
Welspun solar purchase	31.50	31.50	31.50	31.50	31.50
Solar Rooftop net metering RPO	3.93	5.90	8.84	13.26	19.90
Solar RPO (MU) to be purchased	**159.50**	**224.82**	**312.61**	**423.00**	**555.93**
Non-Solar RPO					
Non-Solar RPO (MU) as per RPO Regulations	498.16	502.58	507.38	512.31	517.35
Non-solar energy purchased	-	-	-	-	-
Non-Solar RPO (MU) as per RPO Regulations	**498.16**	**502.58**	**507.38**	**512.31**	**517.35**

6.4.9.6 Considering the high solar RPO targets of 4.5% to 13.5%, BEST has submitted that the existing PPAs will not be sufficient to meet the RPO requirements. Therefore, BEST has initiated bidding process as per the MOP guidelines for procurement of solar power on long term basis.

6.4.9.7 As per the MOP guidelines, the time period required for completing the entire bidding process and to issue Letter of Award is 75 days from the start of e-tender stage and time period required to complete the new project is around 21-22 months approx. from the start of tendering process. Further the issues such as land acquisition, Right of Way (ROW) permission etc. could further delay the Commissioning of the projects. BEST has submitted that it indicates that approx. two years will be required to commission the project from the start of e-tendering process.

6.4.9.8 BEST has existing PPA for purchase of Solar Power from M/s Walwhan Solar MH Limited (erstwhile Welspun Energy Maharashtra Ltd.) and biomass power from Spark Green Energy Ahmednagar Ltd. and Spark Green Energy Satara Ltd. BEST has issued termination notice to the Spark Green as it failed and neglected to supply RE power to BEST as per the EPA. Therefore, BEST is envisaging that there will be no procurement of power from Spark Green Energy Ahmednagar Ltd and Spark Green Energy Satara Ltd. for the Fourth MYT control period.

6.4.9.9 Considering the above constraints, BEST has estimated the power purchase cost from RE by assuming to fulfil the shortfall in the RPO targets through procurement of RECs for the initial two years i.e., for FY 2020-21 and FY 2021-22. Thereafter, BEST has planned to procure solar power from long-term sources through bidding.

6.4.9.10 BEST has also submitted that it is planning to meet its shortfall in Non-Solar RPO obligation by the purchase of Non-Solar RECs for the entire MYT control period.

Commission's Analysis and Ruling

6.4.9.11 The Commission has taken into account the Solar RPO targets for the Fourth Control Period as specified in the Renewable Purchase Obligation Regulations, 2019. It has considered the solar purchase from M/s Walwhan Solar Energy Maharashtra at the rate of Rs. 8.56/kWh as BEST has entered into a long term PPA to procure 31.5 MU of solar power annually. The Commission has worked out RPO requirement excluding estimated power procurement from TPC-G Hydro in line with Regulation 10.2 of the RPO Regulations, 2019.

6.4.9.12 The Commission noted the submission of BEST regarding Spark Green. In line with submission of BEST, the Commission has not considered any power supply from Spark Green.

6.4.9.13 The Commission notes that BEST has proposed to meet the remaining requirement towards the solar RPO target through solar REC procurement for FY 2020-21 and FY 2021-22 at Rs. 2.71 per kWh. Thereafter, BEST has proposed to procure solar power from long term sources through bidding at rate of Rs. 3.29 per kWh. BEST has not given any reason for not initiating the RE procurement process when it is amply clear that power purchase plus REC is a costlier option. The Commission directs BEST to be diligent and ensure that RE power is procured to meet its RPO requirement atleast from 2022-23 onwards. The Commission also directs BEST to ensure that Power planning is required to be undertaken by considering the procurement of RE power and purchase of REC is to be resorted to only in case of shortfall of generation of RE power.

6.4.9.14 BEST is planning to initiate bidding process as per the MOP guidelines for procurement of solar power on long term basis. As the bidding process will take around 2-3 months and as the new project will require around 21-22 months for commissioning, hence no solar power is considered for first two years of 4th Control

Period i.e. FY 2020-21 and FY 2021-22. The Commission has considered the plea of BEST and approves purchase of REC for first two years of 4th Control Period. The Commission approves purchase of REC at floor price of Rs. 1 per kWh as against BEST submission of Rs. 2.71 per kWh. For remaining years of 4th Control Period, the Commission approves purchase of solar energy at generic tariff of Rs. 2.90 per kWh as per latest rates available as against BEST submission of Rs. 3.29 per kWh. Any variation in the actual cost incurred by BEST would be considered at the time of Truing up, subject to prudence check. Accordingly, the Commission has approved the solar RPO purchase as shown in the Table below:

Table 149: Solar RPO Purchase for FY 2020-21 to FY 2024-25, as approved by the Commission

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Solar RPO Requirement (MU)	191.76	258.27	348.08	461.88	600.45
Solar Purchase from Welspun Energy Maharashtra Ltd. (MU)	31.50	31.50	31.50	31.50	31.50
Solar Rooftop net metering RPO	3.93	5.90	8.84	13.26	19.90
Balance Solar Procurement Requirement (MU)	156.33	220.87	307.74	417.12	549.05
Balance Solar Purchase (Rs. Crore)*	15.63	22.09	89.25	120.96	159.23
Total Cost of Solar RPO Purchase (Rs. Crore)	**42.59**	**49.05**	**116.21**	**147.92**	**186.19**

** REC purchases assumed @ Rs.1 per kWh for FY 2020-21 and FY 2021-22 and Renewable Energy purchase assumed for the remaining period @ Rs. 2.90/kWh.*

6.4.9.15 The Commission has also considered the non-solar RPO purchase for FY 2020-21 to FY 2024-25 as specified in the RPO Regulations, 2019.

6.4.9.16 In absence of any long term PPA with Non-Solar RE generators, BEST has proposed to meet the entire RPO for Non-Solar RE power procurement through purchase of REC's for 4th Control Period. The Commission has already expressed its views regarding procuring the REC instead of RE power for meeting the RPO obligation in para 4.4.3.8. Further, considering that the cost of RE power is reducing significantly over the past period, the option of purchasing a combination of REC and bilateral power may work out to be costlier than the option of purchasing RE power. In view of the same, it is difficult for the Commission to fathom the reason for BEST to suggest an options which may end up levying additional financial burden on the consumers and hence is not in their interest.

6.4.9.17 Accordingly, the Commission, as in the case of Solar power purchase, has considered that requirement towards the non-solar RPO target would be purchased by BEST through long term sources through bidding process as per Regulation 10.2 of the RPO Regulation, 2019. This issue has already been discussed by the Commission in para 4.4.3.6 wherein BEST has been directed to explore options to contract non-solar power on a long term basis adopting the competitive bidding route going forward and approach the Commission in a timely manner to seek necessary approvals.

6.4.9.18 Accordingly, BEST will be required to initiate bidding process as per the MOP guidelines for procurement of non-solar power on long term basis. As the bidding process will take around 2-3 months and as the new project will require around 21-22 months for commissioning, hence no non-solar power is considered for first two years of 4th Control Period i.e. FY 2020-21 and FY 2021-22.

6.4.9.19 Accordingly, the Commission approves purchase of REC at floor price of Rs. 1 per kWh as against BEST submission of Rs. 3.38 per kWh. For remaining years of 4th Control Period, the Commission approves purchase of non-solar energy at generic tariff of Rs. 2.87 per kWh as per latest rates available as against BEST submission of purchase of non-solar REC at Rs. 3.38 per kWh. Any variation in the actual cost incurred by BEST would be considered at the time of Truing up, subject to prudence check. Accordingly, the Commission has approved the non-solar RPO purchase as shown in the Table below:

Table 150: Non-Solar RE Purchase for FY 2020-21 to FY 2024-25, as approved by the Commission

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Non-solar RPO Requirement (MU)	490.04	495.02	500.37	505.87	511.49
Total Cost of Non-solar RPO Purchase (Rs. Crore)	49.00	49.50	143.61	145.19	146.80

6.4.9.20 The variation in the cost approved by the Commission and that sought by BEST is attributable to BEST's assumption regarding procurement of entire non-solar RE power through REC purchase whereas the Commission has approved the cost based on procurement through non-solar RE sources from FY 2021-22 onwards at applicable tariff discussed in preceding paragraphs. Other reason for approval of lower power purchase cost is REC rate approved by the Commission (Rs. 1 per kWh for Solar and Non-Solar REC) and projected by BEST (Rs. 2.71 per kWh for Solar REC and Rs. 3.38 per kWh for Non-Solar REC) during FY 2020-21 and FY 2021-22. However, lower purchases have been approved by the Commission through bilateral sources vis-à-vis BEST's projections as the Commission has considered actual power purchase through Non-Solar RE sources as discussed previously.

6.4.9.21 **Accordingly, the Commission approves the cost of power purchase from RE sources (both solar as well as non-Solar) of Rs. 91.60 Crore for FY 2020-21, Rs. 98.55 Crore for FY 2021-22, Rs. 259.81 Crore for FY 2022-23, Rs. 293.11 Crore for FY 2023-24 and Rs. 332.98 Crore for FY 2024-25.**

6.4.10 Power Purchase from short term sources:

BEST's Submission

6.4.10.1 BEST has estimated the purchase from external/ short term sources at a rate of Rs. 4.00/kWh while considering the actual average cost of power from April 2019 to September 2019 of Rs. 4.12/kWh. BEST has worked out its requirement from short term sources after considering the energy availability from Medium term/ long term sources and RPO to be met from the renewable sources, the balance requirement is estimated to be met through external bilateral/ Energy Exchange sources.

Commission's Analysis and Ruling

6.4.10.2 The Commission has noted the submissions of BEST with regards to the rate of power purchase from short term/ external sources. The Commission had sought information regarding the basis of considering the rate of Rs. 4.00/kWh for procurement through external sources from BEST. In response, BEST submitted the details of the quantum of energy and the rate of power purchase undertaken by BEST for the period from April, 2019 to September, 2019. The average rate of power procurement from external sources during this period works out to be Rs. 4.12/kWh and hence Rs. 4.00/kWh is projected by BEST. The same has been considered by the Commission for the purpose of estimating the cost of power purchase from external sources for the Fourth Control Period.

6.4.10.3 Accordingly, after taking into account the purchase from TPC-G, Manikaran and RE purchase, the Commission has considered the remaining quantum of power purchase from short term sources at the average rate of Rs. 4.00/kWh for FY 2020-21 to FY 2024-25.

6.4.10.4 **Accordingly, the Commission approves the cost of power purchase from short term sources of Rs. 257.88 Crore for FY 2020-21, Rs. 247.90 Crore for FY 2021-22 and nil for remaining years of 4th Control Period.**

6.4.11 **Other Charges**

BEST's Submission

6.4.11.1 BEST has considered stand-by charges of Rs. 102.64 Crore for each year of 4th Control Period. BEST has also considered prior period payments for pool imbalances of FY 2018-19 of Rs. 63.22 Crore as part of power purchase cost for FY 2020-21.

Commission's Analysis and Ruling

6.4.11.2 The Commission notes the submission of BEST. The Commission approves Stand-by Charges of Rs. 100.28 Crore for FY 2020-21, Rs. 99.40 Crore for FY 2021-22, Rs. 98.53 Crore for FY 2022-23, Rs. 97.66 Crore for FY 2023-24 and Rs. 96.79 Crore for FY 204-25 as per MSEDCL MYT Order in Case No. 322 of 2019.

6.4.11.3 BEST has also sought Rs. 63.22 Crore for prior period payments for pool imbalances of FY 2018-19 as payment will be done in FY 2020-21. During approval of power purchase cost of FY 2019-20, the Commission had only allowed Rs. 80.08 Crore out of total claim of Rs. 186.55 Crore for prior period payment of pool imbalance based on actual payment data submitted by BEST. The Commission had not allowed Rs. 106.47

Crore and stated that necessary treatment will be provided at the time of approval of power purchase cost of FY 2020-21.

6.4.11.4 As per the details provided by BEST, MSLDC has raised invoices upto 25 February, 2018 and total claim is Rs. 106.64 Crore out of which Rs. 80.08 Crore were paid in FY 2019-20 and same has been recognised by the Commission as power purchase cost of FY 2019-20. The Commission approves balance FBSM payment of Rs. 37.34 Crore as part of FY 2020-21. The Commission also envisages similar claim for FY 2018-19 and FY 2019-20 of the FBSM payment. The Commission has considered FBSM rate of Rs. 2.86 / kWh based on latest data and applied on the pool imbalance purchase of 414.22 MU for FY 2018-19 to work out likely FBSM claim impact and the same works out to Rs. 119 Crore. Similar FBSM impact of Rs. 119 Crore is considered for FY 2019-20 also. Overall, the Commission considers FBSM payment of Rs. 274.48 Crore for FY 2020-21.

6.4.11.5 Approval of likely impact of FBSM payment by the Commission is over and above, power purchase cost approved by the Commission to safeguard the licensee in case payments are required to be made of past period. This will not be considered as part of power purchase cost while calculation of FAC. BEST should make payment of FBSM bills through this fund and should not load such bill amount in FAC computation. In case actual bill amount of FBSM is more than the above fund, only such incremental amount may be considered for FAC computation.

6.4.12 **Transmission charges, MSLDC charges and Standby charges:**

BEST's Submission

6.4.12.1 BEST has considered the Intra-State transmission charges as per the Public notice issued by MSETCL in Case No. 327 of 2019 and MSLDC charges based on the Public notice issued by MSLDC in Case No. 291 of 2019.

6.4.12.2 Intra-state Transmission charges and MSLDC charges considered by BEST for the 4th MYT control period are summarized in the below Table.

Table 151: Transmission and MSLDC charges for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Intra-State Transmission Charges	458.19	274.09	280.85	297.73	314.36
MSLDC Charges	1.34	1.32	1.45	1.64	1.74

Commission's Analysis and Ruling

6.4.12.3 The Commission has considered the Transmission charges approved by the Commission in the InSTS Order in Case No. 327 of 2019 and MSLDC Charges approved by the Commission in MSLDC Order in Case No. 291 of 2019. The Transmission charges and MSLDC charges approved by the Commission are shown in the following Table:

Table 152: Transmission Charges & MSLDC Charges for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Intra-State Transmission Charges	258.80	257.96	256.72	254.91	250.31
MSLDC Charges	1.29	1.20	1.27	1.35	1.36

6.4.13 Summary of Power Purchase Expenses

6.4.13.1 BEST has submitted the summary of power purchase expense for the Fourth MYT control period is as shown in the Table below.

Table 153: Summary of power purchase expense for FY 2020-21 to FY 2024-25, as submitted by BEST

Source of Power (Station wise)	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)
Long term / Medium term Sources										
TPC-G (Total)	3,584.33	1,571.50	3,654.53	1,592.63	3,567.89	1,566.55	3,608.21	1,578.69	3,652.67	1,592.07
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	31.50	26.96	31.50	26.96	31.50	26.96	31.50	26.96
Manikaran Power Limited	744.60	325.64	744.60	328.83	744.60	332.03	744.60	335.24	744.60	338.45
Long term Solar (Through bidding for RPO compliance)					312.61	102.85	423.00	139.17	555.93	182.90
Short term Sources										
Bilateral Power Purchase	714.36	285.75	682.61	273.04	498.35	199.34	390.56	156.23	257.02	102.81
REC-Solar	159.50	43.25	224.82	60.96						
REC-Non-solar	498.16	168.56	502.58	170.05	507.38	171.68	512.31	173.35	517.35	175.05
Prior period payments for pool imbalances of FY 2018-19		63.22								
Stand by Charges		102.64		102.64		102.64		102.64		102.64
Total	**5,074.80**	**2,587.51**	**5,113.23**	**2,555.12**	**5,154.96**	**2,502.05**	**5,197.87**	**2,512.27**	**5,241.72**	**2,520.89**
Intra-State Transmission Charges		458.19		274.09		280.85		297.73		314.36

Source of Power (Station wise)	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)	Energy (MU)	Cost (Rs Cr)
MSLDC Charges		1.34		1.32		1.45		1.64		1.74
Total	5,074.80	3,047.04	5,113.23	2,830.53	5,154.96	2,784.35	5,197.87	2,811.63	5,241.72	2,836.98

Commission's Analysis and Ruling

6.4.13.2 Based on the above analysis, the summary of power purchase quantum, cost and rates approved by the Commission for FY 2020-21 to FY 2024-25 is as shown in the Tables below:

Table 154: Total Power Purchase Quantum and Cost for FY 2020-21, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
TPC-G	3,584.33	1,571.50	4.38	3,588.43	1,618.22	4.51
TPC-G pat period					83.78	
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Manikaran Power Limited (Medium Term)	744.60	325.64	4.37	744.60	325.64	4.37
Bilateral Power Purchase	714.36	285.75	4.00	640.80	256.32	4.00
REC-Solar	159.50	43.25	2.71	156.33	15.63	1.00
REC-Non-Solar	498.16	168.56	3.38	490.04	49.00	1.00
Stand-by Charges		102.64			100.28	
Transmission charges		458.19			258.80	
MSLDC Charges		1.34			1.29	
Power Purchase	**5,074.80**	**2,983.82**	**5.88**	**5,005.33**	**2,735.92**	**5.47**
Pool Imbalances		63.22			274.48	
Total Power Purchase		**3,047.04**			**3,010.40**	

Table 155: Total Power Purchase Quantum and Cost for FY 2021-22, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
TPC-G	3,654.53	1,592.63	4.36	3,656.63	1,681.08	4.60
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Manikaran Power Limited (Medium Term)	744.60	328.83	4.42	744.60	328.83	4.42
Bilateral Power Purchase	682.61	273.04	4.00	615.84	246.34	4.00
REC-Solar	224.82	60.96	2.71	220.87	22.09	1.00
REC-Non-Solar	502.58	170.05	3.38	495.02	49.50	1.00
Stand-by Charges		102.64			99.40	
Transmission charges		274.09			257.96	
MSLDC Charges		1.32			1.20	
Total	**5,113.23**	**2,830.53**	**5.54**	**5,048.58**	**2,713.36**	**5.37**

Table 156: Total Power Purchase Quantum and Cost for FY 2022-23, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
TPC-G	3,567.89	1,566.55	4.39	3,510.94	1,660.96	4.73
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Manikaran Power Limited (Medium Term)	744.60	332.03	4.46	744.60	332.03	4.46
Solar Energy	312.61	102.85	3.29	307.74	89.25	2.90
Non- Solar Energy	-	-	-	500.37	143.61	2.87
Bilateral Power Purchase	498.35	199.34	4.00	0.00	0.00	4.00
REC-Non-Solar	507.38	171.68	3.38	-	-	-
Stand-by Charges		102.64			98.53	
Transmission charges		280.85			256.72	
MSLDC Charges		1.45			1.27	
Total	**5,154.96**	**2,784.35**	**5.40**	**5,095.15**	**2,609.33**	**5.12**

Table 157: Total Power Purchase Quantum and Cost for FY 2023-24, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
TPC-G	3,608.21	1,578.69	4.38	3,443.90	1,669.82	4.85
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Manikaran Power Limited (Medium Term)	744.60	335.24	4.50	744.60	335.24	4.50
Solar Energy	423.00	139.17	3.29	417.12	120.96	2.90
Non- Solar Energy	-	-	-	505.87	145.19	2.87
Bilateral Power Purchase	390.56	156.23	4.00	-	-	-
REC-Non-Solar	512.31	173.35	3.38	-	-	-
Stand-by Charges		102.64			97.66	
Transmission charges		297.73			254.91	
MSLDC Charges		1.64			1.35	
Total	**5,197.87**	**2,811.63**	**5.41**	**5,142.99**	**2,652.08**	**5.16**

Table 158: Total Power Purchase Quantum and Cost for FY 2024-25, as approved by the Commission

Particulars	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Total Cost (Rs. Crore)	Rate (Rs./kWh)
TPC-G	3,652.67	1,592.07	4.36	3,355.21	1,676.14	5.00
Walwhan Solar Energy Maharashtra (Erstwhile Welspun)	31.50	26.96	8.56	31.50	26.96	8.56
Manikaran Power Limited (Medium Term)	744.60	338.45	4.55	744.60	338.45	4.55
Solar Energy	555.93	182.90	3.29	549.05	159.23	2.90
Non- Solar Energy	-	-	-	511.49	146.80	2.87
Bilateral Power Purchase	257.02	102.81	4.00	-	-	-
REC-Non-Solar	517.35	175.05		-	-	-
Stand-by Charges		102.64			96.79	
Transmission charges		314.36			250.31	
MSLDC Charges		1.74			1.36	
Total	**5,241.72**	**2,836.98**	**5.41**	**5,191.85**	**2,696.04**	**5.19**

6.4.13.3 **Accordingly, the Commission approves the total power purchase cost of Rs. 3,010.40 Crore for FY 2020-21, Rs. 2,713.36 Crore for FY 2021-22, Rs. 2,609.33 Crore for FY 2022-23, Rs. 2,652.08 Crore for FY 2023-24 and Rs. 2,696.04 Crore for FY 2024-25.**

6.5 Operation and Maintenance Expenses

BEST's Submission

6.5.1 BEST has submitted that for projecting O&M expenses of ensuing years, the escalation of 3.83% per annum on account of inflation factor corresponding to increase in WPI Index declared by Office of Economic Affairs and CPI index declared by the Ministry of Labour & Employment, Government of India in the ratio of 70% and 30%, reduced by efficiency factor of 1% resulting in a net escalation factor of 2.83% has been used.

6.5.2 BEST has worked out the Normative O&M expenses as shown in the Table below:

Table 159: Summary of Normative O&M Expenses for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
O&M Expenses	565.27	581.29	597.76	614.70	632.12

6.5.3 BEST has submitted that it has already signed an MoU for wage revision in pay scale as explained in the earlier sections of provisional truing up of FY 2019-20. Considering the same, the projected actual O&M expenses for the period FY 2020-21 to FY 2024-25 submitted by BEST are as shown in the Table below.

Table 160: Projected actual O&M expense for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Employee Expenses	418.09	457.07	483.15	494.56	505.33
A&G Expenses	144.15	158.56	168.75	177.19	186.05
R&M Expenses	58.56	64.42	70.86	77.95	85.74
Total O&M Expenses	**620.80**	**680.05**	**722.76**	**749.70**	**777.12**

6.5.4 BEST has submitted that there is significant difference between the projected O&M expenses and the normative O&M expenses leading to a considerable financial impact on BEST Undertaking. Impact of MoU for wage revision has not captured in YoY O&M escalation. Considering the same, the Commission had approved impact of wage revision separately at time of last MYT Order. BEST has requested to maintain approach adopted by the Commission at time of MYT Order for the third control period in case of this MYT Petition.

6.5.5 BEST has mentioned other State Electricity Regulatory Commissions like Gujarat SERC have treated impact of 7th Pay Commission as uncontrollable O&M expense and passed through entirely in ARR. Impact of wage revision due to MoU is similar in nature and may be passed through in ARR.

6.5.6 Therefore, BEST has requested the Commission to relax the norms prescribed in Regulations 75 and 84 of the MYT Regulations, 2019 and approve the O&M expenses as submitted by BEST in Table below.

Table 161: O&M expenses submitted in ARR of FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total O&M Expenses	620.80	680.05	722.76	749.70	777.12

Commission's Analysis and Ruling

6.5.7 Regulation 75 of the MYT Regulations, 2019 specifies the allowance of O&M Expenses for the Wires Business as follows:

"72. Operation and Maintenance Expenses
72.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Distribution Wires Business shall in accordance with the Regulation.

72.2 The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-up Operation and Maintenance expenses after adding/deducting the share of efficiency gains/losses, for the three years ending March 31, 2019, excluding abnormal Operation and Maintenance expenses, if any, subject to prudence check by the Commission:
Provided that the average of such Operation and Maintenance expenses shall be considered as Operation and Maintenance expenses for the year ended March 31, 2018, and shall be escalated at the respective at the escalation rate of FY 2017-18 and FY 2018-19 to arrive at the Operation and Maintenance expenses for the base year ending March 31, 2020;
Provided further that the escalation rate for FY 2018-19 and FY 2019-20 shall be computed by considering 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the office of Economic Advisor Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all India) of the respective past five financial years as per the Labour Bureau, Government of India…

72.3 The O&M expenses for each subsequent year shall be determined by escalating the base expenses determined of FY 2019-20, by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all

India) of the past five financial years as per Labour Bureau, Government of India in the previous year, as reduced by an efficiency factor of 1%, to arrive at permissible O&M expenses for each year of the Control Period:

Provided that a different efficiency factor may be stipulated by the Commission from time to time;

Provided further that at the time of Truing-up the O&M expenses for the different years during the Control Period, the inflation factor considering 60% weightage for the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India in the concerned Year and 40% weightage for the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or any other value as may be stipulated by the Commission from time to time, to arrive at the permissible O&M expenses for each year of the Control Period…"

6.5.8 Regulation 84 of the MYT Regulations, 2019 specifies the allowance of O&M expenses for the Supply Business similarly. The Commission has computed the combined normative O&M expenses for the Wires and Supply Business for the 4th Control Period as per the MYT Regulations, 2019, as discussed below.

Base O&M Expenses

6.5.9 For computation of normative O&M expenses, the Commission has considered the O&M expenses approved after sharing of efficiency gains and losses for FY 2016-17 to FY 2018-19 as approved in this Order.

Escalation Factor

6.5.10 Regulations 75.3 and 84.3 of the MYT Regulations, 2019 specify as follows:

"The O&M expenses for each subsequent year shall be determined by escalating the base expenses determined of FY 2019-20, by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all India) of the past five financial years as per Labour Bureau, Government of India in the previous year, as reduced by an efficiency factor of 1%, to arrive at permissible O&M expenses for each year of the Control Period."

6.5.11 Under the MYT Regulations, 2019, the escalation factor for O&M Expenses from FY 2020-21 is based on the inflation factor considering 30% and 70% weightage for actual point to point WPI and CPI, respectively, in the previous year, reduced by an efficiency factor of 1%.

6.5.12 During 3rd Control Period, the Commission has considered 2004-05 data series to work out escalation rate for O&M expenses. The Commission has observed that WPI data for FY 2017-18 onwards is not getting published in 2004-05 data series. In view of the above, the Commission has considered 2011-12 data series for 4th Control Period to work out escalation rate for O&M expenses. The Commission has considered data of WPI and CPI up to FY 2018-19 as FY 2019-20 is yet to complete. The Commission considered the WPI and CPI data for the FY 2018-19 and has approved the inflation rate of FY 2018-19 which is 3.83%.

6.5.13 Efficiency factor as specified in Clause 75.3 of the MYT Regulations, 2019 (for Wires Business; similar provisions are there for Supply Business also) which specifies as under:

> *"Provided further that the efficiency factor shall be considered as zero, in case there is an increase in the number of consumers including Open Access consumers connected to the Distribution Wires of at least 2 percent annually over the last 3 years:*
> *Provided also that in case such increase in the number of consumers is lower than 2 percent annually over the last 3 years, then the reduction in efficiency factor shall be considered in proportion to the percentage growth in the number of consumers"*

6.5.14 The Commission noted that BEST in its submission has not provided any working for calculation of increase in number of consumers and also proposed reduction of 1% efficiency factor. Accordingly, the escalation factor for projecting O&M expenses from FY 2020-21 onwards works out to 2.83%.

Table 162: Escalation factor for O&M Expenses for 4th Control Period, as approved by the Commission

Year	Annual WPI	Percentage annual change in WPI	Annual CPI	Percentage annual change in CPI
FY 2013-14	112.46		-	
FY 2014-15	113.88	1.26%	-	0.00%
FY 2015-16	109.72	-3.65%	-	0.00%
FY 2016-17	111.62	1.73%	-	0.00%
FY 2017-18	114.88	2.92%	-	0.00%
FY 2018-19	119.79	4.28%	-	0.00%
FY 2018-19				
Average WPI		1.31%	Average CPI	4.92%
			30% of WPI + 70% of CPI	3.83%
			Less: Efficiency Factor	1.00%
			Escalation factor as per MYT Regulations, 2019	**2.83%**

6.5.15 Accordingly, the Commission has approved the normative O&M Expenses for the 4th Control Period as shown in the following Table:

Table 163: Normative O&M Expenses for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Normative O&M Expenses	565.54	581.56	598.05	614.99	632.42

6.5.16 The Commission noted the submission of BEST regarding impact of wage revision. The Commission observes that BEST has considered the impact of wage revision payable during the 4th Control Period while projecting the O&M expenses for recovery through the ARR , however, the submissions are not supported by any calculation or justification and the trend of expenses after inclusion of the impact of wage revision projected over the Control period is also not consistent. As submitted by BEST, revision in pay scale as per MoU entered between Unions and Management is approved and accordingly, payment has been made to employees from October, 2019 onwards.

6.5.17 Accordingly, as discussed in para 5.5.11, the Commission noted that wage revision is not implemented in totality as wage settlement of the Officers is pending. In view of the same, the Commission does not find merit in approving impact of wage revision on adhoc basis. The Commission directs BEST to submit impact of wage revision separately along with necessary documentary proof during MTR Petition. The Commission will carry out necessary prudence check and provide treatment of wage revision as per MYT Regulations, 2019.

6.5.18 Accordingly, the Commission has approved the normative O&M Expenses for the 4th Control Period as shown in the following Table:

Table 164: Details of O&M Expenses for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Normative O&M Expenses	565.54	581.56	598.05	614.99	632.42

6.5.19 **The Commission approves normative O&M expenses of Rs. 565.54 Crore for FY 2020-21, Rs. 581.56 Crore for FY 2021-22, Rs. 598.05 Crore for FY 2022-23, Rs. 614.99 Crore for FY 2023-24 and Rs. 632.42 Crore for FY 2024-25.**

6.6 Capital Expenditure and Capitalization

BEST's Submission

6.6.1 BEST has submitted that it strives to sustain efforts to maintain and improve its distribution system / facilities for providing the best service to its consumers by maintaining adequate redundancy in the system, ensuring safety of operations and maintaining low distribution losses in the network. BEST's endeavours to develop adequate system capacity that meets the entire requirement and builds adequate reserves in the system in all its Capital Investment projects so that the network is able to meet all the demand during any unforeseen outages.

6.6.2 BEST has estimated capital expenditure and capitalization for MYT Control Period of FY 2020-21 to FY 2024-25 as per DPRs approved and to be submitted for approval of Commission. The estimated capital expenditure and capitalization for MYT Control Period of FY 2020-21 to FY 2024-25 is given in the Table below:

Table 165: Details of Capital Expenditure and capitalization for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capital Expenditure	160.40	144.71	103.05	104.08	104.45
Capitalisation	160.40	144.71	103.05	103.05	104.45
IDC	-	-	-	-	-
Capitalization + IDC	**160.40**	**144.71**	**103.05**	**103.05**	**104.45**

6.6.3 BEST has requested the Commission to approve the projected capital expenditure and capitalization as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of Mid-Term Review.

Commission's Analysis and Ruling

6.6.4 The Capital investment plan for FY 2020-21 to FY 2024-25 is segregated into the following groups:

- DPR schemes already approved in-principle by the Commission
- New DPR schemes envisaged by BEST which will be submitted to the Commission for in-principle approval in due course
- Non-DPR schemes

6.6.5 Based on the above segregation, capitalization proposed by BEST is shown in Table below:

Table 166: Capitalization for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
DPR Approved by the Commission	54.95	42.64	2.91	5.82	5.82
DPR Not Submitted/ yet to be Approved	95.90	93.64	81.99	85.20	90.22
Non DPR Schemes	9.55	8.43	18.15	13.06	8.41
Total	**160.40**	**144.71**	**103.05**	**104.08**	**104.45**

6.6.6 The Commission has observed that DPRs are not submitted for majority schemes for which capitalization is proposed by BEST during 4th Control Period. In absence of any DPR, it is difficult to assess requirement of particular schemes and associated cost. Hence, it is important to have approved DPR for any scheme before loading cost through ARR to beneficiaries.

6.6.7 In view of the above, the Commission has decided to allow only schemes for which DPR is approved by the Commission. As 4th Control Period includes 5 years and hence it is likely that for the last 3-4 years of the Control Period, the License does not have any approved DPR schemes. However, it is also important to acknowledge that to run the business, Utility is required to carry out capital expenditure. The Commission has observed the trend of capitalization of BEST in the last five years and allowed 50% of the same where there is no approved DPR or approved DPR amount is significantly lower.

6.6.8 Last five years capitalization trend of BEST is as shown in Table below:

Table 167: Capitalization for FY 2015-16 to FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average	50% of Average
1	Capitalization	124.87	119.89	94.97	191.52	179.72	**142.19**	**71.10**

6.6.9 Based on the above approach, the following Table shows the capitalization approved by the Commission for FY 2020-21 to FY 2024-25:

Table 168: Capitalization for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capitalization - Proposed	160.40	144.71	103.05	104.08	104.45
Capitalization - Approved	77.73	71.10	71.10	71.10	71.10

6.6.10 **Accordingly, the Commission approves Capitalisation of Rs. 77.73 Crore for FY 2020-21, Rs. 71.10 Crore for FY 2021-22, Rs. 71.10 Crore for FY 2022-23, Rs. 71.10 Crore for FY 2023-24 and Rs. 71.10 Crore for FY 2024-25.**

6.7 Funding of Capitalization

BEST's Submission

6.7.1 BEST has submitted that the funding of capitalization is envisaged through capital connection fee, loan, equity and grant. The following Table shows the estimated funding of capitalization for Fourth MYT control period. BEST has considered the normative debt: equity ratio of 70:30 after deducting the capital connection fee and Government grants.

Table 169: Funding of Capitalization for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capital Connection Fee	10.69	10.69	10.69	10.69	10.69
Grants	2.55	2.37	2.15	2.25	2.35
Loan	103.01	92.16	63.15	63.80	63.99
Internal Source	44.15	39.50	27.06	27.34	27.42
Total of Capitalisation including IDC	**160.4**	**144.71**	**103.05**	**104.08**	**104.45**

Commission's Analysis and Ruling

6.7.2 The Commission has examined the excel based formats submitted by BEST along with the Petition. Based on the review, the Commission approves an amount of Rs. 10.69 Crore for all year of 4th Control Period to be funded through consumer contribution and the street lighting Grant same as that considered by BEST as part of sources for funding of capitalization. The remaining funding requirement is approved by the Commission to be met through debt and equity in the 70:30 ratio.

6.7.3 Based on the above, the details of funding of capitalisation for FY 2020-21 to FY 2024-25 are shown in Table below:

Table 170: Details of funding of Capitalisation for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capitalization	**77.73**	**71.10**	**71.10**	**71.10**	**71.10**
Sources of Funding					
Consumer Contribution	10.69	10.69	10.69	10.69	10.69
Grant	2.55	2.37	2.15	2.25	2.35
Loan	45.14	40.63	40.78	40.71	40.64
Equity	19.35	17.41	17.48	17.45	17.42
Total	**77.73**	**71.10**	**71.10**	**71.10**	**71.10**

6.8 Depreciation

BEST's Submission

6.8.1 BEST has computed the depreciation by applying the average depreciation rates of FY 2018-19, on average GFA of each year of MYT Control Period of FY 2020-21 to FY 2024-25. The details are presented in the Table below:

Table 171: Depreciation for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Average GFA	2,857.92	2,970.97	3,055.34	3,119.39	3,184.15
Avg. Depreciation rate (%)	4.07%	4.07%	4.07%	4.07%	4.07%
Depreciation	**116.45**	**121.06**	**124.50**	**127.11**	**129.75**

6.8.2 BEST has requested the Commission to approve the projected depreciation as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of Mid-Term Review.

Commission's Analysis and Ruling

6.8.3 The Commission has computed the depreciation for the 4th Control Period as per Regulation 28 of the MYT Regulations, 2019. The Commission has considered the closing GFA for FY 2019-20 as approved in this Order as the opening GFA for FY 2020-21. The Commission has also taken the addition of GFA equivalent to the capitalisation approved in this Order. The Commission has also considered retirement of assets same as proposed by BEST which is same as actual retirement of FY 2018-19.

6.8.4 The Commission has considered the depreciation on average GFA for the year by applying weighted average depreciation rate of 4.07% approved for FY 2018-19 after Truing up in this Order.

6.8.5 The depreciation approved by the Commission for the 4th Control Period is shown in the Table below:

Table 172: Depreciation for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening GFA	2,738.32	2,776.54	2,808.13	2,839.71	2,871.30
Capitalization with IDC	77.73	71.10	71.10	71.10	71.10
Retirement	39.51	39.51	39.51	39.51	39.51
Closing GFA	2,776.54	2,808.13	2,839.71	2,871.30	2,902.89
Average GFA	**2,757.43**	**2,792.33**	**2,823.92**	**2,855.51**	**2,887.09**
Depreciation Rate	4.07%	4.07%	4.07%	4.07%	4.07%
Depreciation	**112.36**	**113.78**	**115.07**	**116.36**	**117.64**

6.8.6 **The Commission approves depreciation of Rs. 112.36 Crore for FY 2020-21, Rs. 113.78 Crore for FY 2021-22, Rs. 115.07 Crore for FY 2022-23, Rs. 116.36 Crore for FY 2023-24 and Rs. 117.64 Crore for FY 2024-25.**

6.9 Interest on Long Term Loan

BEST's Submission

6.9.1 BEST has considered long term loans to be taken up in line with the capitalization which is expected to incur during the respective years. BEST has computed interest on loan as specified in Regulation 30 of the MYT Regulations, 2019.

6.9.2 BEST has considered opening balance of loans same as closing balance of previous financial year. The loan addition during the year is considered as 70% of the capitalization that is expected to incur during the respective years for the fourth control period. The loan repayment is considered to be equal to the deprecation charged/ claimed during the year.

6.9.3 BEST has computed closing balance of loans and average balance of loans for all the years of the fourth MYT control period. BEST has computed the weighted average interest rate for the period FY 2020-21 to FY 2024-25 based on opening loan balance of existing long-term loans. The following Table shows the interest on loans that has been computed for the Fourth control period.

Table 173: Normative Interest on loan for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening Balance of Net Normative Loan	-	-	-	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	27.66	27.66	27.66	27.66	27.66
Less: Reduction of Normative Loan due to consumer contribution & grant	9.27	9.14	8.99	9.06	9.13
Addition of Normative Loan due to capitalisation during the year	112.28	101.30	72.14	72.86	73.12
Repayment of Normative loan during the year	75.36	64.50	35.49	36.14	36.33
Closing Balance of Net Normative Loan	-	-	-	-	-
Average Balance of Net Normative Loan	-	-	-	-	-
Weighted average Rate of Interest on actual Loans (%)	11.27%	11.27%	11.28%	11.28%	11.29%
Interest Expenses	-	-	-	-	-
Total Interest & Financing Charges	**-**	**-**	**-**	**-**	**-**

6.9.4 BEST has requested the Commission to approve the interest on loan expense as calculated on normative basis as specified in the MYT Regulations, 2019. BEST has submitted that any variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.9.5 The Commission has computed the interest on long-term loan for the 4th Control Period in accordance with Regulation 30 of the MYT Regulations, 2019. It has considered the closing net normative loan balance for FY 2019-20 as approved in this Order, as the opening net normative loan balance for FY 2020-21. The loan addition during the year is considered as 70% of the approved capitalization during the respective years for the fourth control period.

6.9.6 The Commission has considered the repayment equivalent to the depreciation approved for respective year.

6.9.7 As regards the interest rate to be considered, the Regulation 30 of the MYT Regulations, 2019 states that the rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year. The Commission has considered weighted average interest rate of 11.27% same as approved for FY 2019-20 for the 4th Control Period based on BEST submission, subject to truing up subsequently. For all years of 4th Control Period, opening normative loan is Nil and repayment (same as depreciation) is higher than loan addition and hence closing normative loan works out to Nil and so is the interest on loan. The interest on long-term loan capital approved by the Commission is shown in the Table below:

Table 174: Interest on Loans for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening balance of loan	-	-	-	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	27.66	27.66	27.66	27.66	27.66
Loan drawal during the year	45.14	40.63	40.78	40.71	40.64
Loan repayment during the year	17.49	12.97	13.12	13.05	12.98
Closing balance of loan	-	-	-	-	-
Applicable interest rate (%)	11.27%	11.27%	11.27%	11.27%	11.27%
Interest on loan capital	-	-	-	-	-

6.9.8 **The Commission approves nil Interest on Long Term Loans for 4th Control Period.**

6.10 Interest on Working Capital Loans

BEST's Submission

6.10.1 BEST has calculated interest on working capital based on the norms specified in Regulations 32 of the MYT Regulations, 2019.

6.10.2 Working capital has been computed based on

a) One-month normative O&M expenses as computed by BEST

b) Maintenance spares has been taken as 1% of GFA.

c) One and half month of expected revenue is considered of the Aggregate revenue requirement which is projected for the respective years for BEST

d) Reduction of Security Deposit which is expected to be retained by BEST

e) Reduction of one month of power purchase cost

6.10.3 BEST has considered the interest rate on the working capital amount as the base rate plus 150 basis points as specified in the Regulations.

6.10.4 BEST has projected the interest on Working Capital for the entire control period as shown in the Table below:

Table 175: Normative Interest on working capital for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
O&M expenses for a month	48.73	53.46	52.57	58.70	50.82
Maintenance Spares at 1% of Opening GFA	27.90	29.11	30.16	30.80	31.44
One and half months equivalent of the expected revenue from charges for use of Distribution Wires	425.18	451.07	472.61	496.09	517.84
Less: Amount held as Security Deposit from Distribution System Users	422.90	435.58	448.65	462.11	475.97
Total Working Capital Requirement	**(175.01)**	**(137.82)**	**(125.34)**	**(110.82)**	**(85.95)**
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	9.50%	9.50%	9.50%	9.50%	9.50%
Interest on Working Capital	**5.32**	**5.83**	**5.80**	**6.46**	**6.16**

6.10.5 BEST has further submitted that the normative interest on working capital for retail supply business is Nil, as working capital requirement is funded by consumer security deposit. As per allocation matrix, consumer security deposit considered for Retail Supply business is higher than working capital requirement for retail supply business. However, IoWC is not Nil for the wires business. Interest on working capital has been worked out accordingly and summarized in the Table above. BEST has requested the Commission to consider IoWC as summarized in Table above.

Commission's Analysis and Ruling

6.10.6 The Commission has computed IoWC in accordance with Regulation 32 of the MYT Regulations, 2019. In line with the provisions of MYT Regulations, 2019, the 1 year SBI MCLR at the time of filing of this Petition i.e. 30 November, 2019 which was 8.00% plus 150 basis points i.e. 9.50% is considered as the interest rate for computing the IoWC for the 4th Control Period. The Commission has accepted the submission of BEST regarding the amount of CSD. The computation of the IoWC for FY 2020-21 to FY 2024-25 as approved by the Commission is shown in the Table below:

Table 176: Interest on Working Capital for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Wheeling Business					
Operation and Maintenance Expenses for one month	30.63	31.50	32.39	33.31	34.26
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	24.64	24.99	25.27	25.56	25.84
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	42.01	42.38	42.61	43.02	43.52
Less:					
Amount held as security desosits in cash	42.29	43.56	44.87	46.21	47.60
Total Working Capital	**55.00**	**55.31**	**55.41**	**55.68**	**56.02**
Rate of interest (%)	9.50%	9.50%	9.50%	9.50%	9.50%
Interest of Working Capital	**5.22**	**5.25**	**5.26**	**5.29**	**5.32**
Retail Business					
Operation and Maintenance Expenses for one month	16.49	16.96	17.44	17.94	18.45
Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year	2.74	2.78	2.81	2.84	2.87
One and half months equivalent of the expected revenue from charges at the prevailing tariff including revenue from cross-subsidy surcharges and additional surcharge	378.06	381.41	383.46	387.16	391.70
Less:					
Amount held as security desosits in cash	380.61	392.02	403.79	415.90	428.38
One month equivalent of cost of power purchase including transmission charges and SLDC charges	250.87	226.11	217.44	221.01	203.70
Total Working Capital	**(234.18)**	**(216.99)**	**(217.52)**	**(228.97)**	**(219.05)**
Rate of interest (%)	9.50%	9.50%	9.50%	9.50%	9.50%
Interest of Working Capital	-	-	-	-	-

6.10.7 **The Commission approves Interest on Working Capital of Rs. 5.22 Crore for FY 2020-21, Rs. 5.25 Crore for FY 2021-22, Rs. 5.26 Crore for FY 2022-23, Rs. 5.29 Crore for FY 2023-24 and Rs. 5.32 Crore for FY 2024-25.**

6.11 Interest on Consumers' Security Deposit

BEST's Submission

6.11.1 BEST has estimated that the Consumer Security Deposit for the FY 2019-20 will be Rs 410.58 Crores, i.e. estimated considering 3% escalation over the actual Deposit of FY 2018-19. The actual Consumer Security Deposit in the FY 2018-19 was Rs. 398.62 Crores. As such, for future projections of Consumer Deposit, an escalation of 3% is considered by BEST. Further, the Interest on Consumer Security Deposit has been calculated at the rate of 9.50% (One-year MCLR by SBI, plus 150 basis points) as per the MYT Regulations, 2019. BEST has submitted the interest on security deposit for the MYT Control Period of FY 2020-21 to FY 2024-25 as presented in the Table below:

Table 177: Interest on Consumer' Security Deposit for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Amount held as security deposit	416.74	429.24	442.12	455.38	469.04
Interest Rate (%) - SBI MCLR +150 basis points	9.50%	9.50%	9.50%	9.50%	9.50%
Interest on Security Deposit	**39.59**	**40.78**	**42.00**	**43.26**	**44.56**

6.11.2 BEST has requested the Commission to approve the projected interest on consumer security deposit as submitted by BEST and any variation in above expenses will be claimed on actual basis at the time of Mid-Term Review.

Commission's Analysis and Ruling

6.11.3 The Commission has accepted BEST's projection of interest to be paid on Consumer Security Deposit. For approving the interest on CSD, BEST has considered a rate of interest of 9.50% (SBI Base Rate plus 150 basis points). Regulation 30.11 of the MYT Regulations, 2019 provides that interest shall be allowed only on amount held in cash as security deposit at the Bank Rate as declared by RBI as on 1st April of the Year. The relevant part of the same is reproduced here below:

> *"30.11 Interest shall be allowed only on the amount held in cash as security deposit from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the Year for which the interest is payable:"*

6.11.4 Accordingly, prevailing Bank Rate of RBI of 5.40% is considered by the Commission. The Commission has computed the interest on CSD on the average of opening and closing balance of the year. Accordingly, interest on CSD approved for the 4th Control Period is shown in the Table below:

Table 178: Interest on Consumer Security Deposit for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Interest on Consumer Security Deposit	22.50	23.18	23.87	24.59	25.33

6.11.5 **The Commission approves interest on Consumers' Security Deposit of Rs. 22.50 Crore for FY 2020-21, Rs. 23.18 Crore for FY 2021-22, Rs. 23.87 Crore for FY 2022-23, Rs. 24.59 Crore for FY 2023-24 and Rs. 25.33 Crore for FY 2024-25.**

6.12 Contribution to Contingency Reserves

BEST's Submission

6.12.1 BEST has submitted that it has considered the contribution to contingency reserves as 0.25% of the opening GFA as per the MYT Regulations, 2019. The details are presented in the Table below:

Table 179: Contribution to Contingency Reserves for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening Balance of Contingency Reserves	54.56	61.55	68.85	76.40	84.12
Opening Gross Fixed Assets	2,797.48	2,918.37	3,023.57	3,087.11	3,151.68
Opening Balance of Contingency Reserves as % of Opening GFA	1.95%	2.11%	2.28%	2.47%	2.67%
Contribution to Contingency Reserves during the year	**6.99**	**7.30**	**7.56**	**7.72**	**7.88**
Utilisation of Contingency Reserves during the year	-	-	-	-	-
Closing Balance of Contingency Reserves	**61.55**	**68.85**	**76.40**	**84.12**	**92.00**
Closing Balance of Contingency Reserves as % of Opening GFA	2.20%	2.36%	2.53%	2.72%	2.92%

6.12.2 BEST has requested Commission to approve the projected contribution to contingency reserves as submitted by BEST. BEST has submitted that any variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.12.3 The Regulation 35 of the MYT Regulations, 2019 specifies as follows:

"35 Contribution to Contingency Reserves -

35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed;

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year…"

6.12.4 Accordingly, the Commission has approved the contribution to contingency reserves at 0.25% of opening GFA for FY 2020-21 to FY 2024-25 in line with the provision of the MYT Regulations, 2019. The Commission has also verified that the total amount of contingency reserve does not exceed 5% of the opening GFA. The contribution to contingency reserves approved by the Commission for FY 2020-21 to FY 2024-25 is shown in the Table below:

Table 180: Contribution to Contingency Reserves for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Contribution to Contingency Reserves	6.85	6.94	7.02	7.10	7.18

6.12.5 **The Commission approves the contribution to Contingency Reserves of Rs. 6.85 Crore for FY 2020-21, Rs. 6.94 Crore for FY 2021-22, Rs. 7.02 Crore for FY 2022-23, Rs. 7.10 Crore for FY 2023-24 and Rs. 7.18 Crore for FY 2024-25.**

6.12.6 Further, the Commission has observed that some of the Licensees have invested the Contingency Reserve in Mutual Fund Growth Option wherein the investments are market linked and carries greater market risk. The Net Asset Value (NAV) of Mutual Fund is volatile due to dependency on market conditions and there can be instances wherein the losses are incurred. Therefore, the investment in Mutual Funds does not serve the intent of the MYT Regulations, 2019 regarding making investment towards Contingency Reserves. The intent of making investment towards Contingency Reserves is to create a Reserve Fund by the Utility to deal with certain situations. The situations wherein the utility is allowed to draw from the Contingency Reserve are clearly identified in Regulation 34.2 of the MYT Regulations, 2019.

6.12.7 While framing of MYT Regulations, the Commission had envisaged that the Utilities will invest only in securities which are safe, and the reserve created out of these investments would be available to them in Force Majeure situations. However, though mutual funds are part of the list of securities authorised under the Indian Trusts Act, 1882, investment in such instruments exposes the reserve created to market risk. While the Regulation 34.3 of the MYT Regulations, 2019 clearly mentions that no diminution in the value of Contingency Reserve will be permitted, the Commission does not want the Utilities to land in difficult situations wherein the value of the Contingency Reserve is negatively impacted due to market fluctuations. This in a way defeats the intent of the Regulations. Considering the above, the Commission is of the view that the Licensee shall not invest the Contingency Reserves amount in market linked instruments such as Mutual Funds, etc., since considering the purpose of this reserve, the risk cannot be passed on to consumers and also should not create situations wherein the fund is not available with the utility when it is required the most. Accordingly, BEST also has to ensure that the Contribution to Contingency Reserve for future period shall be invested only in the above specified investments.

6.13 Other Expenses

BEST's Submission

6.13.1 BEST has submitted that the Power factor incentive considered for FY 2020-21 is half of the same estimated for FY 2019-20. Thereafter, BEST has estimated the other expenses for the Fourth MYT control period by applying 3% YoY escalation rate.

Table 181: Other Expenses for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Other Expenses	44.70	46.04	47.42	48.85	50.31

6.13.2 BEST has requested the Commission to approve other expenses for the period FY 2020-21 to FY 2024-25 as shown in the Table above.

Commission's Analysis and Ruling

6.13.3 As per Regulation 35 of the MYT Regulations, 2019, the Commission has accepted the submission of BEST regarding PF incentive, prompt payment discount, ECS discount and load factor incentive, and considered them accordingly approves for the 4th Control Period as shown in the following Table:

Table 182: Other Expenses for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Other Expenses	44.70	46.04	47.42	48.85	50.31

6.13.4 **The Commission approves the Other Expenses of Rs. 44.70 Crore for FY 2020-21, Rs. 46.04 Crore for FY 2021-22, Rs. 47.42 Crore for FY 2022-23, Rs. 48.85 Crore for FY 2023-24 and Rs. 50.31 Crore for FY 2024-25.**

6.14 Provision for Bad and Doubtful Debts

BEST's Submission

6.14.1 BEST has submitted that it has considered the provision for bad and doubtful debts for MYT Control Period of FY 2020-21 to FY 2024-25 at the rate of 1.5% of opening balance of receivables of FY 2018-19 (based on latest figure available based on accounts ledger) in line with Regulation 76 of the MYT Regulations, 2019. The details are shown in the Table below:

Table 183: Provision for Bad and Doubtful Debts for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Opening Balance of Provision for bad and doubtful debts	-	-	-	-	-
Receivables for the year	449.33	449.33	449.33	449.33	449.33
Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Provision for bad & doubtful debts during the year	**6.74**	**6.74**	**6.74**	**6.74**	**6.74**
Actual bad and doubtful debts written off					
Closing Balance of Provision for bad and doubtful debts	-	-	-	-	-

6.14.2 BEST has requested the Commission to approve the projected provision for bad and doubtful debts as submitted by BEST. BEST has submitted that any variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.14.3 The Regulations 76 and 85 of the MYT Regulations, 2019 specify as follows:

> *"Provision for Bad and Doubtful Debts -*
> *In the MYT Order, for each year of the Control Period, the Commission may allow a provision for Bad and Doubtful Debts up to 1.5 % of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the latest Audited Accounts of the Distribution Licensee in accordance with the procedure laid down by the Licensee, subject to prudence check:*
>
> *…"*

6.14.4 In view of the first proviso of the above Regulations, the Commission has provisionally approved the provision for bad and doubtful debts for each year based on the actual provision made in the latest available audited accounts. Accordingly, it has considered the provision for bad and doubtful debts as approved in the Truing up for FY 2018-19 based on the audited accounts for FY 2018-19, as shown in the Table below:

Table 184: Provision for Bad and Doubtful Debts for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Provision for Bad and Doubtful Debts	6.74	6.74	6.74	6.74	6.74

6.14.5 **The Commission approves the Provision for Bad and Doubtful Debts of Rs. 6.74 Crore for the 4th Control Period.**

6.15 Income Tax

BEST's Submission

6.15.1 BEST has submitted that being a Local Authority, the income of BEST is exempted under Section 10 (20) of the Income Tax Act, 1961. Accordingly, BEST has not considered any income tax for MYT Control Period of FY 2020-21 to FY 2024-25.

Commission's Analysis and Ruling

6.15.2 **Since BEST is a Local Authority, the Commission has not considered any Income Tax for BEST for the 4th Control Period considering the exemption under the Income Tax Act, 1961.**

6.16 Return on Equity

BEST's Submission

6.16.1 BEST has computed the return on equity as per Regulation 29 of the MYT Regulations, 2019. For the purpose of arriving at the regulatory equity at the beginning of the year, BEST has considered the closing equity of previous year. As impact of replacement/ retirement of assets, BEST has reduced the equity to the extent of 30% of the GFA of the assets that have been projected to be retired during the year as per Regulation 27 of the MYT Regulations, 2019.

6.16.2 BEST has submitted the details of return on equity as under:

Table 185: Return on Equity for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Regulatory Equity at the beginning of the year	928.39	960.69	988.33	1,003.54	1,019.03
Capitalisation during the year	160.40	144.71	103.05	104.08	104.45
Total grant	13.24	13.06	12.84	12.94	13.04
Equity portion of capitalisation during the year	44.15	39.50	27.06	27.34	27.42

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Reduction in Equity Capital on account of retirement / replacement of assets	11.85	11.85	11.85	11.85	11.85
Regulatory Equity at the end of the year	960.69	988.33	1,003.54	1,019.03	1,034.60
Return on Equity Computation					
Base Rate of Return on Equity	14.15%	14.15%	14.15%	14.15%	14.15%
Pre-tax Return on Equity after considering effective Tax rate	14.15%	14.15%	14.15%	14.15%	14.15%
Return on Regulatory Equity at the beginning of the year	131.37	135.94	139.85	142.00	144.19
Return on Regulatory Equity addition during the year	2.28	1.96	1.08	1.10	1.10
Total Return on Equity	133.65	137.89	140.92	143.10	145.29

6.16.3 BEST has requested Commission to approve the projected return on equity as submitted by BEST. BEST has submitted that any variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.16.4 The Commission has computed the Return on Equity in accordance with Regulation 29 of the MYT Regulations, 2019. It has considered the closing regulatory equity as approved for FY 2019-20 in this Order as the opening equity for FY 2020-21. It has considered the addition of regulatory equity during the year based on the funding of capitalisation approved in this Order. The Commission also approves asset retirement same as projected by BEST and reduction in equity has been applied for reduction of assets. The Commission shall take a final view after considering the actual asset retirement at the time of truing up for each year.

6.16.5 The Commission has considered weighted average rate of return as 14.15% based on the ratio of assets of 90:10 for the wires and supply business as per the MYT Regulations, 2019. BEST has no tax liabilities and hence no grossing up of rate of return is considered by the Commission. The RoE approved by the Commission is shown in the Table below:

Table 186: Return on Equity for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Regulatory Equity at the beginning of the year	911.06	918.55	924.11	929.74	935.33
Equity portion of capitalization	19.35	17.41	17.48	17.45	17.42
Reduction in Equity due to Retirement/ Replacement of Assets	11.85	11.85	11.85	11.85	11.85
Regulatory Equity at the end of the year	918.55	924.11	929.74	935.33	940.89
Rate of Return	**14.15%**	**14.15%**	**14.15%**	**14.15%**	**14.15%**
Return on Regulatory Equity at the beginning of the year	128.91	129.98	130.76	131.56	132.35
Return on Equity portion of capitalization	0.53	0.39	0.40	0.40	0.39
Total Return on Regulatory Equity	**129.45**	**130.37**	**131.16**	**131.95**	**132.74**

6.16.6 **The Commission approves the Return on Equity of Rs. 129.45 Crore for FY 2020-21, Rs. 130.37 Crore for FY 2021-22, Rs. 131.16 Crore for FY 2022-23, Rs. 131.95 Crore for FY 2023-24 and Rs. 132.74 Crore for FY 2024-25.**

6.17 Return as Interest on Internal Funds

BEST's Submission

6.17.1 BEST has submitted the interest on internal funds as under:

Table 187: Return as Interest on Internal Fund for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Return on Internal Fund	5.28	5.28	5.28	5.28	5.28

6.17.2 BEST has submitted that it has considered the rate of interest on internal funds and cumulative Grants as approved by the Commission for FY 2019-20 for the computation of return on internal funds for the fourth control period.

6.17.3 BEST has requested the Commission to approve the projected return as interest on internal funds as submitted by BEST.

Commission's Analysis and Ruling

6.17.4 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal 13 of 2007 had directed the Commission to take into consideration interest on

Government Grant as well as interest on internal funds, which is not included in the calculation of the Capital Base or notional equity in any way. Accordingly, the Commission has accepted the submission of BEST and approves the return on internal funds for the 4th Control Period as shown in the Table below:

Table 188: Return on Internal Funds for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Return on Internal Funds	5.28	5.28	5.28	5.28	5.28

6.17.5 **The Commission approves the return on internal funds of Rs. 5.28 Crore for each year of the Control Period.**

6.18 Non-Tariff Income

BEST's Submission

6.18.1 BEST has submitted that it has considered the estimated Non-Tariff income of FY 2019-20 as base for computing Non-Tariff Income for the MYT control period of FY 2020-21 to FY 2024-25. BEST has applied YoY increase of 3% on base Non-Tariff Income considered above.

6.18.2 BEST has submitted the Non-Tariff income as under:

Table 189: Non-Tariff Income for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Non-Tariff Income	41.29	42.53	43.80	45.12	46.47

6.18.3 BEST has requested the Commission to approve the projected Non-Tariff income as submitted by BEST. BEST has submitted that any variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.18.4 For projection of Non-Tariff income, the Commission has projected the Non-Tariff income by applying an escalation of 3%, considering past trends, on the approved value of FY 2019-20.

6.18.5 The Non-Tariff income approved by the Commission is shown in the Table below:

Table 190: Non-Tariff Income for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Non-Tariff Income	55.24	56.90	58.61	60.36	62.17

6.18.6 **The Commission approves the Non-Tariff Income of Rs. 55.24 Crore for FY 2020-21, Rs. 56.90 Crore for FY 2021-22, Rs. 58.61 Crore for FY 2022-23, Rs. 60.36 Crore for FY 2023-24 and Rs. 62.17 Crore for FY 2024-25.**

6.19 Past Recoveries of Revenue Gap from FY 2016-17 to FY 2019-20

BEST's Submission

6.19.1 BEST has proposed that revenue gap/ (surplus) of FY 2019-20 to be recovered in the next control period. The revenue gap/ surplus FY 2019-20 is given in the Table below:

Table 191: Cumulative Revenue Gap/ (surplus) of FY 2019-20, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition
Cumulative Revenue gap/(surplus)	327.13

6.19.2 BEST has submitted that in the provisional truing up, no carrying/holding cost is considered. Any variation in carrying cost will be considered at the time of final truing up. BEST has requested the Commission to approve the revenue gap/(surplus) for provisional truing up of FY 2019-20.

Table 192: Summary of Cumulative Revenue gap/(surplus) of FY 2019-20 including carrying cost, as submitted by BEST (Rs. Crore)

Particulars	Legend	Rate	MYT Petition
Revenue gap for FY 2018-19			(737.02)
Holding cost for FY 2018-19		9.89%	(36.45)
Holding cost for FY 2019-20		9.50%	(70.02)
Revenue Gap of FY 2018-19 including carrying cost up to FY 2019-20	**A**		(843.48)
Revenue gap for FY 2019-20	B		327.13
Cumulative revenue gap till FY 2019-20	**c=a+b**		(516.35)

6.19.3 BEST has submitted the revenue gap/(surplus) including carrying cost at the end of FY 2018-19 as shown in the Table above.

6.19.4 BEST has requested the Commission to approve cumulative revenue gap/(surplus) including carrying cost at the end of FY 2019-20.

6.19.5 BEST has considered the Revenue Gap/ (Surplus) amount in ARR of the MYT Control Period of FY 2020-21 to FY 2024-25 along with carrying/ (holding) cost as shown in the Table below:

Table 193: Recovery of Revenue Gap/ (Surplus) from FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenue Gap/ (Surplus) for FY 2019-20	(516.35)	-	-	-	-
Recovery of previous Revenue Gap/ (Surplus)	(516.35)	-	-	-	-
Closing balance	-	-	-	-	-
Average balance	(258.17)	-	-	-	-
Interest rate (%)	9.50%	9.50%	9.50%	9.50%	9.50%
Carrying/(Holding) cost	(24.53)	-	-	-	-
Total recovery	**(540.88)**	**-**	**-**	**-**	**-**
Cumulative gap	9.85	208.07	257.33	184.62	(10.07)
Stand-alone Gap/ (Surplus)	**550.73**	**197.28**	**29.49**	**(97.15)**	**(212.22)**

Commission's Analysis and Ruling

6.19.6 The Commission has determined a Revenue Gap/ (Surplus) on Truing up of FY 2017-18 & FY 2018-19 and provisional Truing up of FY 2019-20. The Commission has computed the carrying/ (holding) Cost on the Revenue Gap/ (Surplus) of FY 2018-19 up to its recovery in FY 2020-21 by applying the interest rates considered for computing the Interest on Working Capital for the respective years, in this Order. Further, Determination of the Carrying/Holding Cost on the Revenue Gap/ Surplus for FY 2019-20 shall be dealt with at the time of Truing up in next MTR Order. Accordingly, the cumulative Revenue Gap/ (Surplus) to be recovered in FY 2020-21 is as shown in the following Table:

Table 194: Cumulative Revenue Gap/(Surplus) to be recovered in FY 2020-21, as approved by the Commission (Rs. Crore)

Particulars	MYT Petition	Approved in this Order - Wire	Approved in this Order -	Approved in this Order - Total
Revenue Gap/ (Surplus) for FY 2018-19	(737.02)	(21.56)	(792.18)	(813.74)
Holding cost for FY 2018-19	(36.45)	(1.07)	(39.18)	(40.24)
Holding cost for FY 2019-20	(70.02)	(2.05)	(75.26)	(77.31)
Holding cost for FY 2020-21		(1.02)	(37.63)	(38.65)
Revenue Gap/ (Surplus) of FY 2018-19 including carrying/ (holding) cost up to FY 2020-21	**(843.48)**	**(25.70)**	**(944.24)**	**(969.94)**
Revenue Gap/ (Surplus) for FY 2019-20	**327.13**	**(4.43)**	**202.87**	**198.44**
Cumulative Revenue Gap/ (Surplus)	**(516.35)**	**(30.13)**	**(741.37)**	**(771.50)**

6.19.7 **Accordingly, the Commission approves the recovery of cumulative Revenue Surplus of Rs. 771.50 Crore on Truing up of FY 2017-18 & FY 2018-19 and provisional Truing up of FY 2019-20, to be recovered in FY 2020-21.**

6.20 Summary of Aggregate Revenue Requirement for FY 2020-21 to FY 2024-25

BEST's Submission

6.20.1 BEST has submitted that the segregation of Wires Business and Supply Business has been taken as per Regulation 71 of the MYT Regulations, 2019. Following is the ARR summary for Distribution Wire business for FY 2020-21 to FY 2024-25.

Table 195: ARR for Distribution Wire business for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Operation & Maintenance Expenses	403.52	442.03	469.79	487.31	505.13
Depreciation	104.81	108.95	112.05	114.40	116.77
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	5.32	5.83	5.80	6.46	6.16
Interest on Consumer Security Deposit	3.96	4.08	4.20	4.33	4.46
Write-off of Provision for bad and doubtful debts	0.67	0.67	0.67	0.67	0.67
Contribution to contingency reserves	6.29	6.57	6.80	6.95	7.09
Income Tax					
Total Revenue Expenditure	**524.57**	**568.14**	**599.32**	**620.10**	**640.28**
Add: Return on Equity Capital	119.01	122.79	125.49	127.42	129.38
Add: Return on Internal fund	4.75	4.75	4.75	4.75	4.75
Aggregate Revenue Requirement	**648.33**	**695.67**	**729.56**	**752.28**	**774.41**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Less: Non-Tariff Income	4.13	4.25	4.38	4.51	4.65
Less: Income from other business	-	-	-	-	-
Aggregate Revenue Requirement from Distribution Wires	**644.21**	**691.42**	**725.18**	**747.76**	**769.77**

6.20.2 BEST has submitted the ARR summary for Retail Supply business for FY 2020-21 to FY 2024-25 as given below:

Table 196: ARR for Retail Supply business for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Purchase Expenses (including Inter-State Transmission Charges)	2,587.51	2,555.12	2,502.05	2,512.27	2,520.89
Operation & Maintenance Expenses	217.28	238.02	252.97	262.40	271.99
Depreciation	11.65	12.11	12.45	12.71	12.97
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	-	-	-	-	-
Interest on Consumer Security Deposit	35.63	36.70	37.80	38.93	40.10
Write-off of Provision for bad and doubtful debts	6.07	6.07	6.07	6.07	6.07
Contribution to contingency reserves	0.70	0.73	0.76	0.77	0.79
Intra-State Transmission Charges	458.19	274.09	280.85	297.73	314.36
MSLDC Fees & Charges	1.3358	1.3241	1.4483	1.6363	1.7365
Income Tax					
Other Expenses	44.70	46.04	47.42	48.85	50.31
Total Revenue Expenditure	**3,363.06**	**3,170.20**	**3,141.82**	**3,181.36**	**3,219.22**
Add: Return on Equity Capital	14.64	15.10	15.44	15.67	15.92
Add: Return on Internal fund	0.53	0.53	0.53	0.53	0.53
Add: Sharing of Gain & Loss on IoWC	-	-	-	-	-
Aggregate Revenue Requirement	**3,378.23**	**3,185.83**	**3,157.78**	**3,197.56**	**3,235.66**
Less: Non-Tariff Income	37.16	38.28	39.42	40.61	41.83
Less: Income from other business	-	-	-	-	-
Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-	-	-
Less: Receipts on account of Additional Surcharge, if any	-	-	-	-	-
Aggregate Revenue Requirement from Retail Supply	**3,341.07**	**3,147.55**	**3,118.36**	**3,156.95**	**3,193.84**

6.20.3 BEST has proposed the Aggregate Revenue Requirement for MYT control period of FY 2020-21 to FY 2024-25 as presented in Table below:

Table 197: Summary of Aggregate Revenue Requirement for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Purchase Expenses (including Inter-State Transmission Charges)	2,587.51	2,555.12	2,502.05	2,512.27	2,520.89
Operation & Maintenance Expenses	620.80	680.05	722.76	749.70	777.12
Depreciation	116.45	121.06	124.50	127.11	129.75
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	5.32	5.83	5.80	6.46	6.16
Interest on Consumer Security Deposit	39.59	40.78	42.00	43.26	44.56
Write-off of Provision for bad and doubtful debts	6.74	6.74	6.74	6.74	6.74
Contribution to contingency reserves	6.99	7.30	7.56	7.72	7.88
Intra-State Transmission Charges	458.19	274.09	280.85	297.73	314.36
MSLDC Fees & Charges	1.34	1.32	1.45	1.64	1.74
Income Tax	-	-	-	-	-
Other Expenses	44.70	46.04	47.42	48.85	50.31
Total Revenue Expenditure	**3,887.63**	**3,738.33**	**3,741.13**	**3,801.46**	**3,859.50**
Add: Return on Equity Capital	133.65	137.89	140.92	143.10	145.29
Add: Return on Internal fund	5.28	5.28	5.28	5.28	5.28
Add: Sharing of Gain & Loss on IoWC	-	-	-	-	-
Aggregate Revenue Requirement	**4,026.56**	**3,881.50**	**3,887.34**	**3,949.84**	**4,010.08**
Less: Non-Tariff Income	41.29	42.53	43.80	45.12	46.47
Less: Income from other business	-	-	-	-	-
Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-	-	-
Less: Receipts on account of Additional Surcharge, if any	-	-	-	-	-
Aggregate Revenue Requirement from Retail Supply	**3,985.27**	**3,838.97**	**3,843.53**	**3,904.72**	**3,963.60**

6.20.4 BEST has requested the Commission to approve the projected ARR for MYT control period of FY 2020-21 to FY 2024-25 as submitted by BEST. BEST has submitted the variation in above expenses will be claimed on actual basis at the time of mid-term review.

Commission's Analysis and Ruling

6.20.5 Based on the components of ARR approved in the above paragraphs, the Commission has approved the ARR for the 4th Control Period.

6.20.6 It has computed the ARR for the wires and supply business in accordance with the allocation matrix specified in Regulation 71 of the MYT Regulations, 2019, as shown in the following Tables:

Table 198: Summary of ARR for Distribution Wires Business for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Operation & Maintenance Expenses	367.60	378.02	388.73	399.75	411.07
Depreciation	101.12	102.40	103.56	104.72	105.88
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	5.22	5.25	5.26	5.29	5.32
Interest on Consumer Security Deposit	2.25	2.32	2.39	2.46	2.53
Write-off of Provision for bad and doubtful debts	0.67	0.67	0.67	0.67	0.67
Contribution to contingency reserves	6.16	6.25	6.32	6.39	6.46
Income Tax	-	-	-	-	-
Total Revenue Expenditure	**483.03**	**494.91**	**506.93**	**519.28**	**531.94**
Add: Return on Equity Capital	115.27	116.09	116.79	117.50	118.20
Add: Return on Internal fund	4.75	4.75	4.75	4.75	4.75
Aggregate Revenue Requirement	**603.05**	**615.75**	**628.48**	**641.53**	**654.90**
Less: Non-Tariff Income	5.52	5.69	5.86	6.04	6.22
Aggregate Revenue Requirement	**597.52**	**610.06**	**622.62**	**635.49**	**648.68**
Recovery of gap/(surplus) of previous years till the third control period - Wire Business	**(30.13)**	-	-	-	-
Aggregate Revenue Requirement from Distribution Wires	**567.40**	**610.06**	**622.62**	**635.49**	**648.68**

Table 199: Summary of ARR for Retail Supply Business for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Approved in this Order	Approved in this Order	Approved in this Order	Approved in this Order	Approved in this Order
Power Purchase Expenses (excluding Inter-State Transmission Charges)	2,750.30	2,454.20	2,351.34	2,395.83	2,444.37
Operation & Maintenance Expenses	197.94	203.55	209.32	215.25	221.35
Depreciation	11.24	11.38	11.51	11.64	11.76
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	-	-	-	-	-
Interest on Consumer Security Deposit	20.25	20.86	21.49	22.13	22.80
Write-off of Provision for bad and doubtful debts	6.07	6.07	6.07	6.07	6.07
Contribution to contingency reserves	0.68	0.69	0.70	0.71	0.72
Intra-State Transmission Charges	258.80	257.96	256.72	254.91	250.31
MSLDC Fees & Charges	1.29	1.20	1.27	1.35	1.36
Income Tax	-	-	-	-	-
Other Expenses	44.70	46.04	47.42	48.85	50.31
Total Revenue Expenditure	**3,291.28**	**3,001.95**	**2,905.83**	**2,956.72**	**3,009.04**
Add: Return on Equity Capital	14.18	14.28	14.37	14.45	14.54
Add: Return on Internal fund	0.53	0.53	0.53	0.53	0.53
Aggregate Revenue Requirement	**3,305.98**	**3,016.76**	**2,920.73**	**2,971.70**	**3,024.11**
Less: Non-Tariff Income	49.72	51.21	52.74	54.33	55.96
Aggregate Revenue Requirement from Retail Supply	**3,256.27**	**2,965.55**	**2,867.99**	**2,917.38**	**2,968.15**
Recovery of gap/(surplus) of previous years till the third control period - Retail Business	**(741.37)**	-	-	-	-
Aggregate Revenue Requirement from Distribution - Retail	**2,514.89**	**2,965.55**	**2,867.99**	**2,917.38**	**2,968.15**

Table 200: Summary of combined ARR for Wire and Supply Business for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Purchase Expenses (excluding Inter-State Transmission Charges)	2,750.30	2,454.20	2,351.34	2,395.83	2,444.37
Operation & Maintenance Expenses	565.54	581.56	598.05	614.99	632.42
Depreciation	112.36	113.78	115.07	116.36	117.64
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	5.22	5.25	5.26	5.29	5.32
Interest on Consumer Security Deposit	22.50	23.18	23.87	24.59	25.33
Write-off of Provision for bad and doubtful debts	6.74	6.74	6.74	6.74	6.74
Contribution to contingency reserves	6.85	6.94	7.02	7.10	7.18
Intra-State Transmission Charges	258.80	257.96	256.72	254.91	250.31
MSLDC Fees & Charges	1.29	1.20	1.27	1.35	1.36
Income Tax	-	-	-	-	-
Other Expenses	44.70	46.04	47.42	48.85	50.31
Total Revenue Expenditure	**3,774.31**	**3,496.86**	**3,412.77**	**3,476.00**	**3,540.98**
Add: Return on Equity Capital	129.45	130.37	131.16	131.95	132.74
Add: Return on Internal fund	5.28	5.28	5.28	5.28	5.28
Aggregate Revenue Requirement	**3,909.03**	**3,632.51**	**3,549.21**	**3,613.23**	**3,679.01**
Less: Non-Tariff Income	55.24	56.90	58.61	60.36	62.17
Less: Income from other business	-	-	-	-	-
Aggregate Revenue Requirement	**3,853.79**	**3,575.61**	**3,490.60**	**3,552.87**	**3,616.83**

6.20.7 **The Commission approves estimates of Aggregate Revenue Requirement of Rs. 3,852.79 Crore for FY 2020-21, Rs. 3,575.61 Crore for FY 2021-22, Rs. 3,490.60 Crore for FY 2022-23, Rs. 3,552.87 Crore for FY 2023-24 and Rs. 3,616.83 Crore for FY 2024-25.**

7 COMPLIANCE OF DIRECTIVES

7.1 Background

7.1.1 The Commission has given certain directives to BEST in the MTR Order in Case No. 203 of 2017. The directives, the status of compliance, and further directions of the Commission are set out below.

7.2 Implementation of Revised Tariff as per MTR Order

Directives

7.2.1 In the MTR Order, the Commission had directed BEST to implement the revised tariff with effect from 1 September, 2018 with the implementation of the following:

a. Digital Discount (0.25%) up to Rs. 500
b. Penalty for leading Power Factor
c. Distribution Licensee can issue notice to consumers under Section 56 of the Electricity Act, 2003 through digital mode

BEST's Submission

7.2.2 BEST has submitted that it has implemented the directions of the Commission.

Commission's Analysis and Ruling

7.2.3 The Commission has noted the submission made by BEST.

7.3 Medium Term Power Purchase

Directives

7.3.1 The Commission had directed BEST to seek approval of PPA from the Commission in compliance with the necessary process as mandated under the Act and the relevant Regulations/Orders as necessary should be adopted

BEST's Submission

7.3.2 BEST has submitted that the existing PPA between BEST and TPC-G has been extended with the quantum of 676.69 MW for 5 years from 1 April, 2019 to 31 March, 2024. A fresh Agreement for Procurement of Power (APP) has been signed between BEST and Manikaran Power Limited for 100 MW through M/s. Sai Waradha Power Generation Ltd. for a period of 5 years from 1 April, 2019 to 31 March, 2024.

Commission's Analysis and Ruling

7.3.3 The Commission notes the submission made by BEST

7.4 Corrective Action regarding Power Factor related matter in Commission's Order dated 2 January, 2019 in Case No. 329 of 2018.

Directives

7.4.1 The Commission had directed BEST to include 'RkVAh lead' in computation of average Power Factor from 1 September, 2018. In order to support efforts of consumers to take corrective actions, differential amount (difference between PF computed without 'RkVAh Lead' and with 'RkVAh lead') for the period 1 September, 2018 to 31 March, 2019 shall be refunded to consumers in the following manner:

a. Consumers shall be eligible for refund only if PF (with RkVAh lead) for consumption of April 2019 is equal to or above 0.90 (lead or lag). No refund will be given to other consumers.
b. This refund shall be in equal monthly instalments. Number of instalments shall be equal to numbers of months in which 'RkVAh lead' based PF has been billed to consumer.
c. First instalment to the 'Eligible Consumer' shall be refunded by way of adjustment in the electricity bill for consumption of April 2019.
d. Subsequent instalment is refundable only if 'Eligible Consumer' maintains PF equal to or above 0.90 (lead or lag) in the month in which instalment is to be refunded. If PF is below 0.90 (lead or lag), instalment for that month shall deems to be laps.

7.4.2 'Total kVAh' for computing PF with lead and lag RkVAh shall be computed as follows:

$$\textbf{kVAh is} = \sqrt{\sum(\textbf{KWh})^2 + \sum(\textbf{RkVAh Lag} + \textbf{RkVAh Lead})^2}$$

7.4.3 Average PF can be considered as leading or lagging based on the following test:

If "RkVAh lead" > "RkVAh lag" then "Average P.F." is "Lead P.F."
If "RkVAh lead" = < "RkVAh lag" then "Average P.F." is "Lag P.F."

7.4.4 PF Incentive shall be applicable for PF more than 0.95 (lead or lag). Refund on account of this, if any, shall be given in three equal monthly instalments through adjustment in energy bill. Refund under this clause is different from refund under clause 'a' above.

7.4.5 There is no change in percentage of PF rebate / PF penalty stipulated in the MTR Order dated 12th September 2018.

BEST's Submission

7.4.6 BEST has submitted that it has implemented the directions passed by the Commission.

Commission's Analysis and Ruling

7.4.7 The Commission has noted submission made by BEST.

7.5 Replacement of Electro Mechanical Meters with Electronic Meters

Directives

7.5.1 BEST should expedite the process of replacement of existing Electro Mechanical meters with Electronic Meters.

BEST's Submission

7.5.2 BEST has submitted that it has expedited the process of replacement of existing Electro mechanical Meters with Electronic Meters. BEST has also submitted the number of meters replaced from FY 2016-17 to FY 2019-20

Description	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Actual Number of meters replaced in the year	22,000	36,500	83,914	1,16,086

Commission's Analysis and Ruling

7.5.3 The Commission has noted the submission made by BEST. BEST is further directed to expedite the replacement of existing Electromechanical Meters with Electronic Meters.

7.6 Renewable Power Purchase

Directives

7.6.1 The Commission has considered the additional requirement of Solar power at the applicable generic tariff as Rs. 3.53/kWh for the FY 2018-19 and Rs. 2.72/kWh for FY 2019-20.

7.6.2 The Commission has considered the requirement of Non-Solar power at the applicable generic tariff applicable for wind power generators as Rs. 3.40/kWh for FY 2018-19 and Rs. 2.87/kWh for FY 2019-20. Similarly, weighted average rate of power purchase from mini/micro hydro sources at the applicable generic tariff is Rs. 5.71/ kWh for FY 2018-19 and Rs. 5.64/kWh for FY 2019-20.

7.6.3 Any variation in the actual cost incurred by BEST would be considered at the time of Truing up, subject to prudence check.

BEST's Submission

7.6.4 BEST has submitted that it is in process of expediting the Renewable Power Purchase through Competitive bidding in near future. Till then BEST will meet its Renewable Purchase Obligation (RPO) through Renewable Energy Certificates (RECs).

Commission's Analysis and Ruling

7.6.5 The Commission has noted the submission of BEST. The Commission expects from BEST to plan and follow the process of Renewable Power Purchase through Competitive bidding to meet its RPO requirement.

7.7 kVAh Billing for Consumer categories having load above 20 kW

Directives

7.7.1 The Commission intends to implement kVAh billing to all HT consumer and LT consumers having load above 20 kW from 1 April 2020. All Distribution Licensees in State are required to take necessary steps such as meter replacement, if required, preparedness of billing software etc. Also, wherever possible, Distribution Licensee shall start collecting category-wise energy consumption details in kVAh terms and submit it during the next Tariff determination process.

BEST's Submission

7.7.2 BEST has included proposal for kVAh billing for HT Consumers in the present Petition. The category-wise energy consumption details in kVAh terms for LV / HV Consumers having load above 20 KW from Feb-2019 to Oct-2019 for CY-19, 21 & 24 has already been submitted to the Commission.

Commission's Analysis and Ruling

7.7.3 The Commission has noted the submission of BEST. The Commission directs BEST to expedite the preparedness for Meter replacement and billing software for the entire basket of 20 kW and above for the kVAh billing.

7.8 Monitoring of Harmonics Levels for Commercial and Industrial Consumers

Directive

7.8.1 In accordance with Regulation 12.1 of the Supply Code Regulations, it is obligatory for HT and LT consumers (Industrial and Commercial only) to control harmonics in their load at levels prescribed by the IEEE STD 519-1992 and in accordance with the relevant Orders of the Commission. Distribution Licensee needs to analyse existing level of Harmonics in the system, causes and remedial measures for limiting the same. Further, Distribution Licensee needs to create awareness amongst the consumers about the effects of Harmonics on the power equipment.

BEST's Submission

7.8.2 BEST has submitted that it has recently purchased new RSM from MTE, for testing of HV CT/PT operated meters & LVCTO meters, which can also facility to measure harmonics. BEST has started taking the harmonics measurement for industrial &

commercial consumers from 24 October, 2019. Further BEST will carry out analysis of existing level of Harmonics. It will be intimated to the consumers about the effects of Harmonics on the power equipment.

Commission's Analysis and Ruling

7.8.3 The Commission has noted the submission of BEST

7.9 Single Meter for Single Premises

Directive

7.9.1 The Distribution Licensees are required to ensure strict adherence to the rule of single meter for single premises.

BEST's Submission

7.9.2 BEST has submitted that it has 20,407 nos. of installation/premises having more than one Meter for same tariff. BEST had already issued notices to these consumers and directed them to combine the load of separate Meters to enable removal of idle Meter. BEST has removed 2,478 numbers of Meters so far after combination of load by the consumers.

7.9.3 Despite of continuous follow-up, remaining consumers have not combined their load so far. BEST is taking all efforts to convince the respective consumers to combine the load of such separate Meters to one electrical installation.

7.9.4 In case, BEST removes Meters unilaterally, it will lead to unavailability of supply for the load connected on separate Meter which would cause inconvenience and hardship to consumers.

Commission's Analysis and Ruling

7.9.5 The Commission has noted the submission of BEST, however, directs to ensure strict adherence to the Rules and Regulations in this regard.

8 Tariff Philosophy

8.1 Recovery of revenue gap

BEST's Submission

8.1.1 BEST has submitted the total revenue gap/(surplus) to be recovered in 4th Control Period. BEST has computed the carrying/ (holding) cost considering the one-year SBI MCLR prevailing as on November, 2019 plus 150 basis points as per Regulation 2 (11) of MYT Regulations, 2019.

8.1.2 BEST has submitted that the tariff approved by the Commission for FY 2019-20 has been implemented with effect from April, 2019. BEST has proposed to continue with the tariff approved in the MTR Order for FY 2019-20 till 31 March, 2020. BEST has proposed to increase the tariff in the Fourth MYT Control Period.

8.1.3 BEST has proposed recovery of the revenue requirement during the period FY 2020-21 to FY 2024-25 as follows:

Table 201: ARR for FY 2020-21 to FY 2024-25, as submitted by BEST

Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Estimated Sales	MUs	4,680.07	4,720.57	4,764.25	4,809.20	4,855.22
Stand-alone Aggregate Revenue Requirement	Rs. Crore	3,985.27	3,838.97	3,843.53	3,904.72	3,963.60
Recovery of gap/(surplus) of previous years	Rs. Crore	(540.88)	10.79	227.83	281.77	202.16
Net ARR	**Rs. Crore**	**3,444.40**	**3,849.77**	**4,071.37**	**4,186.49**	**4,165.76**
Revenue from existing tariff	Rs. Crore	3,275.61	3,302.67	3,332.01	3,362.63	3,394.52
Revenue at proposed Tariff	**Rs. Crore**	**3,434.54**	**3,641.70**	**3,814.04**	**4,001.87**	**4,175.83**
Cumulative Revenue gap/(surplus) at proposed	**Rs. Crore**	**9.85**	**208.07**	**257.33**	**184.62**	**(10.07)**
Proposed ABR	**Rs. /unit**	**7.34**	**7.71**	**8.01**	**8.32**	**8.60**
Tariff Hike Proposed w.r.t previous year	%	5.00%	5.12%	3.77%	3.94%	3.36%
ACoS	**Rs. /unit**	**7.36**	**8.16**	**8.55**	**8.71**	**8.58**

8.1.4 BEST has requested the Commission to approve the proposed revenue with the tariff hike as shown in the above Table.

Commission's Analysis and Ruling

8.1.5 The Commission has already computed the Revenue Gap / (Surplus) up to FY 2019-20 along with the associated carrying / (holding) cost in this Order. The Commission has computed cumulative Revenue Surplus of Rs. 771.50 Crore on Truing up of FY 2018-19 and provisional Truing up of FY 2019-20, to be recovered in FY 2020-21 as against a revenue surplus of Rs. 540.88 Crore submitted by BEST.

8.1.6 The Revenue Gap / (Surplus) computed by the Commission is proposed to be adjusted in the revised ARR for FY 2020-21 as approved by the Commission in this Order.

8.1.7 The ACoS for the FY 2020-21 to FY 2024-25 as per BEST's submission is Rs. 7.36 / kWh, Rs. 8.16 / kWh, Rs. 8.55 / kWh, Rs. 8.71 / kWh and Rs. 8.58 / kWh respectively. Based on approved ARR, the ACoS computed by the Commission is Rs.8.30/ kWh, Rs. 7.63/ kWh, Rs. 7.38/ kWh, Rs.7.45/ kWh and Rs.7.51/ kWh for FY 2020-21 to FY 2024-25 respectively.

8.1.8 BEST has proposed year on year increase in the tariff of 5.00% in FY 2020-21, 5.12% in FY 2021-22, 3.77% in FY 2022-23, 3.94% in FY 2023-24 and 3.36% in FY 2024-25 to ensure that the tariff is adequate to meet the revenue requirements for the years under consideration. The increase in tariff for FY 2020-21 has been proposed by BEST with reference to the tariff applicable for FY 2019-20 and likewise for other years with reference to the proposed tariff of previous year. However, based on the detailed analysis undertaken by the Commission as elaborated in the preceding paragraphs of the Order, the Commission has approved the revision in the tariff of BEST for 4^{th} Control Period.

8.1.9 The Commission has approved the Tariff in the manner such that the revenue requirements for the respective years are adequately met and also tariff does not vary substantially during the Control Period. Further, based on the approved tariff in this Order for each year of 4^{th} Control Period, there is Revenue Gap/ (Surplus) worked out for the respective year which is adjusted in next Financial Year along with the associated carrying/ (holding) cost.

8.1.10 In comparison to the ACoS, the Commission has approved ABR of Rs. 7.31 / kWh, Rs. 7.31 / kWh, Rs. 7.28 / kWh, Rs. 7.28 / kWh and Rs. 7.30 / kWh for FY 2020-21 to FY 2024-25, respectively in this Order.

8.1.11 Based on the above, the proposed revenue recovery as approved by the Commission in the present Order is as given below:

Table 202: Revenue recovery for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Existing Tariff					
Aggregate Revenue Requirement from Wire & Retail Supply	3,853.79	3,575.61	3,490.60	3,552.87	3,616.83
Add: Revenue Gap/ (Surplus) from FY 2017-18 & FY 2018-19 along with carrying/ (holding) cost and Revenue Gap/ (Surplus) of FY 2019-20	(771.50)	(692.25)	(948.78)	(1,364.47)	(1,794.90)
Total Revenue Requirement from Wire & Retail Supply	3,082.29	2,883.36	2,541.82	2,188.40	1,821.93
Revenue from Sale of Power @ Existing Tariff	3,714.48	3,749.83	3,787.91	3,827.57	3,868.81
Revenue Gap/ (Surplus) @ Existing Tariff	**(632.19)**	**(866.47)**	**(1,246.09)**	**(1,639.18)**	**(2,046.87)**
Proposed Tariff					
Aggregate Revenue Requirement from Wire & Retail Supply	3,853.79	3,575.61	3,490.60	3,552.87	3,616.83
Add: Revenue Gap/ (Surplus) from FY 2017-18 & FY 2018-19 along with carrying/ (holding) cost and Revenue Gap/ (Surplus) of FY 2019-20	(771.50)	(340.93)	(206.65)	(172.70)	(103.35)
Total Revenue Requirement from Wire & Retail Supply	3,082.29	3,234.68	3,283.95	3,380.17	3,513.48
Revenue from Sale of Power @ Proposed Tariff	3,393.64	3,423.41	3,441.67	3,474.55	3,514.91
Revenue Gap/ (Surplus) @ Proposed Tariff	**(311.35)**	**(188.73)**	**(157.72)**	**(94.38)**	**(1.43)**
Energy Sales (MU)	4,643.66	4,683.78	4,726.99	4,771.37	4,816.71
Average Cost of Supply (Rs./ kWh)	8.30	7.63	7.38	7.45	7.51
Average Billing Rate @ Existing Tariff (Rs./ kWh)	8.00	7.31	7.31	7.28	7.28
Average Billing Rate @ Proposed Tariff (Rs./ kWh)	7.31	7.31	7.28	7.28	7.30
Increase/ (Reduction) in Tariff w.r.t. Year on Year	-8.64%	0.01%	-0.39%	0.02%	0.21%

8.1.12 The tariff philosophy adopted by the Commission for approval of the tariff and the determination of other charges like wheeling charges, etc. is elaborated in the subsequent paragraphs of this Order.

8.2 Tariff Philosophy

Background

8.2.1 The Commission has considered the main objectives of the Electricity Act, 2003 ("EA, 2003") including the protection of the interest of consumers, the supply of electricity to all areas and rationalisation of tariffs. The EA, 2003 also enjoins the Commission to maintain a healthy balance between the interest of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also kept in view the principles of tariff determination set out in Sections 61 and Section 62 of the EA, 2003, the Tariff Policy, 2016 and the MYT Regulations, 2019, and also taken into consideration AEML-D's submissions as well as the Public responses in these MYT proceedings.

8.2.2 Apart from tariff levels, the complexity of the tariff structure plays an important role in building transparency and limiting the discretionary power of Distribution Licensees (Discoms). A simpler tariff structure helps easy understanding by consumers and on the other hand, creation of many different categories gives discretionary power to Discoms while charging tariffs.

8.2.3 It is felt that the tariff structure across the States has become very complex and there is a need to not only simplify and rationalize the tariff structure, but also to make it harmonious across States. Draft proposed Amendments to Tariff Policy suggests that new tariff structure should have maximum five categories having different slabs in Sanction Load and units consumed. It also suggests to provide rebate to incentivise bulk customers to take power at higher voltage category, adopt kW and kWh or kVA and kVAh based tariff linked to the load, create EV category, etc. among other suggestions.

8.2.4 As a progressive step towards simpler and rationalized tariff structure, the Commission intends to reduce the number of categories from the existing tariff structure. The Commission is aware that BEST has not proposed many changes in tariff structure except kVAh billing for HT category, and hence, no indication has been given to public for any other changes in the tariff structure.

8.2.5 The Hon'ble Appellate Tribunal of Electricity (APTEL), vide its Order in Appeal No. 106 of 2008, has ruled that the Commission has the power to design the tariff as per its own wisdom. It also mentions that the Commission does not need to seek public comments before announcement of the tariff. The relevant part of the APTEL Order in Appeal No. 106 of 2008 is reproduced below:

> "…
> *14) It is not the case of the appellant that the Commission had no power to create a tariff design different from the one proposed by the licensee. The Commission has the power to design the tariff as per its own wisdom. The Commission need not, before issuing the actual order, publicly announce the tariff it proposed and call for public comments. In fact this is not even the appellant's contention.*

15) The rule of natural justice requires the Commission to issue a public notice about the ARR and Tariff petition of the licensee and to allow the public to make its submissions on the ARR and Tariff proposals. The Commission has, thereafter, to design the scheme for recovery of the ARR keeping in view various relevant factors. If the classification of the consumers can be supported on any of the grounds mentioned in section 62(3) it would not be proper to say that the tariff fixing was violative of principles of natural justice because the Commission did not issue a public notice of the tariff categories which the Commission had intended to create. ….”

8.2.6 Considering the above judgement, the Commission is proceeding with its intended approach of reducing the number of categories and slabs by merging similarly placed consumer categories while ensuring the existing consumers in these categories are not significantly impacted.

8.2.7 In addition to the above, the Commission has also addressed issues pertaining to change in definition of billing demand, changes in the methodology for computation of load factor incentives and creation of stabilising mechanism for the variation on account of FAC in consumer bills.

8.2.8 More importantly, in line with the intentions of the Commission expressed in the last MTR Order in Case No. 203 of 2017 and also as proposed by BEST, the Commission is going ahead with implementation of the kVAh based billing for all the HT Consumers of BEST.

8.2.9 The subsequent paragraphs deal with the submissions of BEST regarding the Tariff Philosophy and the changes approved by the Commission in the existing tariff structure,

8.2.10 **Rationalisation of tariff categories and slabs**

8.2.10.1 In present tariff structure of BEST, there are 8 number of consumer categories & 9 number of consumer sub-categories for HT consumers and 11 number of consumer categories & 17 number of consumer sub-categories for LT consumers. In view of the above, the Commission intends to reduce the number of categories. The Commission has analysed existing consumer categories and identified certain consumer categories which can be merged with other existing categories so as to progress towards achieving the objectives set out in the draft Tariff Policy and at the same time ensuring that the impact of such merging of categories is either minimal or limited to very few consumers / less sales quantum. The number of consumers and sales of identified consumer categories are as under:

Table 203: Consumer and sales details for categories identified for merging by the Commission

Category	FY 2020-21 (Projected)	
	No. of Consumers	Sales (MU)
HT IV- PWW	13	35.71
HT-VII Temporary Supply	14	32.38
LT-IV PWW	52	6.82
LT - V Advertisement & Hoardings	742	1.52
LT - VI Street Lights	643	15.94
LT - VII (a) Temporary Supply Religious	33	0.20
LT - VII (b) Temporary Supply Others	682	14.90
LT - VIII Crematorium and Burial Grounds	29	1.54

8.2.10.2 Merging or elimination of existing consumer categories can be done considering the End Use, Energy Consumption, Socio-Economic Profile, Consumption Pattern/ Loan Factor etc. These factors have been examined by the Commission while deciding on merging of categories.

Merging of HT IV – PWW and Sewage Treatment Plants into HT VI (B) – Public Services (Others)

8.2.10.3 HT IV – PWW and HT VI (B) – Public Services (Others) consumer categories have consumers which serve the public in general. Considering the similar nature of end use, these categories are merged. Accordingly, the Commission merges the HT IV – PWW category into HT VI (B) – Public Services (Others) as the later one has broader coverage of consumers who are into providing Public Services. The tariff differential is also not very significant in these two categories and hence the impact of merging will be limited.

Merging of HT VII – Temporary Supply into HT II – Commercial

8.2.10.4 HT VII – Temporary supply has around 14 number of consumers with sale of 32.38 MU. HT VII – temporary supply is not associated with any particular type of end usages as it is temporary in nature. As the electricity supply under HT VII – temporary supply category used for purposes which are similar to those in the HT II Commercial category, the Commission has merged the HT VII – Temporary Supply into HT II – Commercial. However, in order to maintain difference in rate on account of nature of supply i.e. temporary vs permanent supply, temporary supply consumer shall pay 1.5 times fixed charges and 1.25 time energy charge applicable for the category.

Merging of LT IV – PWW into LT IX (B) – Public Services (Others)

8.2.10.5 LT IV – PWW and LT IX (B) – Public Services (Others) consumer categories have consumers which serve the public in general. Considering the similar nature of end use, these categories are merged. Accordingly, the Commission merges the LT IV – PWW into LT IX (B) – Public Services (Others) as the later one has broader coverage of consumers who are into Public Services.

Merging of LT V – Advertisement & Hoardings into LT II – Commercial

8.2.10.6 LT V – Advertisement & Hoardings and LT II – Commercial category of consumers are involved into similar end use i.e. commercial activities. As both have similar end use, the Commission merges the LT V – Advertisement & Hoardings into LT II – Commercial as the later one has broader coverage of consumers who are into Commercial activities.

Merging of LT VI – Street Light into LT IX (B) – Public Services (Others)

8.2.10.7 LT VI – Street Light and LT IX (B) – Public Services (Others) consumer categories have consumers which serve the public in general. As both have similar end use, the Commission merges the LT VI – Street Light into LT IX (B) – Public Services (Others) as the later one has broader coverage of consumers who are into Public Services.

Merging of LT VII (a) – Temporary Supply (Religious) into LT I (B) – Residential

8.2.10.8 LT VII (a) – Temporary supply (religious) has around 33 number of consumers with sale of 0.20 MU. LT VII (a) – temporary supply (religious) is not associated with any particular type of end usages as it is temporary in nature. As LT VII (a) – temporary supply (religious) category is consuming small quantum of energy, the Commission merges the LT VII – Temporary Supply (Others) into LT I (B) – Residential category. However, in order to maintain difference in rate on account of nature of supply i.e. temporary vs permanent supply, temporary supply consumer shall pay 1.5 times fixed charges.

Merging of LT VII (b) – Temporary Supply (Others) into LT II – Commercial

8.2.10.9 LT VII (b) – Temporary supply (others) has around 682 number of consumers with sale of 14.92 MU. LT VII (b) – temporary supply (others) is not associated with any particular type of end usages as it is temporary in. As the electricity supply under LT VII (b) – temporary supply (others) category is used for purposes which are similar to those in the LT II Commercial category, the Commission merge the LT VII – Temporary Supply (Others) into LT II – Commercial category. However, in order to maintain difference in rate on account of nature of supply i.e. temporary vs permanent supply, temporary supply consumer shall pay 1.5 times fixed charges and 1.25 time energy charge applicable for the category.

Merging of LT VIII – Crematorium and Burial Grounds into LT I (B) – Residential

8.2.10.10 LT VIII – Crematorium and Burial Grounds has around 29 number of consumers with sale of 1.54 MU. LT VIII – Crematorium and Burial Grounds category of consumers are not associated with any commercial or industrial activity. LT VIII –

Crematorium and Burial Grounds category is consuming small quantum of energy and it has tariff rates similar to LT I (B) – Residential. In view of the same, the Commission merge the LT VIII – Crematorium and Burial Grounds into LT I (B) – Residential.

8.2.10.11 Based on the above changes, the summary of the categories merged by the Commission in this Order is given below:

Table 204: Summary of categories merged by the Commission

Sr. No.	Existing Category	Proposed Category
1	HT IV - Public Water Works and Sewerage Treatment Plant	HT - Public Services (Others)
2	HT VII - Temporary Supply	HT - Commercial
3	LT IV - Public Water Works and Sewerage Treatment Plant	LT - Public Services (Others)
4	LT V - Advertisement and Hoardings	LT - Non-Residential or Commercial
5	LT VI - Street Lights	LT - Public Services (Others)
6	LT VII - Temporary Supply (Religious)	LT - Residential
7	LT VII - Temporary Supply (Others)	LT - Non-Residential or Commercial
8	LT VIII - Crematoriums and Burial Grounds	LT - Residential

8.2.11 Recategorization of Activities:

8.2.11.1 **Independent R&D Units:** These are presently categorised under Commercial Category. In order to promote Research and Development, the Commission has categorised it under Industrial Category

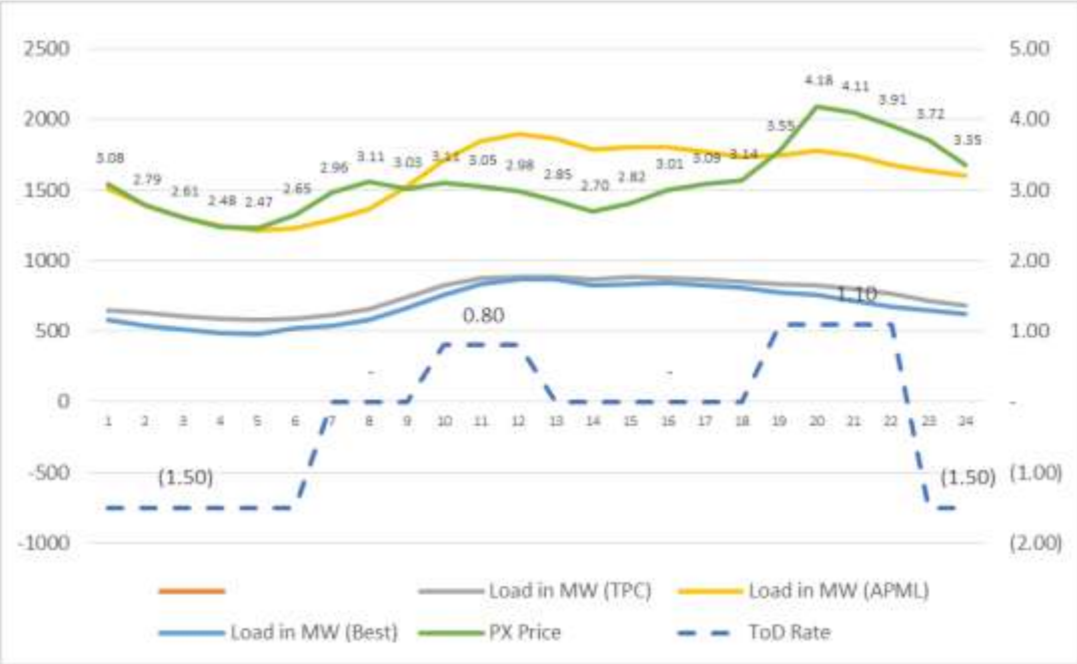
8.2.11.2 **IT and ITeS Units:** Under existing tariff structure, IT and ITeS units having registration certificate under GoM's IT and ITeS Policy are categorised under Industrial Category. The APTEL in its Judgment dated 12 February, 2020 in Appeal No. 337 of 2016 & Others has ruled that tariff categorisation cannot be based on any certification under Policy and it should be based on criteria specified under Section 62 (3) of the Act. Accordingly, the Commission has removed the requirement of having certification under GoM Policy for claiming Industrial Tariff for IT and ITeS Units

8.2.11.3 **Hostels:** Presently all Student Hostels are covered under Residential Category. All Education Institutes are covered under Public Service category. Hence, it would be appropriate to categories Hostels into Public Service Category. This will avoid subjecting these Hostels at high tariff rate on account of telescopic tariff structure in Residential Category.

8.2.12 Time of Day Tariff

8.2.12.1 The TOD analysis for all the Discoms in Mumbai is presented below.

Figure 1: Mumbai Discoms- TOD Analysis



8.2.12.2 In the past the Commission has followed centralized MoD approach and standardised ToD timeslots and rates. The existing ToD structure matches with the rates prevalent in the Power Exchange, i.e., ToD rate is high when Power Exchange power is costly and ToD rate is low when Power Exchange power is cheaper. From 1 April 2020, the State is shifting to decentralized MoD under the DSM framework, and each DISCOM has to plan its power procurement as per its load curve. Hence, the ToD structure can be different for each DISCOM.

8.2.12.3 Also, RPO Regulations for the next Control Period envisages substantial increase in Solar power, which will be helping the load curve as it shall be contributing to meet the day time peak load requirement. Such RE projects would be commissioned in the next couple of years. Hence, at the time of MTR, the Commission would be better placed to revise the ToD timeslots and rates as per DISCOM's power procurement planning. The Commission may also consider having seasonal ToD rate in order to assist the DISCOMs to absorb seasonal variation in RE generation which as per RPO Regulations, 2019 would be 25% in FY 2024-25.

8.2.12.4 Therefore, for the time being, the Commission is not making any changes in ToD tariff structure, but directs the Distribution Licensee to come with a detailed proposal at the time of MTR.

8.2.12.5 Further, the ToD rates in kVAh terms for HT category have not been multiplied by the Power Factor, in order to ensure rounded numbers. Hence, the ToD rates are same in Rs/kWh terms for LT categories and in Rs/kVAh terms for HT categories.

8.2.13 **Change in Billing Demand:**

8.2.13.1 Over the period, the Commission is maintaining uniformity in basic tariff design principles across all Distribution Licensee. Definition of Billing demand includes minimum threshold level at which consumer will be billed against its contract demand. Such minimum threshold in case of HT consumers at present is 50% of the Contract Demand. Power planning by the utilities depends largely on this parameter and also the infrastructure needs to be used optimally. The Power contracting by the Distribution Licensees is a function of the Contract Demand and Billing Demand. The DL is bound to supply the Contract Demand at any point of time. For these reasons, it is very important for the consumers and also the DL to have a Contract Demand as close as possible to the Demand that will be used. Obviously, 50 percent of the minimum threshold is creating many problems for accurate planning, sourcing and scheduling. The Commission also finds this threshold limits much lower compared to other States which have stipulated it to 85% to 95% of Contract Demand as a threshold/minimum limit. The Commission notes that having higher Contract Demand and not utilising it would cause underutilisation of distribution asset. This has necessitated the Commission to gradually increase lower limit by 5% in each year of the 4th Control Period so as to reach a threshold limit of 75% level in FY 2024-25.

8.2.14 **Load Factor Incentives:**

8.2.14.1 As per the existing tariff of BEST, Load factor incentive is available for incentivising bulk consumers in the State to maintain steady demand on the system. Maximum incentive payable is 15% of energy charge. The Commission proposed to continue with same rebate.

8.2.14.2 However, computation of the load factor considered an interruption/non-supply to the extent of 60 hours in a 30-day month even if there is no or lower than 60 hours of interruption during the month. With AMR/MRI enabled meters being installed to all HT consumers, actual hours of interruptions are recorded in meter and are readily available at the time of processing of monthly bill. Hence, in order to compute correct Load Factor, the Commission has changed the formula and has included the actual interruptions hours recorded in the meter instead of provision for 60 hours. In case of faulty meter where interruptions hours are not recorded in the meter, the interruptions hours recorded on feeder meter shall be considered be considered for calculation of Load Factor Incentive for the individual consumer.

8.2.15 **Stabilising variation in consumer bill on account of FAC**:

8.2.15.1 As per MYT Regulations, 2019, the aggregate gain or loss to a Distribution Licensee on account of variation in cost of fuel, power purchase, and inter-State Transmission Charges shall be passed through under the Fuel Adjustment Charge (FAC) component of the Z-factor Charge (ZFAC), as an adjustment in its tariff on a monthly basis. Relevant part of the MYT Regulation is reproduced below:

10.2 The aggregate gain or loss to a Distribution Licensee on account of variation in cost of fuel, power purchase, and inter-State Transmission Charges, covered under Regulation 9.1, shall be passed through under the Fuel Adjustment Charge (FAC) component of the Z-factor Charge (ZFAC), as an adjustment in its Tariff on a monthly basis, as specified in these Regulations and as may be determined in orders of the Commission passed under these Regulations, and shall be subject to ex-post facto approval by the Commission on a quarterly basis:

……..

8.2.15.2 Similar arrangement for passing on the variation in fuel and power purchase cost existed in all previous Tariff Regulations of the Commission. Such mechanism is in line with the provision of the EA, 2003 which mandates recovery of the fuel cost in timely manner so that the Distribution Licensee are able to recover their legitimate power purchase cost variation. This has helped regular recovery of power purchase variations without accumulating it till next tariff revision. This provision also addresses the financial/cash flow issue of Distribution Licensee wherein the payment for power purchase is required to be made in timely manner at prevailing cost. At the same time it also helps in reducing carrying cost burden on consumer which otherwise would have to be borne if such monthly levy accumulates and the gap is recovered through tariff revision in MYT or MTR as the case may be. Although, consumers are now well aware of this mechanism, there is general and reasonable expectation that once the tariff is approved by the Commission, to the extent possible, it should remain constant during the year and there should not be large variations due to FAC. The unknown variation in the tariff on account of FAC has adverse financial implications on all the categories especially Industrial and Commercial categories where the impact of FAC is generally higher. Variation in tariff is magnified when there is negative FAC leading to reduction in tariff during a particular month and positive FAC in the immediate next month thereby increasing the tariff.

8.2.15.3 Variation in FAC is either on account of change in fuel related costs or mix of power procurement. During the Public hearings in case of other Distribution Licensees, many suggestions were received on this issue and the consumers requested that an appropriate revised mechanism should be put in place wherein there is a minimum impact of FAC felt by the consumers. The Commission opines that this is a very reasonable expectation of the Consumers. To alleviate this issue to the extent possible and to minimise the impact of FAC, the Commission, while approving this Tariff Order, has built-in annual fuel cost escalation. The Commission is fully aware that inspite of approving this annual escalation rate, the possibility of FAC cannot be ruled out completely since this escalation covers only some sources that form a part of total FAC i.e the power purchase cost primarily of the PPA's covered under section 62 of the EA, 2003. To ensure stabilisation of tariffs to the extent possible, and to minimise the variation in

FAC, the Commission thinks it fit to approve constitution of a FAC Fund with Distribution Licensee which can be built up over a period of time to be used for payment of FAC bills of Generating companies without immediately loading it on consumers.

8.2.15.4 Therefore, using its powers for Removal of Difficulties under Regulations 106 of MYT Regulations, 2019, the Commission is making following changes in FAC mechanism stipulated under Regulation 10 of MYT Regulations, 2019:

a. Distribution Licensee shall undertake computation of monthly FAC as per Regulation 10 of the MYT Regulations, 2019 except for treatment to be given to negative FAC as follows:

   i. Negative FAC amount shall be carried forward to the next FAC billing cycle with holding cost.

   ii. Such carried forward negative FAC shall be adjusted against FAC amount for the next month and balance negative amount shall be carried forward to subsequent month with holding cost.

   iii. Such carry forward of negative FAC shall be continued till the accumulated negative FAC becomes 20% of monthly tariff revenue approved by the Commission in Tariff Order. In case of BEST such limit shall be Rs. 59 Crore. Any accumulated amount above such limit shall be refunded to consumers through FAC mechanism.

   iv. In case such FAC Fund is yet to be generated or such generated fund is not sufficient to adjust against FAC computed for given month, then Distribution Licensee can levy such amount to the consumers through FAC mechanism.

8.2.15.5 In order to maintain transparency in management and use of such FAC Fund, the Distribution Licensee shall maintain monthly account of such FAC fund and upload it on its website for information of stakeholders. Further, till date, the Distribution Licensees have been levying FAC up to the prescribed limit of 20% of variable component of tariff without prior approval in accordance with the MYT Regulations, 2015, and submitting the FAC computations on a quarterly basis within 60 days of the close of each quarter, for post facto approval. However, as the Commission has created a FAC fund as stated above to address the increase in fuel prices and power purchase costs, the Commission has modified the FAC mechanism such that the Distribution Licensees shall submit the FAC computations on a monthly basis for prior approval, irrespective of whether FAC is chargeable in a month or whether some amount is accruing to the Fund on account of negative FAC.

8.2.15.6 The details of the FAC as per the Regulations, shall be submitted by the 15th of the every month prior to the month on which the FAC is proposed to be levied and the

Commission will endeavour to decide the same within 10 days so that the same can be levied from the 1st of the subsequent month. This prior approval will facilitate the addressing of any difficulties that may arise in giving effect to this fund. All the details will be submitted by the Distribution Licensee as is being done for approval of FAC on post facto basis. Thus the FAC to the consumers shall now be levied only with the prior approval of the Commission.

8.2.15.7 Based on the experience of implementing this mechanism, during the MTR Process, the Commission may decide to continue or discontinue the prior approval process.

8.2.16 **kVAh Billing**

BEST's Submission

8.2.16.1 BEST has proposed kVAh tariff for HT consumers for the 4^{th} Control Period. BEST has provided category-wise energy consumption details in kVAh for LV/HV consumers having load above 20 kW from February, 2019 to October, 2019.

Commission's Analysis and Ruling

8.2.16.2 The Commission, in the Mid-term Review (MTR) Orders issued in September 2018 for Distribution Licensees in the State, had expressed its intentions to implement kVAh billing to all HT consumer and LT consumers having load above 20 kW from 1 April, 2020 so as to provide the Licensees enough lead time to take necessary steps such as meter replacement, if required, preparedness of billing software etc. to ensure their operational preparedness for implementing the kVAh billing.

8.2.16.3 While the Commission had indicated to implement kVAh billing for all HT consumers and LT consumers having load above 20 kW, however, BEST has proposed to implement kVAh billing for HT categories of Consumers only.

8.2.16.4 The Commission also intends to implement the same in a phased manner for all the Consumers subject to readiness of the Distribution Licensee. Accordingly, the Commission allows implementation of kVAh billing for HT categories of Consumers of BEST and accordingly, there is no relevance of continuing with the Power Factor Incentive/Penalty mechanism. However, BEST should take up necessary steps to ensure implementation of the kVAh for LT consumers with load of 20 kW and above. The Commission is intending to implement kVAh billing for LT consumers with load of 20 kW and above at the time of MTR proceeding.

8.2.16.5 The Commission is cognisant of the fact that in the present billing system, Consumer, based on the incentive/penalty levied in the monthly bill was kept informed of Power Factor (PF) maintained by it during the month. The Consumer was therefore in the position to take corrective action in case of penalty was levied due to poor PF based on the information from the monthly Bill. However, with implementation of kVAh billing, any adverse impact of due to poor PF will be recorded in increase consumption in kVAh and Consumer will not be aware of actual PF for the month unless it is being recorded and monitored separately. For smooth transition to new billing system and to keep Consumer aware at all times, the Commission directs BEST to display PF (computed by considering leading and lagging RkVAh) recorded during the month in the bill of all the Consumer categories till further directions.

8.2.16.6 Further, such PF can be used for converting kVAh into kWh for arriving at payment to be made towards taxes / duties imposed by the GoM, if applicable.

8.2.16.7 While determining per unit charges in kVAh, the Commission has used category wise PF which could be lower than unity. This makes per unit tariff lower than the tariff which would have been determined in kWh term. Further, in case of Energy Balance, the utility shall always maintain sale in kWh only. Tax on Sale of Electricity and Electricity duty shall be converted from kVAh to kWh. All the OA transactions will be maintained in kWh sale only, kVAh based sales shall be converted in kWh based on the Power Factor for the month provided in the Energy Bills.

8.2.17 **E-bill:**

8.2.17.1 The Commission approves a discount of Rs. 10 per consumer for those opting for E-bills. No hard copy of the bills shall be generated for such consumers.

8.3 Wheeling charges

BEST's Submission

8.3.1 BEST has worked out the wheeling charges for the Fourth MYT control period as shown in the given Table below:

Table 205: Wheeling charges for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs/unit)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
ARR for Wires Business	644.21	691.42	725.18	747.76	769.77
GFA attributable to HT Network (%)	39.45%	39.45%	39.45%	39.45%	39.45%
GFA attributable to LT Network (%)	60.55%	60.55%	60.55%	60.55%	60.55%
Charge recoverable from HT & LT consumers	254.14	272.77	286.08	294.99	303.67
Charge recoverable from LT consumers	390.07	418.66	439.09	452.77	466.09
HT Sales (MU)	691.74	698.99	707.85	718.66	731.81
LT Sales (MU)	3,951.92	3,984.79	4,019.14	4,052.71	4,084.90
Total Sales (MU)	4,643.66	4,683.78	4,726.99	4,771.37	4,816.71
Charge recoverable from HT consumers	37.86	40.71	42.84	44.43	46.14

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Charge recoverable from LT consumers	606.35	650.72	682.34	703.33	723.63
HT Wheeling Charge (Rs. /unit)	**0.55**	**0.58**	**0.61**	**0.62**	**0.63**
LT Wheeling Charge (Rs. /unit)	**1.53**	**1.63**	**1.70**	**1.74**	**1.77**
Total Wheeling Charge (Rs. /unit)	**1.39**	**1.48**	**1.53**	**1.57**	**1.60**
HT Wheeling charges kVAh billing*	**0.52**	**0.55**	**0.58**	**0.59**	**0.60**

** Note- Adjusted for base factor of 0.95 for kVAh billing*

8.3.2 BEST has requested the Commission to approve the wheeling charges as shown in the above Table.

Commission's Analysis and Ruling

8.3.3 The Commission has computed the ARR for the Wires Business and Supply Business in accordance with the Allocation Matrix specified in Regulation 68 of MYT Regulations, 2019.

8.3.4 For computation of HT and LT Wheeling Charges, the Commission has applied the ratio of GFA of HT: LT as 39.45%:60.55%, as submitted by BEST, and the actual HT and LT sales as approved in the MYT Order.

8.3.5 As a part of the prudence check, the Commission examined the details pertaining to the voltage level assets submitted by BEST as part of the MYT submission.

8.3.6 The Wheeling Charges computed by the Commission are shown in the following Table:

Table 206: Wheeling Charges for FY 2020-21 to FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
ARR for Wires Business	567.40	610.06	622.62	635.49	648.68
GFA attributable to HT Network (%)	0.39	0.39	0.39	0.39	0.39
GFA attributable to LT Network (%)	0.61	0.61	0.61	0.61	0.61
Charge recoverable from HT & LT consumers	223.84	240.67	245.62	250.70	255.90
Charge recoverable from LT consumers	343.56	369.39	377.00	384.79	392.77
HT Sales (MU)	691.74	698.99	707.85	718.66	731.81
LT Sales (MU)	3,951.92	3,984.79	4,019.14	4,052.71	4,084.90
Total Sales (MU)	4,643.66	4,683.78	4,726.99	4,771.37	4,816.71
Charge recoverable from HT consumers	33.34	35.92	36.78	37.76	38.88
Charge recoverable from LT consumers	534.05	574.15	585.84	597.73	609.80
HT Wheeling Charge (Rs./kWh)	0.48	0.51	0.52	0.53	0.53
HT Wheeling Charge (Rs./kVAh)	0.46	0.50	0.50	0.51	0.51
LT Wheeling Charge (Rs./kWh)	1.35	1.44	1.46	1.47	1.49
Total Wheeling Charge (Rs./kWh)	1.22	1.30	1.32	1.33	1.35

8.3.7 The above said determined Wheeling Charges are not applicable for consumers connected at EHV level i.e. 110/132 kV.

8.4 Fixed/Demand charges

BEST's Submission

8.4.1 BEST has proposed the category-wise fixed and demand charges for the period FY 2020-21 to FY 2024-25 as shown in the Table below for the purpose of recovery from the consumers:

Table 207: Fixed/Demand charges for FY 2020-21 to FY 2024-25, as submitted by BEST

Category	Fixed charges (Per month per connection)					Demand charges (per kVA)				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
HT Category										
HT - I Industry	-	-	-	-	-	320	335	355	375	395
HT - II Commercial	-	-	-	-	-	320	335	355	375	395
HT - III Group Housing	-	-	-	-	-	320	335	355	375	395
HT IV- PWW	-	-	-	-	-	320	335	355	375	395
HT V- Railways, Metro, Monorail	-	-	-	-	-	320	335	355	375	395
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	-	-	-	-	-	320	335	355	375	395
HT VI-(B) Public services (Others)	-	-	-	-	-	320	335	355	375	395
HT-VII Temporary Supply	615	650	685	720	760	-	-	-	-	-
HT VIII - Electric Vehicle (EV) Charging Stations	-	-	-	-	-	75	80	85	90	95
LT Category										
LT-I (A) Residential (BPL)	10	10	10	10	10	-	-	-	-	-

Category	Fixed charges (Per month per connection)					Demand charges (per kVA)				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
LT - I(B) Residential	-	-	-	-	-	-	-	-	-	-
LT - I(B) Residential 0 – 100 units	70	75	80	85	90	-	-	-	-	-
LT - I(B) Residential 101 – 300 units	110	115	120	125	130	-	-	-	-	-
LT - I(B) Residential 301 - 500 units	110	115	120	125	130	-	-	-	-	-
LT - I(B) Residential > 501 units	135	140	145	155	165	-	-	-	-	-
LT - II (a) Commercial	385	405	425	450	475	-	-	-	-	-
LT - II (b) Commercial >20 & <=50 kW	-	-	-	-	-	320	335	355	375	395
LT - II (c) Commercial >50	-	-	-	-	-	320	335	355	375	395
LT - III (A) Industry (upto 20 kW)	385	405	425	450	475	-	-	-	-	-
LT-III (b) Industrial	-	-	-	-	-	320	335	355	375	395
LT-IV PWW	-	-	-	-	-	320	335	355	375	395
LT - V Advertisement & Hoardings	615	650	685	720	760	-	-	-	-	-
LT - VI Street Lights	-	-	-	-	-	320	335	355	375	395
LT - VII (a) Temporary Supply Religious	320	335	355	375	395	-	-	-	-	-
LT - VII (b) Temporary Supply Others	615	650	685	720	760	-	-	-	-	-
LT - VIII Crematorium and Burial Grounds	320	335	355	375	395	-	-	-	-	-

Category	Fixed charges (Per month per connection)					Demand charges (per kVA)				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions	385	405	425	450	475	-	-	-	-	-
LT - IX (B) Public Services –others	385	405	425	450	475	-	-	-	-	-
LT-X (A) Agriculture-Pumpsets	40	40	40	40	40	-	-	-	-	-
LT-X (B) Agriculture-Others	-	-	-	-	-	100	105	110	115	120
LT XI Vehicle Charging	-	-	-	-	-	75	80	85	90	95

Commission's Analysis and Ruling

8.4.2 The Fixed/Demand Charges are intended to recover a significant part of the Fixed Costs. The Fixed Costs of a Distribution Licensee includes all expenses, except the variable cost of power purchase.

8.4.3 Of the total ARR of BEST, the fixed cost is around 53% to 55% during the period FY 2020-21 to FY 2024-25 while the variable cost is in the range of 45% to 47% of the total ARR for the same period. However, for the present recovery of the Fixed Cost through Fixed/Demand Charges is in the range of 16.13% to 16.74% for the period FY 2020-21 to FY 2024-25 which is low in absolute terms and also as compared to other Distribution Licensees. Accordingly, the Commission has decided to gradually increase the Fixed/Demand Charges for all consumer categories by around 10% for each year of the 4th Control Period i.e. FY 2020-21 to FY 2024-25. This is expected to increase the recovery of fixed cost of BEST from Fixed/Demand Charges from 17.05% to 25.22%. The higher revenue from this increase has been used to reduce the Energy Charges of different consumer categories. The category-wise Fixed/Demand Charges approved for each year of the 4th Control Period are summarised subsequently in this Section, along with other Charges.

8.5 Energy charges

BEST's Submission

8.5.1 BEST has proposed kVAh billing for HT consumers as required by the Commission in MTR Order. BEST has also proposed increase in energy charges. The category-wise energy charges proposed by BEST for FY 2020-21 to FY 2024-25 is shown in the Table below:

Table 208: Energy charges for FY 2020-21 to FY 2024-25, as submitted by BEST (Rs/unit)

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category					
HT - I Industry	6.62	7.05	7.52	7.91	8.05
HT - II Commercial	6.78	6.96	7.00	7.07	7.13
HT - III Group Housing	5.69	5.97	6.07	6.19	6.32
HT IV- PWW	5.98	6.34	6.65	6.93	7.22
HT V- Railways, Metro, Monorail	5.74	6.03	6.19	6.39	6.59
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	6.36	6.46	6.48	6.57	6.65
HT VI-(B) Public services (Others)	6.82	7.08	7.28	7.51	7.74
HT-VII Temporary Supply	8.35	8.42	8.52	8.64	8.75
HT VIII - Electric Vehicle (EV) Charging Stations	5.48	5.45	5.42	5.41	5.40
LT Category					
LT-I (A) Residential (BPL)	0.99	0.99	0.96	0.97	0.98
LT - I(B) Residential					
LT - I(B) Residential 0 – 100 units	1.55	1.61	1.67	1.80	1.95
LT - I(B) Residential 101 – 300 units	3.91	4.10	4.26	4.58	4.68
LT - I(B) Residential 301 - 500 units	6.65	7.07	7.18	7.32	7.47
LT - I(B) Residential > 501 units	8.13	8.60	9.05	9.54	10.08
LT - II (a) Commercial	5.33	5.67	5.92	6.21	6.53
LT - II (b) Commercial >20 & <=50 kW	5.07	5.05	5.03	5.04	5.05
LT - II (c) Commercial >50	5.77	6.18	6.39	6.59	6.81
LT - III (A) Industry (upto 20 kW)	5.03	5.09	5.59	5.90	6.03
LT-III (b) Industrial	4.86	5.21	5.40	5.56	5.75
LT-IV PWW	4.86	5.12	5.28	5.48	5.59
LT - V Advertisement & Hoardings	7.26	7.60	7.90	8.24	8.61
LT - VI Street Lights	4.47	4.87	5.00	5.16	5.33
LT - VII (a) Temporary Supply Religious	3.64	3.80	3.92	4.07	4.24
LT - VII (b) Temporary Supply Others	7.31	7.44	7.51	7.64	7.68
LT - VIII Crematorium and Burial Grounds	4.41	4.73	5.11	5.54	6.02
LT - IX (A) Public Services - Govt. Hosp. & Edu. Institutions	5.88	6.04	6.09	6.21	6.33
LT - IX (B) Public Services –	6.19	6.24	6.33	6.45	6.58

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
others					
LT-X (A) Agriculture- Pumpsets	2.52	2.57	2.57	2.61	2.66
LT-X (B) Agriculture- Others	4.05	4.13	4.17	4.25	4.33
LT XI Vehicle Charging	4.47	4.37	4.30	4.26	4.23

** Charge is per kVAh for HT category and per kWh for LT category*

Commission's Analysis and Ruling

8.5.2 The Commission has determined the category-wise Energy Charges such that the cross-subsidies with respect to the ACoS are either maintained at the present levels or reduced, and the tariff of most categories is within ±20% of the ACoS, as suggested by the National Tariff Policy to the extent possible considering the consumers, sales and revenue mix of BEST.

8.5.3 The category-wise Energy Charges approved by the Commission for each year are summarised subsequently in this Section, along with other Charges.

8.6 Cross Subsidy

BEST's Submission

8.6.1 BEST has submitted the category-wise cross-subsidy proposed for FY 2020-21 to FY 2024-25 as shown in Table below:

Table 209: Category wise Cross-Subsidy Percentage for FY 2020-21 to FY 2024-25, as submitted by BEST (%)

Category	FY 2021	FY2022	FY 2023	FY 2024	FY 2025
HT - I Industry	106%	102%	104%	107%	111%
HT - II Commercial	115%	107%	103%	103%	106%
HT - III Group Housing	95%	90%	88%	88%	92%
HT IV- PWW	105%	100%	101%	103%	109%
HT V- Railways, Metro, Monorail	101%	95%	94%	96%	100%
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	102%	94%	91%	91%	94%
HT VI-(B) Public services (Others)	112%	106%	104%	106%	111%
HT-VII Temporary Supply	121%	110%	107%	106%	109%
HT VIII - Electric Vehicle (EV) Charging Stations	0%	0%	0%	0%	0%
LT-I (A) Residential (BPL)	35%	33%	32%	32%	33%
LT - I(B) Residential	84%	84%	84%	85%	85%
LT - I(B) Residential 0 – 100 units	47%	44%	44%	46%	49%
LT - I(B) Residential 101 – 300 units	83%	79%	79%	82%	85%
LT - I(B) Residential 301 - 500	115%	111%	108%	108%	112%

Category	FY 2021	FY2022	FY 2023	FY 2024	FY 2025
units					
LT - I(B) Residential > 501 units	133%	127%	127%	131%	140%
LT - II (a) Commercial	111%	106%	106%	109%	115%
LT - II (b) Commercial >20 & <=50 kW	113%	104%	101%	101%	105%
LT - II (c) Commercial >50	120%	115%	114%	116%	122%
LT - III (A) Industry (upto 20 kW)	99%	92%	95%	98%	102%
LT-III (b) Industrial	106%	102%	101%	102%	108%
LT-IV PWW	108%	103%	102%	104%	108%
LT - V Advertisement & Hoardings	168%	160%	159%	163%	173%
LT - VI Street Lights	114%	114%	113%	115%	121%
LT - VII (a) Temporary Supply Religious	79%	75%	74%	75%	79%
LT - VII (b) Temporary Supply Others	125%	116%	112%	112%	115%
LT - VIII Crematorium and Burial Grounds	82%	79%	81%	85%	92%
LT - IX (A) Public Services - Govt. Hosp. & Edu. Institutions	101%	95%	92%	92%	95%
LT - IX (B) Public Services – others	107%	99%	96%	97%	100%
LT-X (A) Agriculture-Pumpsets	0%	0%	0%	0%	0%
LT-X (B) Agriculture- Others	0%	0%	0%	0%	0%
LT XI Vehicle Charging	82%	74%	70%	69%	70%

8.6.2 BEST has proposed to continue with the prevailing Time of Day Tariff for the Fourth MYT Control period.

8.6.3 BEST has submitted the proposed tariff for FY 2020-21 and FY 2021-22 is as shown in Table below:

Table 210: Proposed Tariff for FY 2020-21 and FY 2021-22, as submitted by BEST

Category	Components of tariff FY 2020-21					Components of tariff FY 2021-22				
	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs./kWh)	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs./kWh)
HT Category										
HT - I Industry	-	320.00	6.62	0.52	7.82	-	335.00	7.05	0.55	8.31
HT - II Commercial	-	320.00	6.78	0.52	8.43	-	335.00	6.96	0.55	8.69
HT - III Group Housing	-	320.00	5.69	0.52	6.97	-	335.00	5.97	0.55	7.32
HT IV- PWW	-	320.00	5.98	0.52	7.72	-	335.00	6.34	0.55	8.17
HT V- Railways, Metro, Monorail	-	320.00	5.74	0.52	7.40	-	335.00	6.03	0.55	7.78
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	-	320.00	6.36	0.52	7.54	-	335.00	6.46	0.55	7.70
HT VI-(B) Public services (Others)	-	320.00	6.82	0.52	8.27	-	335.00	7.08	0.55	8.60
HT-VII Temporary Supply	615.00	-	8.35	0.52	8.87	650.00	-	8.42	0.55	8.97
HT-VIII Electrical vehicle	-	75.00	5.48	0.52	-	-	80.00	5.45	0.55	-
Sub-total					**8.14**					**8.48**
LT Category										
LT-I (A) Residential (BPL)	10.00	-	0.99	1.53	2.61	10.00	-	0.99	1.63	2.71
LT - I(B) Residential										
0 – 100 units	70.00	-	1.55	1.53	3.44	75.00	-	1.61	1.63	3.63
101 – 300 units	110.00	-	3.91	1.53	6.13	115.00	-	4.10	1.63	6.45
301 - 500 units	110.00	-	6.65	1.53	8.49	115.00	-	7.07	1.63	9.03
> 501 units	135.00	-	8.13	1.53	9.79	140.00	-	8.60	1.63	10.36
LT - II (a) Commercial	385.00	-	5.33	1.53	8.16	405.00	-	5.67	1.63	8.67
LT - II (b) Commercial >20 & <=50 kW	-	320.00	5.07	1.53	8.33	-	335.00	5.05	1.63	8.50
LT - II (c) Commercial >50	-	320.00	5.77	1.53	8.83	-	335.00	6.18	1.63	9.41

Category	**Components of tariff FY 2020-21**					**Components of tariff FY 2021-22**				
	Fixed Charges	**Demand Charges**	**Energy Charges**	**Wheeling Charge**	**Average Billing Rate (Rs./kWh)**	**Fixed Charges**	**Demand Charges**	**Energy Charges**	**Wheeling Charge**	**Average Billing Rate (Rs./kWh)**
LT - III (A) Industry (upto 20 kW)	385.00	-	5.03	1.53	7.31	405.00	-	5.09	1.63	7.52
LT-III (b) Industrial	-	320.00	4.86	1.53	7.77	-	335.00	5.21	1.63	8.28
LT-IV PWW	-	320.00	4.86	1.53	7.95	-	335.00	5.12	1.63	8.38
LT - V Advertisement & Hoardings	615.00	-	7.26	1.53	12.39	650.00	-	7.60	1.63	13.04
LT - VI Street Lights	-	320.00	4.47	1.53	8.37	-	335.00	4.87	1.63	9.31
LT - VII (a) Temporary Supply Religious	320.00	-	3.64	1.53	5.81	335.00	-	3.80	1.63	6.10
LT - VII (b) Temporary Supply Others	615.00	-	7.31	1.53	9.18	650.00	-	7.44	1.63	9.43
LT - VIII Crematorium and Burial Grounds	320.00	-	4.41	1.53	6.01	335.00	-	4.73	1.63	6.44
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions<=20 Kw)	385.00	-	5.88	1.53	7.46	405.00	-	6.04	1.63	7.72
LT - IX (B) Public Services -others from FY2016-17 onwards (up to FY2015-16 Hospital and Educational Institutions>20 Kw)	385.00	-	6.19	1.53	7.90	405.00	-	6.24	1.63	8.06
LT-X (A) Agriculture- Pumpsets	40.00	-	2.52	1.53	-	40.00	-	2.57	1.63	-
LT-X (B) Agriculture- Others	-	100.00	4.05	1.53	-	-	105.00	4.13	1.63	-
LT XI Vehicle Charging	-	75.00	4.47	1.53	6.00	-	80.00	4.37	1.63	6.00
Sub-total					**7.11**					**7.49**
Total					**7.27**					**7.64**

8.6.4 BEST has submitted the proposed tariff for FY 2022-23 and FY 2023-24 is as shown in Table below:

Table 211: Proposed Tariff for FY 2022-23 and FY 2023-24, as submitted by BEST

Category	Components of tariff FY 2022-23					Components of tariff FY 2023-24				
	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs/kWh)	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs/kWh)
HT Category										
HT - I Industry	-	355.00	7.52	0.58	8.85	-	375.00	7.91	0.59	9.29
HT - II Commercial	-	355.00	7.00	0.58	8.84	-	375.00	7.07	0.59	8.99
HT - III Group Housing	-	355.00	6.07	0.58	7.50	-	375.00	6.19	0.59	7.68
HT IV- PWW	-	355.00	6.65	0.58	8.59	-	375.00	6.93	0.59	8.96
HT V- Railways, Metro, Monorail	-	355.00	6.19	0.58	8.04	-	375.00	6.39	0.59	8.32
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	-	355.00	6.48	0.58	7.79	-	375.00	6.57	0.59	7.93
HT VI-(B) Public services (Others)	-	355.00	7.28	0.58	8.89	-	375.00	7.51	0.59	9.19
HT-VII Temporary Supply	685.00	-	8.52	0.58	9.10	720.00	-	8.64	0.59	9.23
HT-VIII Electrical vehicle	-	85.00	5.42	0.58	-	-	90.00	5.41	0.59	-
Sub-total					**8.76**					**9.02**
LT Category										
LT-I (A) Residential (BPL)	10.00	-	0.96	1.70	2.75	10.00	-	0.97	1.74	2.80
LT - I(B) Residential										
0 – 100 units	80.00	-	1.67	1.70	3.78	85.00	-	1.80	1.74	3.98
101 – 300 units	120.00	-	4.26	1.70	6.71	125.00	-	4.58	1.74	7.10
301 - 500 units	120.00	-	7.18	1.70	9.22	125.00	-	7.32	1.74	9.41
> 501 units	145.00	-	9.05	1.70	10.89	155.00	-	9.54	1.74	11.43

Category	Components of tariff FY 2022-23					Components of tariff FY 2023-24				
	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs/kWh)	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs/kWh)
LT - II (a) Commercial	425.00	-	5.92	1.70	9.06	450.00	-	6.21	1.74	9.47
LT - II (b) Commercial >20 & <=50 kW	-	355.00	5.03	1.70	8.66	-	375.00	5.04	1.74	8.82
LT - II (c) Commercial >50	-	355.00	6.39	1.70	9.78	-	375.00	6.59	1.74	10.12
LT - III (A) Industry (upto 20 kW)	425.00	-	5.59	1.70	8.12	450.00	-	5.90	1.74	8.52
LT-III (b) Industrial	-	355.00	5.40	1.70	8.63	-	375.00	5.56	1.74	8.92
LT-IV PWW	-	355.00	5.28	1.70	8.71	-	375.00	5.48	1.74	9.05
LT - V Advertisement & Hoardings	685.00	-	7.90	1.70	13.62	720.00	-	8.24	1.74	14.21
LT - VI Street Lights	-	355.00	5.00	1.70	9.68	-	375.00	5.16	1.74	10.04
LT - VII (a) Temporary Supply Religious	355.00	-	3.92	1.70	6.33	375.00	-	4.07	1.74	6.56
LT - VII (b) Temporary Supply Others	685.00	-	7.51	1.70	9.59	720.00	-	7.64	1.74	9.78
LT - VIII Crematorium and Burial Grounds	355.00	-	5.11	1.70	6.89	375.00	-	5.54	1.74	7.36
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards	425.00	-	6.09	1.70	7.84	450.00	-	6.21	1.74	8.01
LT - IX (B) Public Services -others from FY2016-17 onwards	425.00	-	6.33	1.70	8.23	450.00	-	6.45	1.74	8.40
LT-X (A) Agriculture- Pumpsets	40.00	-	2.57	1.70	-	40.00	-	2.61	1.74	-
LT-X (B) Agriculture- Others	-	110.00	4.17	1.70	-	-	115.00	4.25	1.74	-
LT XI Vehicle Charging	-	85.00	4.30	1.70	6.00	-	90.00	4.26	1.74	6.00
Sub-total					**7.78**					**8.11**
Total					**8.01**					**8.25**

8.6.5 BEST has submitted the proposed tariff for FY 2024-25 as shown in Table below:

Table 212: Proposed Tariff for FY 2024-25, as submitted by BEST

Category	Components of tariff FY 2024-25				
	Fixed Charges	Demand Charges	Energy Charges	Wheeling Charge	Average Billing Rate (Rs/kWh)
HT Category					
HT - I Industry	-	395.00	8.05	0.60	9.49
HT - II Commercial	-	395.00	7.13	0.60	9.13
HT - III Group Housing	-	395.00	6.32	0.60	7.87
HT IV- PWW	-	395.00	7.22	0.60	9.34
HT V- Railways, Metro, Monorail	-	395.00	6.59	0.60	8.61
HT VI-(A)Public services (Govt. Hospitals and Educational Institutions)	-	395.00	6.65	0.60	8.06
HT VI-(B) Public services (Others)	-	395.00	7.74	0.60	9.49
HT-VII Temporary Supply	760.00	-	8.75	0.60	9.35
HT-VIII Electrical vehicle	-	95.00	5.40	0.60	-
Sub-total					**9.23**
LT Category					
LT-I (A) Residential (BPL)	10.00	-	0.98	1.77	2.84
LT - I(B) Residential					
0 – 100 units	90.00	-	1.95	1.77	4.19
101 – 300 units	130.00	-	4.68	1.77	7.26
301 - 500 units	130.00	-	7.47	1.77	9.61
> 501 units	165.00	-	10.08	1.77	12.01
LT - II (a) Commercial	475.00	-	6.53	1.77	9.91
LT - II (b) Commercial >20 & <=50 kW	-	395.00	5.05	1.77	8.97
LT - II (c) Commercial >50	-	395.00	6.81	1.77	10.47
LT - III (A) Industry (upto 20 kW)	475.00	-	6.03	1.77	8.73
LT-III (b) Industrial	-	395.00	5.75	1.77	9.23
LT-IV PWW	-	395.00	5.59	1.77	9.29
LT - V Advertisement & Hoardings	760.00	-	8.61	1.77	14.85
LT - VI Street Lights	-	395.00	5.33	1.77	10.41
LT - VII (a) Temporary Supply Religious	395.00	-	4.24	1.77	6.80
LT - VII (b) Temporary Supply Others	760.00	-	7.68	1.77	9.87
LT - VIII Crematorium and Burial Grounds	395.00	-	6.02	1.77	7.88

Category	**Components of tariff FY 2024-25**				
	Fixed Charges	**Demand Charges**	**Energy Charges**	**Wheeling Charge**	**Average Billing Rate (Rs/kWh)**
LT - IX (A) Public Services -Govt. Hosp. & Edu. Institutions from FY2016-17 onwards	475.00	-	6.33	1.77	8.16
LT - IX (B) Public Services -others from FY2016-17 onwards	475.00	-	6.58	1.77	8.58
LT-X (A) Agriculture- Pump sets	40.00	-	2.66	1.77	-
LT-X (B) Agriculture- Others	-	120.00	4.33	1.77	-
LT XI Vehicle Charging	-	95.00	4.23	1.77	6.00
Sub-total					**8.40**
Total					**8.53**

Commission's Analysis and Ruling

8.6.6 The Commission has continued to determine the tariffs with an in-built incentive to consumers to reduce their consumption. The billing impact is designed to increase as the consumption increases on account of the higher telescopic tariffs applicable to higher consumption slabs, while at the same time ensuring that even consumers in the higher consumption slabs are charged at a lower rate to the extent of the consumption corresponding to lower slabs.

8.6.7 As mentioned previously, the Commission has attempted to bring the tariff of most of the categories in the ± 20% of ACoS range as prescribed by the National Tariff Policy. Further, the Commission has also tried to ensure that the level cross-subsidy either remains constant or reduces in the subsequent year so as to steady approach the ACoS as envisaged in the National Tariff Policy.

8.6.8 Based on the above stated approach, the revised ABR and the category-wise tariff increase or reduction approved by the Commission for the FY 2020-21 to FY 2024-25 are given in the Table below:

Table 213: Category-wise ABR and Tariff Increase/Decrease for FY 202-21 to FY 2024-25, as approved by the Commission

Category	Average Billing Rate (Rs./kWh for LT and Rs./kVAh for HT)						%Tariff Increase/ Reduction				
	Existing	Approved					Approved				
	FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category											
HT - I Industry	8.90	7.09	7.08	7.03	6.96	6.87	-20.41%	-0.06%	-0.70%	-1.03%	-1.30%
HT - II Commercial	9.54	7.96	7.96	7.85	7.69	7.55	-16.56%	-0.09%	-1.38%	-1.98%	-1.76%
HT - III Group Housing	7.92	7.02	6.96	7.03	7.05	7.10	-11.32%	-0.80%	0.88%	0.42%	0.60%
HT IV- Railways, Metro, Monorail	8.22	7.25	7.43	7.56	7.58	7.61	-11.72%	2.37%	1.87%	0.26%	0.40%
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	8.52	7.14	6.96	7.00	6.81	6.77	-16.16%	-2.56%	0.55%	-2.63%	-0.58%
HT V-(B) Public services (Others)	9.27	7.68	7.53	7.60	7.57	7.66	-17.21%	-1.95%	0.91%	-0.34%	1.21%
HT-VI Electrical vehicle	-	-	-	-	-	-					
Sub-total	9.19	7.61	7.56	7.53	7.44	7.39	-17.24%	-0.67%	-0.37%	-1.19%	-0.66%
	-	-	-	-	-	-					
LT Category	-	-	-	-	-	-					
LT-I (A) Residential (BPL)	2.77	2.77	2.77	2.77	2.77	2.77	0.00%	0.00%	0.00%	0.00%	0.00%
LT - I(B) Residential	6.50	-	-	-	-	-					
0 – 100 units	3.56	3.54	3.57	3.59	3.62	3.65	-0.40%	0.74%	0.73%	0.73%	0.73%
101 – 300 units	6.57	6.49	6.53	6.56	6.59	6.62	-1.21%	0.48%	0.48%	0.49%	0.49%
301 - 500 units	9.19	8.98	8.95	8.97	8.98	9.00	-2.26%	-0.29%	0.16%	0.16%	0.16%
> 501 units	10.59	10.39	10.34	10.35	10.36	10.37	-1.94%	-0.44%	0.05%	0.09%	0.09%

Category	Average Billing Rate (Rs./kWh for LT and Rs./kVAh for HT)						%Tariff Increase/ Reduction				
	Existing	Approved					Approved				
	FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
LT - II (a) Commercial	8.82	7.89	7.92	7.80	7.79	7.79	-10.52%	0.35%	-1.54%	-0.06%	-0.05%
LT - II (b) Commercial >20 & <=50 kW	9.49	8.67	8.78	8.79	8.91	9.07	-8.70%	1.25%	0.11%	1.37%	1.83%
LT - II (c) Commercial>50	9.74	8.73	8.84	8.81	8.89	9.03	-10.36%	1.22%	-0.31%	0.93%	1.49%
LT - III (A) Industry (upto 20 kW)	7.83	7.09	6.98	6.90	6.86	6.86	-9.46%	-1.56%	-1.15%	-0.58%	0.00%
LT-III (b) Industrial	8.52	8.10	8.08	8.11	8.18	8.26	-4.93%	-0.14%	0.37%	0.84%	0.94%
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	8.32	6.82	6.68	6.58	6.50	6.44	-18.00%	-2.01%	-1.46%	-1.32%	-0.88%
LT - IV (B) Public Services - Others	8.75	6.95	6.77	6.69	6.61	6.56	-20.52%	-2.72%	-1.17%	-1.15%	-0.70%
LT-V (A) Agriculture- Pumpsets	-	-	-	-	-	-					
LT-V (B) Agriculture- Others	-	-	-	-	-	-					
LT VI Vehicle Charging	6.90	5.50	5.50	5.50	5.50	5.50	-20.29%	0.00%	0.00%	0.00%	0.00%
Sub-total	7.70	7.17	7.18	7.15	7.17	7.20	-6.91%	0.15%	-0.38%	0.25%	0.38%
Total	**7.93**	**7.31**	**7.31**	**7.28**	**7.28**	**7.30**	-7.80%	0.01%	-0.39%	0.02%	0.21%

8.6.9 The category-wise cross-subsidy over the FY 2020-21 to FY 2024-25 as approved in this Order is given in the Table below:

Table 214: Category-wise Cross-subsidy for FY 2020-21 to FY 2024-25, as approved by the Commission

Category	Existing Tariff	Approved Tariff				
	FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HT Category						
HT - I Industry	134%	107%	103%	101%	98%	94%
HT - II Commercial	144%	120%	115%	113%	109%	104%
HT - III Group Housing	119%	106%	101%	101%	100%	97%
HT IV- Railways, Metro, Monorail	124%	109%	108%	109%	107%	104%
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	128%	108%	101%	101%	96%	93%
HT V-(B) Public services (Others)	140%	116%	109%	109%	107%	105%
HT-VI Electrical vehicle	0%	0%	0%	0%	0%	0%
LT Category						
LT-I (A) Residential (BPL)	42%	42%	40%	40%	39%	38%
LT - I(B) Residential	98%	97%	93%	93%	91%	89%
0 – 100 units	54%	53%	52%	52%	51%	50%
101 – 300 units	99%	98%	95%	94%	93%	91%
301 - 500 units	138%	135%	130%	129%	127%	123%
> 501 units	160%	157%	150%	149%	146%	142%
LT - II (a) Commercial	133%	119%	115%	112%	110%	107%
LT - II (b) Commercial >20 & <=50 kW	143%	131%	127%	126%	126%	124%
LT - II (c) Commercial>50	147%	132%	128%	127%	126%	124%
LT - III (A) Industry (upto 20 kW)	118%	107%	101%	99%	97%	94%
LT III(B) Industry Above 20 kW	128%	122%	117%	117%	116%	113%
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	125%	103%	97%	95%	92%	88%
LT - IV (B) Public Services - Others	132%	105%	98%	96%	93%	90%
LT-V (A) Agriculture- Pumpsets	0%	0%	0%	0%	0%	0%
LT-V (B) Agriculture- Others	0%	0%	0%	0%	0%	0%
LT VI Vehicle Charging	104%	83%	80%	79%	78%	75%

8.6.10 The revised tariff over the FY 2020-21 to FY 2024-25 as approved in this Order is given in the Table below:

Table 215: Revised Tariff for FY 2020-21, as approved by the Commission

Consumer Category & Consumption Slab	FY 2020-21		
	Fixed/ Demand Charges (Per month)	Energy Charges (Rs./kWh for LT and Rs./kVAh for HT)	Wheeling Charge (Rs./kWh for LT and Rs./kVAh for HT)
HT Category			
HT - I Industry	Rs. 320 per kVA	5.65	0.46
HT - II Commercial	Rs. 320 per kVA	6.01	0.46
HT - III Group Housing	Rs. 320 per kVA	5.63	0.46
HT IV- Railways, Metro, Monorail	Rs. 320 per kVA	5.33	0.46
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	Rs. 320 per kVA	5.43	0.46
HT V-(B) Public services (Others)	Rs. 320 per kVA	5.88	0.46
HT-VI Electrical vehicle	Rs. 70 per kVA	5.04	0.46
LT Category		-	-
LT-I (A) Residential (BPL)	Rs. 10	1.33	1.35
LT - I(B) Residential	-	-	-
0 – 100 units	Rs. 70	1.83	1.35
101 – 300 units	Rs. 110	4.46	1.35
301 - 500 units	Rs. 110	7.34	1.35
> 501 units	Rs. 135	8.91	1.35
LT - II (a) Commercial	Rs. 385	5.26	1.35
LT - II (b) Commercial >20 & <=50 kW	Rs. 320 per kVA	5.31	1.35
LT - II (c) Commercial>50	Rs. 320 per kVA	5.65	1.35
LT - III (A) Industry (upto 20 kW)	Rs. 385	4.99	1.35
LT-III (b) Industrial	Rs. 320 per kVA	5.24	1.35
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	Rs. 385	5.42	1.35
LT - IV (B) Public Services - Others	Rs. 385	5.43	1.35
LT-V (A) Agriculture- Pumpsets	Rs. 40 per HP	2.46	1.35
LT-V (B) Agriculture- Others	Rs. 90 per kW	3.95	1.35
LT VI Vehicle Charging	Rs. 70 per kVA	4.15	1.35

Table 216: Revised Tariff for FY 2021-22, as approved by the Commission

Consumer Category & Consumption Slab	FY 2021-22		
	Fixed/ Demand Charges (Per month)	Energy Charges (Rs./kWh for LT and Rs./kVAh for HT)	Wheeling Charge (Rs./kWh for LT and Rs./kVAh for HT)
HT Category			
HT - I Industry	Rs. 335 per kVA	5.55	0.50
HT - II Commercial	Rs. 335 per kVA	5.91	0.50
HT - III Group Housing	Rs. 335 per kVA	5.47	0.50
HT IV- Railways, Metro, Monorail	Rs. 335 per kVA	5.40	0.50
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	Rs. 335 per kVA	5.18	0.50
HT V-(B) Public services (Others)	Rs. 335 per kVA	5.62	0.50
HT-VI Electrical vehicle	Rs. 70 per kVA	5.00	0.50
LT Category		-	-
LT-I (A) Residential (BPL)	Rs. 10	1.24	1.44
LT - I(B) Residential	-	-	-
0 – 100 units	Rs. 75	1.74	1.44
101 – 300 units	Rs. 115	4.37	1.44
301 - 500 units	Rs. 115	7.21	1.44
> 501 units	Rs. 140	8.77	1.44
LT - II (a) Commercial	Rs. 405	5.13	1.44
LT - II (b) Commercial >20 & <=50 kW	Rs. 335 per kVA	5.17	1.44
LT - II (c) Commercial>50	Rs. 335 per kVA	5.53	1.44
LT - III (A) Industry (upto 20 kW)	Rs. 405	4.75	1.44
LT-III (b) Industrial	Rs. 335 per kVA	5.02	1.44
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	Rs. 405	5.19	1.44
LT - IV (B) Public Services - Others	Rs. 405	5.14	1.44
LT-V (A) Agriculture- Pumpsets	Rs. 40 per HP	2.30	1.44
LT-V (B) Agriculture- Others	Rs. 90 per kW	3.76	1.44
LT VI Vehicle Charging	Rs. 70 per kVA	4.06	1.44

Table 217: Revised Tariff for FY 2022-23, as approved by the Commission

Consumer Category & Consumption Slab	FY 2022-23		
	Fixed/ Demand Charges (Per month)	Energy Charges (Rs./kWh for LT and Rs./kVAh for HT)	Wheeling Charge (Rs./kWh for LT and Rs./kVAh for HT)
HT Category			
HT - I Industry	Rs. 355 per kVA	5.43	0.50
HT - II Commercial	Rs. 355 per kVA	5.74	0.50
HT - III Group Housing	Rs. 355 per kVA	5.45	0.50
HT IV- Railways, Metro, Monorail	Rs. 355 per kVA	5.46	0.50
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	Rs. 355 per kVA	5.16	0.50
HT V-(B) Public services (Others)	Rs. 355 per kVA	5.59	0.50
HT-VI Electrical vehicle	Rs. 70 per kVA	5.00	0.50
LT Category			
LT-I (A) Residential (BPL)	Rs. 10	1.22	1.46
LT - I(B) Residential	-	-	-
0 – 100 units	Rs. 80	1.72	1.46
101 – 300 units	Rs. 120	4.35	1.46
301 - 500 units	Rs. 120	7.19	1.46
> 501 units	Rs. 145	8.75	1.46
LT - II (a) Commercial	Rs. 425	4.92	1.46
LT - II (b) Commercial >20 & <=50 kW	Rs. 355 per kVA	4.96	1.46
LT - II (c) Commercial>50	Rs. 355 per kVA	5.31	1.46
LT - III (A) Industry (upto 20 kW)	Rs. 425	4.61	1.46
LT-III (b) Industrial	Rs. 355 per kVA	4.88	1.46
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	Rs. 425	5.07	1.46
LT - IV (B) Public Services - Others	Rs. 425	5.03	1.46
LT-V (A) Agriculture- Pumpsets	Rs. 40 per HP	2.21	1.46
LT-V (B) Agriculture- Others	Rs. 90 per kW	3.64	1.46
LT VI Vehicle Charging	Rs. 70 per kVA	4.04	1.46

Table 218: Revised Tariff for FY 2023-24, as approved by the Commission

Consumer Category & Consumption Slab	FY 2023-24		
	Fixed/ Demand Charges (Per month)	Energy Charges (Rs./kWh for LT and Rs./kVAh for HT)	Wheeling Charge (Rs./kWh for LT and Rs./kVAh for HT)
HT Category			
HT - I Industry	Rs. 375 per kVA	5.28	0.51
HT - II Commercial	Rs. 375 per kVA	5.53	0.51
HT - III Group Housing	Rs. 375 per kVA	5.39	0.51
HT IV- Railways, Metro, Monorail	Rs. 375 per kVA	5.40	0.51
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	Rs. 375 per kVA	4.93	0.51
HT V-(B) Public services (Others)	Rs. 375 per kVA	5.46	0.51
HT-VI Electrical vehicle	Rs. 70 per kVA	4.99	0.51
LT Category			
LT-I (A) Residential (BPL)	Rs. 10	1.21	1.47
LT - I(B) Residential	-	-	-
0 – 100 units	Rs. 85	1.71	1.47
101 – 300 units	Rs. 125	4.34	1.47
301 - 500 units	Rs. 125	7.18	1.47
> 501 units	Rs. 155	8.74	1.47
LT - II (a) Commercial	Rs. 450	4.82	1.47
LT - II (b) Commercial >20 & <=50 kW	Rs. 375 per kVA	4.86	1.47
LT - II (c) Commercial>50	Rs. 375 per kVA	5.20	1.47
LT - III (A) Industry (upto 20 kW)	Rs. 450	4.51	1.47
LT-III (b) Industrial	Rs. 375 per kVA	4.78	1.47
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	Rs. 450	4.97	1.47
LT - IV (B) Public Services - Others	Rs. 450	4.93	1.47
LT-V (A) Agriculture- Pumpsets	Rs. 40 per HP	2.13	1.47
LT-V (B) Agriculture- Others	Rs. 90 per kW	3.53	1.47
LT VI Vehicle Charging	Rs. 70 per kVA	4.03	1.47

Table 219: Revised Tariff for FY 2024-25, as approved by the Commission

Consumer Category & Consumption Slab	FY 2024-25		
	Fixed/ Demand Charges (Per month)	Energy Charges (Rs./kWh for LT and Rs./kVAh for HT)	Wheeling Charge (Rs./kWh for LT and Rs./kVAh for HT)
HT Category			
HT - I Industry	Rs. 395 per kVA	5.11	0.51
HT - II Commercial	Rs. 395 per kVA	5.35	0.51
HT - III Group Housing	Rs. 395 per kVA	5.34	0.51
HT IV- Railways, Metro, Monorail	Rs. 395 per kVA	5.35	0.51
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	Rs. 395 per kVA	4.83	0.51
HT V-(B) Public services (Others)	Rs. 395 per kVA	5.44	0.51
HT-VI Electrical vehicle	Rs. 70 per kVA	4.99	0.51
LT Category			
LT-I (A) Residential (BPL)	Rs. 10	1.19	1.49
LT - I(B) Residential	-	-	-
0 – 100 units	Rs. 90	1.69	1.49
101 – 300 units	Rs. 130	4.32	1.49
301 - 500 units	Rs. 130	7.16	1.49
> 501 units	Rs. 165	8.72	1.49
LT - II (a) Commercial	Rs. 475	4.71	1.49
LT - II (b) Commercial >20 & <=50 kW	Rs. 395 per kVA	4.78	1.49
LT - II (c) Commercial>50	Rs. 395 per kVA	5.12	1.49
LT - III (A) Industry (upto 20 kW)	Rs. 475	4.44	1.49
LT-III (b) Industrial	Rs. 395 per kVA	4.67	1.49
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions)	Rs. 475	4.89	1.49
LT - IV (B) Public Services - Others	Rs. 475	4.85	1.49
LT-V (A) Agriculture- Pumpsets	Rs. 40 per HP	2.04	1.49
LT-V (B) Agriculture- Others	Rs. 90 per kW	3.41	1.49
LT VI Vehicle Charging	Rs. 70 per kVA	4.01	1.49

8.7 Applicability of Revised Tariff

8.7.1 The Tariffs determined in this Order shall be applicable from 1 April, 2020. Where the billing cycle of a consumer is different with respect to the date of applicability of the revised tariffs, they should be made applicable for the consumption on a pro rata basis. The bills for the respective periods as per the existing and revised tariffs shall be calculated based on the pro-rata consumption (units consumed during the respective periods, computed on the basis of average unit consumption per day multiplied by the number of days in the respective periods covered in the billing cycle).

8.7.2 The Commission has determined the revenue from the revised tariffs as if they were applicable for the entire year. Any shortfall or surplus in the actual revenue against the approved ARR will be revised during Truing-Up at the end of the Control Period, as specified in the MYT Regulations 2019.

8.8 Schedule of Charges

BEST's Submission

8.8.1 BEST has not proposed any revision in its existing Schedule of Charges in the present Petition. BEST will file a separate Petition for approval for any revised Schedule of Charges.

Commission's Analysis and Ruling

8.8.2 As BEST has not proposed any revision, the Schedule of Charges approved earlier will apply for FY 2020-21 to FY 2024-25.

9 APPLICABILITY OF ORDER

This Multi Year Tariff Order for the 4th Control Period from FY 2020-21 to FY 2024-25 shall come into force from 1 April, 2020.

Special Interim Dispensation:
This Tariff order is being issued at a critical time when the country is passing through one of the most debilitating epidemics in the form of Covid19. In fact taking note of the current situation prevailing in the state, Commission issued a practice direction on 26/3/2020 whereby meter reading and physical bill distribution work was suspended and utilities were asked to issue bills on average usage basis till the current crisis gets subsided. Commission is aware that a number of industrial and commercial establishments have been shut down due to the lockdown enforced by Government.

To mitigate to some extent the difficulties being faced by the Electricity consumers of Maharashtra and all out efforts to contain the spread of Corona Pandemic, the Commission deems it fit to put a moratorium on payment of fixed charges of the electricity bill by consumers under Industrial and Commercial category for next three billing cycles beginning from the lockdown date of 25/3/2020.

The Distribution Licensees will be required to borrow/avail additional working capital over and above the Regulations. Also, there will be other additional cost required to be incurred for continuing of operations. Associated with this, there will be an additional working capital interest. The Commission opines that in the present situation, relief needs to be given to the electricity consumers affected by the Lockdown directions. The Commission will take a appropriate view on the additional expenses that are likely to be incurred by the Distribution Licensees on account of additional Interest on Working Capital during the MTR process.

The Petition of Brihanmumbai Electric Supply and Transport Undertaking (BEST) in Case No. 324 of 2019 stands disposed of accordingly.

Sd/-	**Sd/-**
(Mukesh Khullar)	**(I. M. Bohari)**
Member	**Member**

10 Appendix 1: List of persons who attended the Technical Validation Session held on 24 December, 2019 at 2.30 hrs

Sr. No.	Name of person	Organization
1	Shri. N.N. Chougule	BEST Undertaking
2	Shri. S.N. Bhinge	BEST Undertaking
3	Shri. V. M. Kamat	BEST Undertaking
4	Shri. S. A. Jadhav	BEST Undertaking
5	Shri S.V. Choughule	BEST Undertaking
6	Shri. K. Manoraj	BEST Undertaking

11 Appendix 2: List of persons who attended the Public Hearing held on 4 February, 2020 at 10.00 hrs

Sr. No.	Name of person	Organization
1	Shri. N.N. Chougule	BEST Undertaking, CE Regulatory
2	Dr. Ashok Pendse	Individual
3	Shri. Rakshpal Abrol	Individual
4	Shri. K. K. Chopra	Individual
5	Shri. Sanjay Gadigaonkar	MNS
6	Shri. N. Ponrathnam	Individual
7	Representative	The Electric Union
8	Representative	The BEST Engineers association
9	Shri. K. R. Shenoy	Individual
10	Smt. S.R. Mehendal	Tata Power
11	Shri. Saurabh Gupta	NUPLLP
12	Shri. Nikhil Parate	NUPLLP
13	B. Naveen Varma	NUPLLP
14	Priyanka Gharate	KEIPL
15	Shri. Rakesh Bodalia	VIPL
16	Shri. Somit Sen	TOI
17	Tonushree V	HT
18	Shri. Satyajit Suklabaidya,	IMacS
19	Shri. K. Manoraj	BEST Undertaking
20	Shri. S. A. Jadhav	BEST Undertaking
21	Shri. V. M. Kamat	BEST Undertaking
22	Shri. R. K. Kamble	BEST Undertaking
23	Shri. S. V. Varadkar	BEST Undertaking
24	Shri. Sanjay Adlinge	BEST Undertaking
25	Shri. S.V. Sontakke	BEST Undertaking

Sr. No.	Name of person	Organization
26	Shri. M. S. Bhosale	BEST Undertaking
27	Dr. Rajendra Patsute	BEST Undertaking
28	Shri. Manoj Davare	BEST Undertaking
29	Shri. Sunil N. Bhinge	BEST Undertaking
30	Shri. Mangesh Kharote	BEST Undertaking
31	Shri. A. R. Taleykar	BEST Undertaking
32	Shri. S. D. Choughule	BEST Undertaking
33	Shri. Deepak G. Tambave	BEST Undertaking
34	Shri. Ajit B. Phalak	BEST Undertaking
35	Shri. Ragim Chavan	BEST Undertaking
36	Shri. V. K. Rokade	BEST Undertaking
37	Shri. C.S. Kalkurhe	BEST Undertaking
38	Suvarna Paratap	BEST Undertaking
39	Shri. B. R. Bhole	BEST Undertaking
40	Shri. S.D. Shirke	BEST Undertaking
41	Shri. P. Mohan	BEST Undertaking
42	Shri. D. S. Gorad	BEST Undertaking
43	Shri. M. V. Bhingane	BEST Undertaking
44	Shri. S. P. Sontakke	BEST Undertaking
45	Shri. D. P. Balekar	BEST Undertaking
46	Shri. Suresh Solanki	BEST Undertaking
47	G. Nbiyata	BEST Undertaking
48	Shri. R. R. Dubal	BEST Undertaking
49	Shri. Umesh Shinche	BEST Undertaking
50	Shri. Vijay Karkera	BEST Undertaking
51	Shri. P.V. Redkar	BEST Undertaking
52	Shri. Bilal Shaikh	BEST Undertaking

Annexure I: Category-wise Revenue with revised Tariffs for FY 2020-21

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
HT Category														
HT - I Industry	41.00	-	320.00	5.65	0.46	-	34,015.27	156.73	-	13.06	90.56	7.46	111.08	7.09
HT - II Commercial	94.00	-	320.00	6.01	0.46	-	86,414.76	278.98	-	33.18	175.37	13.57	222.13	7.96
HT - III Group Housing	8.00	-	320.00	5.63	0.46	-	7,424.01	30.65	-	2.85	17.24	1.42	21.51	7.02
HT IV- Railways, Metro, Monorail	2.00	-	320.00	5.33	0.46	-	671.48	2.14	-	0.26	1.19	0.10	1.55	7.25
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	4.00	-	320.00	5.43	0.46	-	4,776.48	26.59	-	1.83	15.80	1.35	18.99	7.14
HT V-(B) Public services (Others)	44.00	-	320.00	5.88	0.46	-	58,055.01	196.66	-	22.29	119.28	9.44	151.01	7.68
HT-VI Electrical vehicle	-	-	70.00	5.04	0.46	-	-	-	-	-	-	-	-	-
Sub-total	**193.00**	-	-	-	-	-	-	**691.74**	-	**73.48**	**419.44**	**33.34**	**526.26**	**7.61**
LT Category														
LT-I (A) Residential (BPL)	56.00	10.00	-	1.33	1.35	-	-	0.07	0.00	-	0.01	0.01	0.02	2.77
LT - I(B) Residential	776,171.00	-	-	-	-	-	-	-	-	-	-	-	-	-
0 – 100 units	327,695.00	70.00	-	1.83	1.35	-	325,785.15	759.42	27.53	-	138.97	102.52	269.02	3.54
101 – 300 units	364,897.00	110.00	-	4.46	1.35	-	362,736.97	702.37	48.16	-	313.21	94.82	456.19	6.49
301 - 500 units	52,951.00	110.00	-	7.34	1.35	-	52,613.27	226.30	6.99	-	165.66	30.55	203.20	8.98
> 501 units	30,690.00	135.00	-	8.91	1.35	-	30,511.10	387.39	4.97	-	345.16	52.30	402.43	10.39

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
LT - II (a) Commercial	255,593.00	385.00	-	5.26	1.35	-	-	919.85	118.08	-	483.84	124.18	726.10	7.89
LT - II (b) Commercial >20 & <=50 kW	6,421.00	-	320.00	5.31	1.35	-	110,378.99	211.13	-	42.39	112.11	28.50	183.00	8.67
LT - II (c) Commercial >50	3,015.00	-	320.00	5.65	1.35	-	166,958.53	370.00	-	64.11	209.05	49.95	323.11	8.73
LT - III (A) Industry (upto 20 kW)	7,032.00	385.00	-	4.99	1.35	-	-	43.23	3.25	-	21.57	5.84	30.66	7.09
LT-III (b) Industrial	1,166.00	-	320.00	5.24	1.35	-	35,418.26	90.31	-	13.60	47.32	12.19	73.11	8.10
LT - IV (A) Public Services - Govt. Hosp. & Edu. Institutions)	603.00	385.00	-	5.42	1.35	-	-	55.68	0.28	-	30.18	7.52	37.98	6.82
LT - IV (B) Public Services - Others	7,032.00	385.00	-	5.43	1.35	-	12,619.05	185.87	3.25	-	100.93	25.09	129.27	6.95
LT-V (A) Agriculture- Pumpsets	-	40.00	-	2.46	1.35	-	-	-	-	-	-	-	-	-
LT-V (B) Agriculture- Others	-	-	90.00	3.95	1.35	-	-	-	-	-	-	-	-	-
LT VI Vehicle Charging	1.00	-	70.00	4.15	1.35	-	-	0.30	-	-	0.12	0.04	0.16	5.50
Sub-total	**1,057,152.00**	**-**	**-**	**-**	**-**	**-**	**-**	**3,951.92**	**212.51**	**120.10**	**1,968.14**	**533.51**	**2,834.26**	**7.17**
Total	**1,057,345.00**	**-**	**-**	**-**	**-**	**-**	**-**	**4,643.66**	**212.51**	**193.58**	**2,387.57**	**566.85**	**3,360.52**	**7.24**

Annexure II: Category-wise Revenue with revised Tariffs for FY 2021-22

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
HT Category														
HT - I Industry	42	-	335.00	5.55	0.50	-	34,696	156.66	-	13.95	89.07	7.94	110.96	7.08
HT - II Commercial	99	-	335.00	5.91	0.50	-	88,143	286.41	-	35.43	177.54	14.86	227.84	7.96
HT - III Group Housing	8	-	335.00	5.47	0.50	-	7,572	30.63	-	3.04	16.77	1.52	21.33	6.96
HT IV- Railways, Metro, Monorail	2	-	335.00	5.40	0.50	-	671	2.14	-	0.27	1.21	0.11	1.59	7.43
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	4	-	335.00	5.18	0.50	-	4,872	26.57	-	1.96	15.09	1.44	18.49	6.96
HT V-(B) Public services (Others)	45	-	335.00	5.62	0.50	-	59,216	196.57	-	23.80	114.15	10.05	148.00	7.53
HT-VI Electrical vehicle	-	-	70.00	5.00	0.50	-	-	-	-	-	-	-	-	-
Sub-total	**200**	**-**	**-**	**-**	**-**	**-**	**-**	**698.99**	**-**	**78.46**	**413.83**	**35.92**	**528.21**	**7.56**
LT Category														
LT-I (A) Residential (BPL)	56	10.00	-	1.24	1.44	-	-	0.07	0.00	-	0.01	0.01	0.02	2.77
LT - I(B) Residential	-	-	-	-	-	-	782,056	-	-	-	-	-	-	-
0 – 100 units	332,115	75.00	-	1.74	1.44	-	330,180	769.35	29.89	-	133.87	110.79	274.55	3.57
101 – 300 units	369,819	115.00	-	4.37	1.44	-	367,630	711.56	51.03	-	310.90	102.46	464.40	6.53
301 - 500 units	53,665	115.00	-	7.21	1.44	-	53,323	229.24	7.41	-	164.83	33.01	205.25	8.95
> 501 units	31,104	140.00	-	8.77	1.44	-	30,923	392.45	5.23	-	344.18	56.51	405.92	10.34

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
LT - II (a) Commercial	257,795	405.00	-	5.13	1.44	-	-	927.29	125.29	-	475.70	133.53	734.52	7.92
LT - II (b) Commercial >20 & <=50 kW	6,614	-	335.00	5.17	1.44	-	113,690	211.04	-	45.70	109.11	30.39	185.20	8.78
LT - II (c) Commercial >50	3,105	-	335.00	5.53	1.44	-	171,967	369.84	-	69.13	204.52	53.26	326.91	8.84
LT - III (A) Industry (upto 20 kW)	7,032	405.00	-	4.75	1.44	-	-	43.21	3.42	-	20.53	6.22	30.17	6.98
LT-III (b) Industrial	1,201	-	335.00	5.02	1.44	-	36,481	90.27	-	14.67	45.32	13.00	72.98	8.08
LT - IV (A) Public Services - Govt. Hosp. & Edu. Institutions)	608	405.00	-	5.19	1.44	-	-	56.14	0.30	-	29.14	8.08	37.52	6.68
LT - IV (B) Public Services - Others	7,034	405.00	-	5.14	1.44	-	12,702	183.95	3.42	-	94.55	26.49	124.46	6.77
LT-V (A) Agriculture- Pumpsets	-	40.00	-	2.30	1.44	-	-	-	-	-	-	-	-	-
LT-V (B) Agriculture- Others	-	-	90.00	3.76	1.44	-	-	-	-	-	-	-	-	-
LT VI Vehicle Charging	1	-	70.00	4.06	1.44	-	-	0.37	-	-	0.15	0.05	0.20	5.50
Sub-total	**1,070,149**	**-**	**-**	**-**	**-**	**-**	**-**	**3,984.79**	**225.98**	**129.50**	**1,932.80**	**573.81**	**2,862.08**	**7.18**
Total	**1,070,349**	**-**	**-**	**-**	**-**	**-**	**-**	**4,683.78**	**225.98**	**207.96**	**2,346.63**	**609.73**	**3,390.29**	**7.24**

Annexure III: Category-wise Revenue with revised Tariffs for FY 2022-23

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
HT Category														
HT - I Industry	43	-	355.00	5.43	0.50	-	35,389	156.56	-	15.08	87.01	8.02	110.11	7.03
HT - II Commercial	105	-	355.00	5.74	0.50	-	89,906	295.54	-	38.30	178.03	15.52	231.85	7.85
HT - III Group Housing	8	-	355.00	5.45	0.50	-	7,724	30.61	-	3.29	16.68	1.53	21.51	7.03
HT IV- Railways, Metro, Monorail	2	-	355.00	5.46	0.50	-	671	2.14	-	0.29	1.22	0.11	1.62	7.56
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	4	-	355.00	5.16	0.50	-	4,969	26.56	-	2.12	15.01	1.46	18.58	7.00
HT V-(B) Public services (Others)	46	-	355.00	5.59	0.50	-	60,400	196.45	-	25.73	113.36	10.15	149.24	7.60
HT-VI Electrical vehicle	-	-	70.00	5.00	0.50	-	-	-	-	-	-	-	-	-
Sub-total	**208**	-	-	-	-	-	-	**707.85**	-	**84.80**	**411.32**	**36.78**	**532.91**	**7.53**
LT Category														
LT-I (A) Residential (BPL)	56	10.00	-	1.22	1.46	-	-	0.07	0.00	-	0.01	0.01	0.02	2.77
LT - I(B) Residential	797,252	-	-	-	-	-	792,605	-	-	-	-	-	-	-
0 – 100 units	336,595	80.00	-	1.72	1.46	-	334,634	779.27	32.31	-	134.03	113.77	280.12	3.59
101 – 300 units	374,807	120.00	-	4.35	1.46	-	372,589	720.72	53.97	-	313.46	105.23	472.66	6.56
301 - 500 units	54,389	120.00	-	7.19	1.46	-	54,042	232.17	7.83	-	166.48	33.90	208.21	8.97
> 501 units	31,524	145.00	-	8.75	1.46	-	31,340	397.51	5.49	-	347.82	58.04	411.34	10.35

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
LT - II (a) Commercial	260,016	425.00	-	4.92	1.46	-	-	934.60	132.61	-	459.83	136.45	728.89	7.80
LT - II (b) Commercial >20 & <=50 kW	6,812	-	355.00	4.96	1.46	-	117,101	210.90	-	49.89	104.61	30.79	185.28	8.79
LT - II (c) Commercial >50	3,198	-	355.00	5.31	1.46	-	177,126	369.60	-	75.46	196.26	53.96	325.68	8.81
LT - III (A) Industry (upto 20 kW)	7,032	425.00	-	4.61	1.46	-	-	43.19	3.59	-	19.91	6.31	29.80	6.90
LT-III (b) Industrial	1,237	-	355.00	4.88	1.46	-	37,575	90.21	-	16.01	44.02	13.17	73.20	8.11
LT - IV (A) Public Services - Govt. Hosp. & Edu. Institutions)	608	425.00	-	5.07	1.46	-	-	56.59	0.31	-	28.69	8.26	37.27	6.58
LT - IV (B) Public Services - Others	7,091	425.00	-	5.03	1.46	-	12,788	183.84	3.62	-	92.47	26.84	122.93	6.69
LT-V (A) Agriculture-Pumpsets	-	40.00	-	2.21	1.46	-	-	-	-	-	-	-	-	-
LT-V (B) Agriculture- Others	-	-	90.00	3.64	1.46	-	-	-	-	-	-	-	-	-
LT VI Vehicle Charging	1	-	70.00	4.04	1.46	-	-	0.46	-	-	0.19	0.07	0.25	5.50
Sub-total	**1,083,366**	**-**	**-**	**-**	**-**	**-**	**-**	**4,019.14**	**239.72**	**141.35**	**1,907.78**	**586.79**	**2,875.64**	**7.15**
Total	**1,083,574**	**-**	**-**	**-**	**-**	**-**	**-**	**4,726.99**	**239.72**	**226.15**	**2,319.10**	**623.58**	**3,408.55**	**7.21**

Annexure IV: Category-wise Revenue with revised Tariffs for FY 2023-24

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
HT Category														
HT - I Industry	44	-	375.00	5.28	0.51	-	36,097	156.41	-	16.24	84.53	8.09	108.86	6.96
HT - II Commercial	112	-	375.00	5.53	0.51	-	91,704	306.74	-	41.27	178.31	16.30	235.87	7.69
HT - III Group Housing	8	-	375.00	5.39	0.51	-	7,878	30.58	-	3.55	16.48	1.55	21.58	7.05
HT IV- Railways, Metro, Monorail	2	-	375.00	5.40	0.51	-	671	2.14	-	0.30	1.21	0.11	1.62	7.58
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	4	-	375.00	4.93	0.51	-	5,069	26.53	-	2.28	14.33	1.47	18.08	6.81
HT V-(B) Public services (Others)	47	-	375.00	5.46	0.51	-	61,608	196.26	-	27.72	110.62	10.24	148.59	7.57
HT-VI Electrical vehicle	-	-	70.00	4.99	0.51	-	-	-	-	-	-	-	-	-
Sub-total	**217**	-	-	-	-	-	-	**718.66**	-	**91.36**	**405.47**	**37.76**	**534.60**	**7.44**
LT Category														
LT-I (A) Residential (BPL)	56	10.00	-	1.21	1.47	-	-	0.07	0.00	-	0.01	0.01	0.02	2.77
LT - I(B) Residential	808,006	-	-	-	-	-	803,297	-	-	-	-	-	-	-
0 – 100 units	341,135	85.00	-	1.71	1.47	-	339,148	789.08	34.80	-	134.93	115.99	285.72	3.62
101 – 300 units	379,862	125.00	-	4.34	1.47	-	377,615	729.79	56.98	-	316.68	107.28	480.94	6.59
301 - 500 units	55,122	125.00	-	7.18	1.47	-	54,771	235.07	8.27	-	168.33	34.56	211.15	8.98
> 501 units	31,949	155.00	-	8.74	1.47	-	31,763	402.51	5.94	-	351.80	59.17	416.91	10.36

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
LT - II (a) Commercial	262,256	450.00	-	4.82	1.47	-	-	941.70	141.62	-	453.90	138.43	733.94	7.79
LT - II (b) Commercial >20 & <=50 kW	7,016	-	375.00	4.86	1.47	-	120,614	210.69	-	54.28	102.40	30.97	187.65	8.91
LT - II (c) Commercial >50	3,294	-	375.00	5.20	1.47	-	182,440	369.24	-	82.10	192.01	54.28	328.38	8.89
LT - III (A) Industry (upto 20 kW)	7,032	450.00	-	4.51	1.47	-	-	43.14	3.80	-	19.46	6.34	29.60	6.86
LT-III (b) Industrial	1,274	-	375.00	4.78	1.47	-	38,702	90.12	-	17.42	43.08	13.25	73.74	8.18
LT - IV (A) Public Services - Govt. Hosp. & Edu. Institutions)	608	450.00	-	4.97	1.47	-	-	57.03	0.33	-	28.34	8.38	37.06	6.50
LT - IV (B) Public Services - Others	7,148	450.00	-	4.93	1.47	-	12,876	183.68	3.86	-	90.55	27.00	121.41	6.61
LT-V (A) Agriculture-Pumpsets	-	40.00	-	2.13	1.47	-	-	-	-	-	-	-	-	-
LT-V (B) Agriculture- Others	-	-	90.00	3.53	1.47	-	-	-	-	-	-	-	-	-
LT VI Vehicle Charging	1	-	70.00	4.03	1.47	-	-	0.58	-	-	0.23	0.08	0.32	5.50
Sub-total	**1,096,753**	**-**	**-**	**-**	**-**	**-**	**-**	**4,052.71**	**255.59**	**153.79**	**1,901.71**	**595.75**	**2,906.84**	**7.17**
Total	**1,096,970**	**-**	**-**	**-**	**-**	**-**	**-**	**4,771.37**	**255.59**	**245.15**	**2,307.18**	**633.51**	**3,441.43**	**7.21**

Annexure V: Category-wise Revenue with revised Tariffs for FY 2024-25

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
HT Category														
HT - I Industry	45	-	395.00	5.11	0.51	-	36,819	156.18	-	17.45	81.68	8.16	107.29	6.87
HT - II Commercial	120	-	395.00	5.35	0.51	-	93,538	320.49	-	44.34	180.54	17.23	242.11	7.55
HT - III Group Housing	8	-	395.00	5.34	0.51	-	8,036	30.54	-	3.81	16.31	1.56	21.67	7.10
HT IV- Railways, Metro, Monorail	2	-	395.00	5.35	0.51	-	671	2.14	-	0.32	1.19	0.11	1.63	7.61
HT V-(A)Public services (Govt. Hospitals and Educational Institutions)	4	-	395.00	4.83	0.51	-	5,170	26.49	-	2.45	14.01	1.48	17.95	6.77
HT V-(B) Public services (Others)	48	-	395.00	5.44	0.51	-	62,841	195.97	-	29.79	110.04	10.33	150.16	7.66
HT-VI Electrical vehicle	-	-	70.00	4.99	0.51	-	-	-	-	-	-	-	-	-
Sub-total	**227**	-	-	-	-	-	-	**731.81**	-	**98.15**	**403.77**	**38.88**	**540.81**	**7.39**
LT Category														
LT-I (A) Residential (BPL)	56	10.00	-	1.19	1.49	-	-	0.07	0.00	-	0.01	0.01	0.02	2.77
LT - I(B) Residential	818,906	-	-	-	-	-	814,133	-	-	-	-	-	-	-
0 – 100 units	345,737	90.00	-	1.69	1.49	-	343,723	798.67	37.34	-	134.98	119.00	291.32	3.65
101 – 300 units	384,986	130.00	-	4.32	1.49	-	382,709	738.66	60.06	-	319.05	110.06	489.17	6.62
301 - 500 units	55,865	130.00	-	7.16	1.49	-	55,510	237.91	8.71	-	169.89	35.45	214.05	9.00
> 501 units	32,380	165.00	-	8.72	1.49	-	32,191	407.41	6.41	-	355.26	60.70	422.37	10.37

Consumer Categories	No. of consumers	Components of tariff				Relevant sales &			Full year revenue excluding Government subsidy					Average Billing Rate (Rs/kWh)
		Fixed Charges (Per month per connection)	Demand Charges per month per kVA	Energy Charges (Rs. per kWh/ kVAh)	Wheeling Charge (Rs per kWh/ kVAh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from Wheeling charge	Total	
LT - II (a) Commercial	264,516	475.00	-	4.71	1.49	-	-	948.41	150.77	-	446.70	141.31	738.79	7.79
LT - II (b) Commercial >20 & <=50 kW	7,226	-	395.00	4.78	1.49	-	124,233	210.39	-	58.89	100.56	31.35	190.80	9.07
LT - II (c) Commercial >50	3,393	-	395.00	5.12	1.49	-	187,913	368.70	-	89.07	188.78	54.94	332.78	9.03
LT - III (A) Industry (upto 20 kW)	7,032	475.00	-	4.44	1.49	-	-	43.08	4.01	-	19.13	6.42	29.56	6.86
LT-III (b) Industrial	1,312	-	395.00	4.67	1.49	-	39,864	89.99	-	18.90	42.03	13.41	74.33	8.26
LT - IV (A) Public Services - Govt. Hosp. & Edu. Institutions)	608	475.00	-	4.89	1.49	-	-	57.45	0.35	-	28.09	8.56	37.00	6.44
LT - IV (B) Public Services - Others	7,206	475.00	-	4.85	1.49	-	12,967	183.43	4.11	-	88.96	27.33	120.40	6.56
LT-V (A) Agriculture- Pumpsets	-	40.00	-	2.04	1.49	-	-	-	-	-	-	-	-	-
LT-V (B) Agriculture- Others	-	-	90.00	3.41	1.49	-	-	-	-	-	-	-	-	-
LT VI Vehicle Charging	1	-	70.00	4.01	1.49	-	-	0.72	-	-	0.29	0.11	0.40	5.50
Sub-total	**1,110,318**	**-**	**-**	**-**	**-**	**-**	**-**	**4,084.90**	**271.76**	**166.85**	**1,893.72**	**608.65**	**2,940.98**	**7.20**
Total	**1,110,545**	**-**	**-**	**-**	**-**	**-**	**-**	**4,816.71**	**271.76**	**265.01**	**2,297.50**	**647.53**	**3,481.79**	**7.23**

12 ANNEXURE VI: TARIFF SCHEDULE FOR FY 2020-21 TO FY 2024-25

**BRIHANMUMBAI ELECTRIC SUPPLY AND TRANSPORT UNDERTAKING
SCHEDULE OF ELECTRICITY TARIFFS
(With effect from 1 April, 2020)**

The Maharashtra Electricity Regulatory Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, has determined, by its Multi Year Tariff Order dated 30 March**,** 2020 in Case No. 324 of 2019, the Tariff for supply of electricity by the Distribution Licensee, Brihanmumbai Electric Supply and Transport Undertaking (BEST) to various classes of consumers as applicable from **1 April, 2020**.

General

1. These Tariffs supersede all Tariffs so far in force.

2. The Tariffs are subject to revision and/or surcharge that may be levied by the Distribution Licensee from time to time as per the directives of the Commission.

3. The Tariffs are exclusive of the separate Electricity Duty, Tax on Sale of Electricity and other levies by the Government or other competent authorities, which will be payable by consumers over and above the Tariffs.

4. The Tariffs are applicable for supply at one point only.

5. The Distribution Licensee may measure the Maximum Demand for any period shorter than 30 minutes of maximum use, subject to conformity with the Commission's Electricity Supply Code Regulations, where it considers that there are considerable load fluctuations in operation.

6. The Tariffs are subject to the provisions of the applicable Regulations and any directions that may be issued by the Commission from time to time.

7. Unless specifically stated to the contrary, the figures of Energy Charge and Wheeling Charge are denominated in Rupees per unit (kWh or kVAh as case may be) for the energy consumed during the month.

8. Fuel Adjustment Charge (FAC) computed in accordance with provisions of MYT Regulations, 2019 and Commission's directions in this regard from time to time shall be applicable to all categories of consumers, and will be charged over and above the base tariff.

LOW TENSION (LT) TARIFF

LT I (A): LT – Residential (BPL)

Applicability:

This Below Poverty Line (BPL) Tariff category is applicable to Residential consumers who have a Sanctioned Load upto 0.25 kW and who have consumed upto 360 units per annum in the previous financial year. The eligibility of such consumers will be reassessed at the end of each financial year. If more than 360 units have been consumed in the previous financial year, the LT I (B) - Residential Tariff shall thereafter be applicable, and such consumer cannot revert thereafter to the BPL category irrespective of his future consumption level.

The categorisation of BPL consumers will be reassessed at the end of the financial year on a pro rata basis if there has been consumption for only a part of the year The categorisation of BPL consumers who have been added during the previous year would be assessed on a pro rata basis, i.e., 30 units per month.

This BPL category will also be applicable to all new consumers subsequently added in any month with a Sanctioned Load of upto 0.25 kW and consumption between 1 to 30 units (on pro rata basis of 1 unit/day) in the first billing month.

The BPL Tariff is applicable only to individuals and not to institutions.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
BPL Category	Rs. 10 per month	1.35	1.33

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
BPL Category	Rs. 10 per month	1.44	1.24

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
BPL Category	Rs. 10 per month	1.46	1.22

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
BPL Category	Rs. 10 per month	1.47	1.21

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
BPL Category	Rs. 10 per month	1.49	1.19

<u>LT I (B): LT – Residential</u>

This Tariff category is applicable for electricity used at Low/Medium Voltage for operating various appliances used for purposes such as lighting, heating, cooling, cooking, washing/cleaning, entertainment/leisure, water pumping in the following premises:

a) Private residential premises, Government/semi-Government residential quarters;
b) Premises used exclusively for worship, such as temples, gurudwaras, churches, mosques, etc.; provided that halls, gardens or any other part of such premises that may be let out for a consideration or used for commercial activities would be charged at the applicable LT-II Tariff;
c) Government / Private / Co-operative Housing Colonies/complexes (where electricity is used exclusively for domestic purposes) only for common facilities such as Water Pumping / Street and other common area Lighting / Lifts /Parking Lots/ Fire-fighting Pumps and other equipment, etc.;
d) Sports Clubs or facilities / Health Clubs or facilities / Gymnasium / Swimming Pool / Community Hall of Government / Private / Co-operative Housing Colonies/complexes - provided that they are situated in the same premises, and are for the exclusive use of the members and employees of such Housing Colonies/complexes;
e) Telephone booths owned/operated by Persons with Disabilities/Handicapped persons;
f) Residential premises used by professionals like Lawyers, Doctors, Engineers, Chartered Accountants, etc., in furtherance of their professional activities, but not including Nursing Homes and Surgical Wards or Hospitals;
g) Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes;
h) A residential LT consumer with consumption upto 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises: such consumer shall not require a separate temporary connection, and would be billed at this Residential Tariff rate;

   <u>Note:</u>
   This Tariff category shall also be applicable to consumers who are supplied power at High Voltage for any of the purposes (a) to (h) above.

i) Consumers undertaking business or commercial / industrial / non-residential activities from a part of their residence, whose monthly consumption is upto 300 units a month and annual consumption in the previous financial year was upto 3600 units. The applicability of this Tariff to such consumers will be assessed at the end of each financial year. In case consumption has exceeded 3600 units in the previous financial year, the consumer will thereafter not be eligible for the Tariff under this category but be charged at the Tariff otherwise applicable for such consumption, with prior intimation to him.

j) Entities supplied electricity at a single point at Low/Medium Voltage for residential purposes, in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:
   (i) a Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes; and
   (ii) a person, for making electricity available to its employees residing in the same premises for residential purposes.

k) Crematoriums and Burial Grounds for all purposes, including lighting.

l) Temporary purposes for public religious functions like Ganesh Utsav, Navaratri, Eid, Moharrum, Ram Lila, Diwali, Christmas, Guru Nanak Jayanti, etc., and for areas where community prayers are held; and for functions to commemorate anniversaries of personalities and National or State events for which Public Holidays have been declared, such as Gandhi Jayanti, Ambedkar Jayanti, Chhatrapati Shivaji Jayanti, Republic Day, Independence Day, etc.

   Provided that such temporary connection shall be subjected to 1.5 times of fixed charges.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge $$	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
0-100 units	Rs. 70 per month	1.35	1.83
101 – 300 units	Rs. 110 per month	1.35	4.46
301 – 500 units	Rs. 110 per month	1.35	7.34
Above 500 units	Rs. 135 per month	1.35	8.91

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge $$	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
0-100 units	Rs. 75 per month	1.44	1.74
101 – 300 units	Rs. 115 per month	1.44	4.37
301 – 500 units	Rs. 115 per month	1.44	7.21
Above 500 units	Rs. 140 per month	1.44	8.77

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge $$	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
0-100 units	Rs. 80 per month	1.46	1.72
101 – 300 units	Rs. 120 per month	1.46	4.35
301 – 500 units	Rs. 120 per month	1.46	7.19
Above 500 units	Rs. 145 per month	1.46	8.75

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge $$	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
0-100 units	Rs. 85 per month	1.47	1.71
101 – 300 units	Rs. 125 per month	1.47	4.34
301 – 500 units	Rs. 125 per month	1.47	7.18
Above 500 units	Rs. 155 per month	1.47	8.74

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge $$	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
0-100 units	Rs. 90 per month	1.49	1.69
101 – 300 units	Rs. 130 per month	1.49	4.32
301 – 500 units	Rs. 130 per month	1.49	7.16
Above 500 units	Rs. 165 per month	1.49	8.72

Note:

a) *$$: The above Fixed Charges are for single-phase connections. A Fixed Charge of Rs. 135 per month will be levied on Residential consumers availing 3-phase supply. An Additional Fixed Charge of Rs.135 per 10 kW load or part thereof above 10 kW load shall also be payable for FY 2020-21. This amount will increase to Rs. 140 per month and per 10 KW, respectively, in FY 2021-22, and to Rs. 145 per month and per 10 KW, respectively, in FY 2022-23, and Rs. 155 per month and per 10 KW, respectively, in FY 2023-24, and Rs. 165 per month and per 10 KW, respectively, in FY 2024-25.*

b) *Professionals like Lawyers, Doctors, Professional Engineers, Chartered Accountants, etc., occupying premises exclusively for conducting their profession, shall not be eligible for this Tariff, and will be charged at the Tariff applicable to the respective categories.*

LT II: LT – Non-Residential or Commercial

Applicability:

This Tariff category is applicable for electricity used at Low/Medium voltage in non-residential, non-industrial and/or commercial premises for commercial consumption meant for operating various appliances used for purposes such as lighting, heating, cooling, cooking, washing/cleaning, entertainment/ leisure and water pumping in, but not limited to, the following premises:

a) Non-Residential, Commercial and Business premises, including Shopping Malls and Showrooms;
b) Combined lighting and power supply for facilities relating to Entertainment, including film studios, cinemas and theatres (including multiplexes), Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment;
c) Offices, including Commercial Establishments;

d) Marriage Halls, Hotels / Restaurants, Ice-cream parlours, Coffee Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths not covered under the LT I category, and Fax / Photocopy shops;
e) Automobile and all other types of repairs, servicing and maintenance centres (unless specifically covered under another Tariff category); Retail Gas Filling Stations, Petrol Pumps and Service Stations, including Garages;
f) Tailoring Shops, Computer Training Institutes, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons;
g) Banks and ATM centres, Telephone Exchanges, TV Stations, Microwave Stations, Radio Stations;
h) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;
i) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;
j) External illumination of monuments/ historical/ heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;
k) Construction of all types of structures/ infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

   Note:

   Residential LT consumers with consumption above 500 units per month (current month of supply) and who undertake construction or renovation activity in their existing premises shall not require a separate Temporary category connection, and shall be billed at the LT-II Commercial Tariff rate;
l) Milk Collection Centres;
m) Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT – Public Services or LT – Industry categories;
n) advertisements, hoardings (including hoardings fixed on lamp posts/installed along roadsides), and other commercial illumination such as external flood-lights, displays, neon signs at departmental stores, malls, multiplexes, theatres, clubs, hotels and other such establishments
o) Temporary supply for any of the activity not covered under Residential category

   Provided that Temporary supply consumer shall pay 1.5 time applicable fixed/demand charges and applicable 1.25 time energy charge.

   Provided further that temporary supply for operating Fire-Fighting pumps and equipment in residential or other premises shall be charged as per the Tariff category applicable to such premises.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
(A) 0-20 kW	Rs. 385 per month	1.35	5.26
(B) > 20 kW and ≤ 50 kW	Rs. 320 per kVA per month	1.35	5.31
(C) > 50 kW	Rs. 320 per kVA per month	1.35	5.65
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
(A) 0-20 kW	Rs. 405 per month	1.44	5.13
(B) > 20 kW and ≤ 50 kW	Rs. 335 per kVA per month	1.44	5.17
(C) > 50 kW	Rs. 335 per kVA per month	1.44	5.53
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
(A) 0-20 kW	Rs. 425 per month	1.46	4.92
(B) > 20 kW and ≤ 50 kW	Rs. 355 per kVA per month	1.46	4.96
(C) > 50 kW	Rs. 355 per kVA per month	1.46	5.31
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
(A) 0-20 kW	Rs. 450 per month	1.47	4.82
(B) > 20 kW and ≤ 50 kW	Rs. 375 per kVA per month	1.47	4.86
(C) > 50 kW	Rs. 375 per kVA per month	1.47	5.20
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
(A) 0-20 kW	Rs. 475 per month	1.49	4.71
(B) > 20 kW and ≤ 50 kW	Rs. 395 per kVA per month	1.49	4.78
(C) > 50 kW	Rs. 395 per kVA per month	1.49	5.12
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

The ToD Tariff is applicable to the LT-II (B) and (C) categories, and optionally available to LT- II (A) category consumers having ToD meter installed.

<u>LT III: LT- Industry:</u>

LT III (A): LT - Industry upto 20 kW load
LT III (B): LT - Industry, above 20 kW load

<u>Applicability:</u>
This Tariff category is applicable for electricity for Industrial use, at Low/Medium Voltage, for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, etc.

It is also applicable for use of electricity / power supply for Administrative Offices / Canteens, Recreation Hall / Sports Club or facilities / Health Club or facilities/ Gymnasium / Swimming Pool exclusively meant for employees of the industry; lifts, water pumps, fire-fighting pumps and equipment, street and common area lighting; Research and Development units, dhobi/laundry, etc. -

Provided that all such facilities are situated within the same industrial premises and supplied power from the same point of supply;

This Tariff category shall also be applicable for use of electricity / power supply by an Information Technology (IT) or IT-enabled Services (ITeS) Unit as defined in the applicable IT/ITeS Policy of Government of Maharashtra.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

a) Flour Mill, Dal Mill, Rice Mill, Poha Mill, Masala Mill, Saw Mill;
b) Ice Factory, Ice-cream manufacturing units, Milk Processing / Chilling Plants (Dairy);
c) Engineering Workshops, Engineering Goods Manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Retreading units; and Vulcanizing units;
d) Mining, Quarrying and Stone Crushing units;
e) Garment Manufacturing units;
f) LPG/CNG bottling plants, etc.;
g) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the LT – Public Water Works category;
h) Start-up power for Generating Plants, i.e. the power required for trial run of a Power Plant during Commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);
i) Brick Kiln (Bhatti);
j) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
k) Cold Storages not covered under LT V (B) – Agriculture (Others);
l) Food (including seafood and meat) Processing units.
m) Stand-alone Research and Development units
n) Auxiliary Consumption for Transmission Sub-stations.
o) Telecommunications Towers

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 385 per month	1.35	4.99
LT III (B): Above 20 kW	Rs. 320 per kVA per month	1.35	5.24
TOD Tariffs (Optional- in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 405 per month	1.44	4.75
LT III (B): Above 20 kW	Rs. 335 per kVA per month	1.44	5.02
TOD Tariffs (Optional- in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 425 per month	1.46	4.61
LT III (B): Above 20 kW	Rs. 355 per kVA per month	1.46	4.88
TOD Tariffs (Optional- in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 450 per month	1.47	4.51
LT III (B): Above 20 kW	Rs. 375 per kVA per month	1.47	4.78
TOD Tariffs (Optional- in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 475 per month	1.49	4.44
LT III (B): Above 20 kW	Rs. 395 per kVA per month	1.49	4.67
TOD Tariffs (Optional- in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Note:

a) *The ToD Tariff is compulsorily applicable to LT III (B) (i.e., above 20 kW), and optionally available to LT- III (A) (i.e., up to 20 kW) having ToD meter installed.*

LT IV: Public Services

LT IV (A): LT - Government Educational Institutions and Hospitals

Applicability:

This Tariff category is applicable for electricity supply at Low/Medium Voltage for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres and Pathology Laboratories; Public Sanitary Conveniences; Libraries and public reading rooms - of the State or Central Government or Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.;

It shall also be applicable for electricity used for Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Hospitals, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 385 per month	1.35	5.42
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 405 per month	1.44	5.19
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 425 per month	1.46	5.07
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 450 per month	1.47	4.97
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 475 per month	1.49	4.89
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Note:

a) *The ToD Tariff is compulsorily applicable to the LT IV (A) category with Contract Demand/Sanctioned Load above 20 kW; and optionally available to the LT IV (A) category with Contract Demand/Sanctioned Load up to 20 kW having ToD meter installed.*

LT IV (B): LT - Public Services - Others

Applicability:

This Tariff category is applicable for electricity supply at Low/Medium Voltage for:

a) Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres and Pathology Laboratories; Libraries and public reading rooms - other than those of the State or Central Government or Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.

Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions /Health Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;

b) All Students Hostels affiliated to Educational Institutions;
c) All other Students' or Working Men/Women's Hostels;
d) Other types of Homes/Hostels, such as (i) Homes/Hostels for Destitutes, Disabled Persons (physically or mentally handicapped persons, etc.) and mentally ill persons (ii) Remand Homes (iii) Dharamshalas, (iv) Rescue Homes, (v) Orphanages - subject to verification and confirmation by the Distribution Licensee's concerned Zonal Chief Engineer or equivalent;
e) All offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats; Police Stations and Police Chowkies; Post Offices; Armed Forces/Defence and Para-Military establishments;
f) Service-oriented Spiritual Organisations;
g) State or Municipal/Local Authority Transport establishments, including their Workshops;
h) Fire Service Stations; Jails, Prisons; Courts;
i) Airports;
j) Ports and Jetties;
k) Railway/Metro/Monorail Stations, including Shops, Workshops, Yards, etc., if the supply is at Low/ Medium Voltage.
l) Waste processing units not covered under LT IV category.
m) lighting of public streets/ thorough fares which are open for use by the general public
   Provided that Street lights in residential complexes, commercial complexes, industrial premises, etc. will be billed at the Tariff of the respective applicable categories.
n) Lighting in Public Gardens (i.e. which are open to the general public free of charge);
o) Traffic Signals and Traffic Islands;
p) Public Water Fountains;
q) Lighting of Such other public places open to the general public free of charge.
r) pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and waste processing units

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 385 per month	1.35	5.43
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 405 per month	1.44	5.14
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 425 per month	1.46	5.03
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 450 per month	1.47	4.93
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 475 per month	1.49	4.85
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Note:

a) *The ToD Tariff is compulsorily applicable to the LT IV (B) category with Contract Demand/Sanctioned Load above 20 kW; and optionally available to the LT IV (B) category with Contract Demand/Sanctioned Load up to 20 kW having ToD meter installed.*

LTV (A): LT - Agriculture - Pumpsets

Applicability:

This Tariff category is applicable for motive power supplied for agricultural metered pumping loads, and for one lamp of wattage up to 40 to be connected to the motive power circuit for use in pump-houses at Low/Medium Voltage.

It is also applicable for power supply for cane crushers and/or fodder cutters for self-use for agricultural processing operations, but not for operating a flour mill, oil mill or expeller in the same premises, either operated by a separate motor or a change of belt drive.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 40 per HP per month	1.35	2.46

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 40 per HP per month	1.44	2.30

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 40 per HP per month	1.46	2.21

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 40 per HP per month	1.47	2.13

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 40 per HP per month	1.49	2.04

Note:

a) Consumers who avail power supply at High Voltage for the above purposes shall also be billed as per this Tariff category.

LT V (B): LT – Agriculture– Others

Applicability:

This Tariff category is applicable for use of electricity / power supply at Low / Medium Voltage for:

a) Pre-cooling plants and cold storage units for Agricultural Products – processed or otherwise;

b) Poultries exclusively undertaking layer and broiler activities, including Hatcheries;

c) High-Technology Agriculture (i.e. Tissue Culture, Green House, Mushroom cultivation activities), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;

d) Floriculture, Horticulture, Nurseries, Plantations, Aquaculture, Sericulture, Cattle Breeding Farms, etc.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 90 per kW per month	1.35	3.95

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 90 per kW per month	1.44	3.76

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 90 per kW per month	1.46	3.64

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 90 per kW per month	1.47	3.53

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 90 per kW per month	1.49	3.41

Note:

a) Consumers who avail power supply at High Voltage for the above purposes shall also be billed as per this Tariff category.

LT VI: LT – Electric Vehicle (EV) Charging Stations

Applicability:

This Tariff category is applicable for Electric Vehicle Charging Station including battery swapping station for electric vehicle.

In case the consumer uses the electricity supply for charging his own electric vehicle at his premises, the tariff applicable shall be as per the category of such premises.

Electricity consumption for other facilities at Charging Station such as restaurant, rest rooms, convenience stores, etc., shall be charged at tariff applicable to Commercial Category.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 70 per kVA per month	1.35	4.15
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 70 per kVA per month	1.44	4.06
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 70 per kVA per month	1.46	4.04
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 70 per kVA per month	1.47	4.03
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab (kWh)	Fixed/ Demand Charge	Wheeling Charge (Rs./kWh)	Energy Charge (Rs./kWh)
All Units	Rs. 70 per kVA per month	1.49	4.01
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

HIGH TENSION (HT) TARIFF

HT I: HT – Industry

Applicability:

This Tariff category is applicable for electricity for Industrial use at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, etc.

It is also applicable for use of electricity / power supply for Administrative Offices / Canteen, Recreation Hall / Sports Club or facilities / Health Club or facilities/ Gymnasium / Swimming Pool exclusively meant for employees of the industry; lifts, water pumps, fire-fighting pumps and equipment, street and common area lighting; Research and Development units, etc. -

Provided that all such facilities are situated within the same industrial premises and supplied power from the same point of supply.

This Tariff category shall be applicable for use of electricity / power supply by an Information Technology (IT) or IT-enabled Services (ITeS) Unit as defined in the applicable IT/ITes Policy of Government of Maharashtra.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

a) Flour Mills, Dal Mills, Rice Mills, Poha Mills, Masala Mills, Saw Mills;
b) Ice Factories, Ice-cream manufacturing units, Milk Processing / Chilling Plants (Dairy);
c) Engineering Workshops, Engineering Goods manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Retreading units, and Vulcanizing units;
d) Mining, Quarrying and Stone Crushing units;
e) Garment Manufacturing units;
f) LPG/CNG bottling plants, etc.;
g) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the HT – Public Services (Others);
h) Start-up power for Generating Plants, i.e., the power required for trial run of a Power Plant during Commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);
i) Brick Kiln (Bhatti);
j) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
k) Cold Storages not covered under LT V (B) – Agriculture (Others);
l) Food (including Seafood and meat) Processing units.
m) Stand-alone Research and Development units
n) Telecommunications Tower

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 320 per kVA per month	-	5.65
HV	Rs. 320 per kVA per month	0.46	5.65
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 335 per kVA per month	-	5.55
HV	Rs. 335 per kVA per month	0.50	5.55
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 355 per kVA per month	-	5.43
HV	Rs. 355 per kVA per month	0.50	5.43
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 375 per kVA per month	-	5.28
HV	Rs. 375 per kVA per month	0.51	5.28
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 395 per kVA per month	-	5.11
HV	Rs. 395 per kVA per month	0.51	5.11
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Note:

a) *Demand Charge shall be applicable at the rate of 25% of the above rates on the start-up demand contracted by the Power Plant (as referred to at (h) above) with the Distribution Licensee.*

HT II: HT- Commercial

Applicability:

This Tariff category is applicable for electricity used at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) in non-residential, non-industrial and/or commercial premises for commercial consumption meant for operating various appliances used for purposes such as lighting, heating, cooling, cooking, washing/cleaning, entertainment/ leisure and water pumping in, but not limited to, the following premises:

a) Non-Residential, Commercial and Business premises, including Shopping Malls and Showrooms;
b) Combined lighting and power services for facilities relating to Entertainment, including film studios, cinemas and theatres (including multiplexes), Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment;
c) Offices, including Commercial Establishments;
d) Marriage Halls, Hotels / Restaurants, Ice-cream parlours, Coffee Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths and Fax / Photocopy shops;
e) Automobile and all other types of repairs, servicing and maintenance centres (unless specifically covered under another Tariff category); Retail Gas Filling Stations, Petrol Pumps & Service Stations, including Garages;
f) Tailoring Shops, Computer Training Institutes, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons;
g) Banks and ATM centres, Telephone Exchanges, TV Stations, Micro Wave Stations, Radio Stations;
h) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;

i) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;

j) External illumination of monuments/ historical/heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;

k) Construction of all types of structures/ infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

Note:

Residential LT consumers with consumption above 500 units per month (current month of supply) and who undertake construction or renovation activity in their existing premises shall not require a separate Temporary category connection but be billed at the LT-II Commercial Tariff;

l) Milk Collection Centres;

m) Sewage Treatment Plant/ Common Effluent Treatment Plant for Commercial Complexes , not covered under the Public Services or Industrial category;

n) advertisements, hoardings (including hoardings fixed on lamp posts/installed along roadsides), and other commercial illumination such as external flood-lights, displays, neon signs at departmental stores, malls, multiplexes, theatres, clubs, hotels and other such establishments

o) Temporary supply for any of the activity not covered under any other HT category

Provided that Temporary supply consumer shall pay 1.5 time applicable fixed/demand charges and 1.25 time applicable energy charge.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 320 per kVA per month	-	6.01
HV	Rs. 320 per kVA per month	0.46	6.01
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 335 per kVA per month	-	5.91
HV	Rs. 335 per kVA per month	0.50	5.91
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 355 per kVA per month	-	5.74
HV	Rs. 355 per kVA per month	0.50	5.74
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 375 per kVA per month	-	5.53
HV	Rs. 375 per kVA per month	0.51	5.53
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 395 per kVA per month	-	5.35
HV	Rs. 395 per kVA per month	0.51	5.35
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Note:

a) *A consumer in the HT II category requiring single-point supply for the purpose of downstream consumption by separately identifiable entities shall have to operate as a Franchisee authorised as such by the Distribution Licensee; or such downstream entities shall be required to take separate individual connections and be charged under the Tariff category applicable to them.*

HT III: HT - Group Housing Society (Residential)

Applicability:

Entities supplied electricity at a single point at High Voltage (33 kV/11 kV) for residential purposes in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:

a) a Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes; and
b) a person, for making electricity available to its employees residing in the same premises for residential purposes.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 320 per kVA per month	0.46	5.63

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 335 per kVA per month	0.50	5.47

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 355 per kVA per month	0.50	5.45

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 375 per kVA per month	0.51	5.39

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 395 per kVA per month	0.51	5.34

HT IV- Railways/Metro/Monorail

This Tariff category is applicable to power supply at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) for Railways, Metro and Monorail, including Stations and Shops, Workshops, Yards, etc.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 320 per kVA per month	-	5.33
HV	Rs. 320 per kVA per month	0.46	5.33

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 335 per kVA per month	-	5.40
HV	Rs. 335 per kVA per month	0.50	5.40

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 355 per kVA per month	-	5.46
HV	Rs. 355 per kVA per month	0.50	5.46

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 375 per kVA per month	-	5.40
HV	Rs. 375 per kVA per month	5.40	5.40

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 395 per kVA per month	-	5.35
HV	Rs. 395 per kVA per month	5.35	5.35

HT V - Public Services

HT V – (A): HT - Government Educational Institutions and Hospitals

Applicability:

This Tariff category is applicable for electricity supply at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres and Pathology Laboratories; Libraries and public reading rooms - of the State or Central Government, Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.;

It shall also be applicable for electricity used for Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for the students / faculty/ employees/ patients of such Educational Institutions and Hospitals.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 320 per kVA per month	-	5.43
HV	Rs. 320 per kVA per month	0.46	5.43
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 335 per kVA per month	-	5.18
HV	Rs. 335 per kVA per month	0.50	5.18
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 355 per kVA per month	-	5.16
HV	Rs. 355 per kVA per month	0.50	5.16
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 375 per kVA per month	-	4.93
HV	Rs. 375 per kVA per month	0.51	4.93
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 395 per kVA per month	-	4.83
HV	Rs. 395 per kVA per month	0.51	4.83
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

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<u>HT V - (B): Public Service - Others</u>

This Tariff category is applicable for electricity supply at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) for:

a) Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres and Pathology Laboratories; Libraries and public reading rooms - other than those of the State or Central Government, Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samities, Gram Panchayats, etc.
Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;

b) All Students Hostels affiliated to Educational Institutions;

c) All other Students' or Working Men/Women's Hostels;

d) Other types of Homes/Hostels, such as (i) Homes/Hostels for Destitutes, Disabled Persons (physically or mentally handicapped persons, etc.) and mentally ill persons (ii) Remand Homes (iii) Dharamshalas, (iv) Rescue Homes, (v) Orphanages - subject to verification and confirmation by the Distribution Licensee's concerned Zonal Chief Engineer or equivalent;

e) All offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats;

Police Stations and Police Chowkies; Post Offices; Armed Forces/Defence and Para-Military establishments;

f) Service-oriented Spiritual Organisations;

g) State or Municipal/Local Authority Transport establishments, including their Workshops;

h) Fire Service Stations; Jails, Prisons; Courts;

i) Airports;

j) Ports and Jetties.

k) pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and waste processing units

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 320 per kVA per month	-	5.88
HV	Rs. 320 per kVA per month	0.46	5.88
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 335 per kVA per month	-	5.62
HV	Rs. 335 per kVA per month	0.50	5.62
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 355 per kVA per month	-	5.59
HV	Rs. 355 per kVA per month	0.50	5.59
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 375 per kVA per month	-	5.46
HV	Rs. 375 per kVA per month	0.51	5.46
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
EHV	Rs. 395 per kVA per month	-	5.44
HV	Rs. 395 per kVA per month	0.51	5.44
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

<u>HT VI: HT – Electric Vehicle (EV) Charging Stations</u>

<u>Applicability:</u>

This Tariff category is applicable for Electric Supply at High Voltage (33 kV/11 kV) for Electric Vehicle Charging Station including battery swapping station for Electric Vehicle.

In case the consumer uses the electricity supply for charging his own electric vehicle at his premises, the tariff applicable shall be as per the category of such premises.

Electricity consumption for other facilities at Charging Station such as restaurant, rest rooms, convenience stores, etc., shall be charged at tariff applicable to Commercial Category.

Tariff w.e.f. 1 April, 2020 to 31 March, 2021

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 70 per kVA per month	0.46	5.04
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2021 to 31 March, 2022

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 70 per kVA per month	0.50	5.00
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2022 to 31 March, 2023

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 70 per kVA per month	0.50	5.00
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2023 to 31 March, 2024

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 70 per kVA per month	0.51	4.99
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

Tariff w.e.f. 1 April, 2024 to 31 March, 2025

Consumption Slab	Fixed/ Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
HV	Rs. 70 per kVA per month	0.51	4.99
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours			-
0900 to 1200 hours			0.50
1200 to 1800 hours			-
1800 to 2200 hours			1.00
2200 to 0600 hours			(0.75)

MISCELLANEOUS AND GENERAL CHARGES

Fuel Adjustment Charge (FAC) Component of Z-factor Charge

The Fuel Adjustment Charge (FAC) component of the Z-factor Charge will be determined in accordance with the formula specified in the relevant Multi Year Tariff Regulations and any directions that may be given by the Commission from time to time, and will be applicable to all consumer categories for their entire consumption.

In case of any variation in the fuel prices and power purchase prices, the Distribution Licensee shall pass on the adjustments through the FAC component of the Z-factor Charge accordingly.

The details of the applicable ZFAC for each month shall be available on the Distribution Licensee's website www.bestundertaking.com.

Electricity Duty and Tax on Sale of Electricity

Electricity Duty and Tax on Sale of Electricity shall be levied in addition to the Tariffs approved by the Commission, and in accordance with the Government of Maharashtra stipulations from time to time. The rate and the reference number of the Government Resolution/ Order under which the Electricity Duty and Tax on Sale of Electricity are applied shall be stated in the consumers' energy bills. A copy of such Resolution / Order shall be provided on the Distribution Licensee's website www.bestundertaking.com.

Power Factor Computation

Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average Power Factor during the billing period shall be applied:

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

Wherein the kVAh is = $\sqrt{\sum(\mathrm{KWh})^2 + \sum(\mathrm{RkVAh\ Lag} + \mathrm{RkVAh\ Lead})^2}$

Further, average PF so computed can be considered as leading or lagging based on the following test:

If "RkVAh lead" > "RkVAh lag" then "Average P.F." is to be treated as "Lead P.F."

If "RkVAh lead" = < "RkVAh lag" then "Average P.F." is to be treated as "Lag P.F."

Power Factor Incentive

Applicable for LT II: Non-Residential/Commercial [LT II (B), LT II (C)] (for Contract Demand/Sanctioned Load above 20 kW), LT III (B): Industry above 20 kW, , LT IV : Public Service [LT IV (A) and LT IV (B)], and LT VI – Electric Vehicle (EV) Charging Stations having contract demand/sanctioned load above 20 kW.
Whenever the average Power Factor is more than 0.95 (lag or lead) and upto 1, an incentive shall be given at the rate of the following percentages of the amount of the monthly electricity bill, excluding Taxes and Duties:

Sl.	Range of Power Factor	Power Factor Level	Incentive
1	0.951 to 0.954	0.95	0.0%
2	0.955 to 0.964	0.96	0.5%
3	0.965 to 0.974	0.97	1.0%
4	0.975 to 0.984	0.98	1.5%
5	0.985 to 0.994	0.99	2.5%
6	0.995 to 1.000	1.00	3.5%

Note: *Power Factor shall be measured/computed upto 3 decimals, after universal rounding off.*

Power Factor Penalty

Applicable for LT II: Non-Residential/Commercial [LT II (B), LT II (C)] (for Contract Demand/Sanctioned Load above 20 kW), LT III (B): Industry above 20 kW, LT IV : Public Service [LT IV (A) and LT IV (B)], and LT VI – Electric Vehicle (EV) Charging Stations having contract demand/sanctioned load above 20 kW.

Whenever the average PF is less than 0.9 (lag or lead), penal charges shall be levied at the rate of the following percentages of the amount of the monthly electricity bill, excluding Taxes and Duties:

Sl.	Range of Power Factor	Power Factor Level	Penalty
1	0.895 to 0.900	0.90	0.0%
2	0.885 to 0.894	0.89	1.0%
3	0.875 to 0.884	0.88	1.5%
4	0.865 to 0.874	0.87	2.0%
5	0.855 to 0.864	0.86	2.5%
6	0.845 to 0.854	0.85	3.0%
7	0.835 to 0.844	0.84	3.5%
8	0.825 to 0.834	0.83	4.0%
9	0.815 to 0.824	0.82	4.5%
10	0.805 to 0.814	0.81	5.0%
...	...	...	...

Note: *Power Factor shall be measured/computed upto 3 decimals, after universal rounding off.*

Prompt Payment Discount

A prompt payment discount of one percent of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills within 7 days from the date of their issue.

Delayed Payment Charges

In case the electricity bill is not paid within the due date mentioned on the bill, delayed payment charges on the billed amount, including the taxes, cess, duties, etc., shall be levied on simple interest basis at the rate of 1.25% on the billed amount for the first month of delay.

Discount for Digital Payment

A discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/-, shall be provided to LT category consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets, etc.

Discount for E-bill

A discount of Rs. 10 per consumer per bill shall be provided for those opting for E-bills through written/email confirmation. No hard copy of the bills shall be generated for such consumers.

Rate of Interest on Arrears

The rate of interest chargeable on the arrears of payment of billed dues shall be as given below:

Sr. No.	Delay in Payment (months)	Interest Rate per annum (%)
1	Payment made after 60 days and before 90 days from the date of billing	12%
2	Payment made after 90 days	15%

Load Factor Incentive

Consumers having Load Factor above 75% and upto 85% will be entitled to an incentive in the form of 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 above 85 % will be entitled to a rebate of 1% on the Energy Charges for every percentage point increase in Load Factor from 85%. The total rebate will be subject to a ceiling of 15% of the Energy Charges applicable to the consumer.

This incentive is applicable only to consumers in the Tariff categories HT I: Industry, HT II: Commercial and HT IV: Public Services - HT IV (A) and HT IV (B) only.

The Load Factor incentive will be available only if the consumer has no arrears with the Distribution Licensee, and payment is made within seven days from the date of the electricity bill. However, it will be available to consumers in whose case payment of arrears in instalments has been allowed by the Distribution Licensee, and such payment is being made as scheduled. The Distribution Licensee shall take a commercial decision on the schedule for such payments.

The Load Factor is to be computed as follows:

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

Maximum consumption possible = Contract Demand (kVA) × Unity Power Factor × (Total no. of hours during the month, less actual interruptions hours recorded on meter for billing period)

In case the consumer exceed its Contract Demand (including during the non-peak hours, i.e., 22:00 hrs to 06:00 hrs.) in any particular month, the Load Factor Incentive will not be payable to the consumer in that month.

Penalty for exceeding Contract Demand

In case a consumer (availing Demand-based Tariff) exceeds his Contract Demand, he will be billed at the applicable Demand Charge rate for the Demand actually recorded, and also be charged an additional amount at the rate of 150% of the applicable Demand Charge (only for the Demand in excess of the Contract Demand).

Under these circumstances, the consumer shall not be liable for any other action under Section 126 of the EA, 2003, since the penal additional Demand Charge provides for the penalty that the consumer is liable to pay for exceeding his Contract Demand. In case a consumer exceeds his Contract Demand on more than three occasions in a calendar year, the action to be taken would be governed by the provisions of the Supply Code Regulations.

Additional Demand Charges for Consumers having Captive Power Plant

For consumers having a Captive Power Plant, additional Demand Charges at the rate of Rs. 20/kVA/month shall be payable only on the extent of the Stand-by demand component and not on the entire Contract Demand. The additional Demand Charges will be levied on the Stand-by component only if the consumer's demand exceeds his Contract Demand.

Consumers' Security Deposit

1) Subject to the provisions of Section 47(5) of the Electricity Act, 2003, the Distribution Licensee shall require any person to whom supply of electricity has been sanctioned to deposit an amount as security in accordance with the provisions of Section 47(1) (a).

2) The amount of the Security Deposit shall be equal to the average of three months' of billing or the billing cycle period, whichever is lesser. For determining the average billing, the average of the billing to the consumer for the last twelve months or, where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered

3) Where the Distribution Licensee requires security from a consumer at the time of commencement of service, the amount of such security shall be estimated based on the Tariff category and Contract Demand/Sanctioned Load, Load Factor, diversity factor and number of working shifts of the consumer.

4) BEST shall re-calculate the amount of Security Deposit payable, based on the actual billing of the consumer, once in each financial year.

5) Where the amount of Security Deposit maintained by the consumer is higher than the security required to be maintained under the Supply Code Regulations, the Distribution Licensee shall refund the excess amount to the consumer in a single instalment.

6) Such refund shall be made upon a request of the person who gave the security, and with intimation to the consumer if different from such person; and shall be made, at the option of such person, by way of adjustment in the next bill or by way of a separate cheque payment within 30 days from the receipt of such request;

7) No refund shall be required to be made where the amount of refund does not exceed 10% of the amount of the Security Deposit required to be maintained by the consumer or Rs. 300/-, whichever is higher.

8) Where the amount of security re-assessed as above is higher than the Security Deposit of the consumer, the Distribution Licensee shall be entitled to raise a demand for additional security deposit. The consumer shall be given not less than 30 days to deposit the additional security pursuant to such demand.

9) Upon termination of supply, the Distribution Licensee shall, after recovery of all amounts due, refund the remaining amount of security to the person who deposited it, with intimation to the consumer if different from such person.

10) A consumer - (i) with a consumption of electricity of not less than one lakh kilo-Watt hours per month; and (ii) with no undisputed sums payable to the Distribution Licensee under Section 56 of the Electricity Act, 2003 may, at the option of such consumer, deposit security by way of cash, irrevocable letter of credit or unconditional Bank Guarantee issued by a scheduled commercial Bank.

11) The Distribution Licensee shall pay interest on the amount of Security Deposit in cash (including by cheque or demand draft) at the Bank Rate declared by the Reserve Bank of India as on 1st April of the financial year for which the interest is payable, provided that the amount of such cash Deposit maintained by the consumer is at least Rs. 50/-.

12) Interest on the Security Deposit made in cash shall be payable from the date of its deposit by the consumer till the date of dispatch of the refund by the Distribution Licensee.

Definitions

Maximum Demand:

Maximum Demand in kilo-Watts or kilo-Volt Amperes, in relation to any period shall, unless otherwise provided in any general or specific Order of the Commission, mean twice the highest number of kilo-watt-hours or kilo-Volt Ampere hours supplied and taken during any consecutive thirty minute blocks in that period.

Contract Demand:

Contract Demand means the demand in kilo-Watt (kW) or kilo–Volt Amperes (kVA), mutually agreed between the Distribution Licensee and the consumer as entered into in the agreement or agreed through other written communication. (For conversion of kW into kVA, the Power Factor of 0.80 shall be applied.)

Sanctioned Load:

Sanctioned Load means the load in kW mutually agreed between the Distribution Licensee and the consumer.

Billing Demand - LT Tariff categories:

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.

Note:

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*
- *In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change in Contract Demand is effected.*

Billing Demand - HT Tariff categories:

Monthly Billing Demand will be the higher of the following:

a) Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;
b) 75% of the highest Billing Demand recorded during the preceding eleven months, subject to the limit of Contract Demand;
c) 55% of the Contract Demand*.

*For FY 2020-21: 55%, FY 2021-22: 60%, FY 2022-23: 65%, FY 2023-24: 70%, FY 2024-25: 75%

Note:

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*
- *In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change of Contract Demand is effected.*