

Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE NO. 207 of 2024

In the matter of
Case of The Brihanmumbai Electric Supply and Transport Undertaking (BEST) for
approval of True-up of Aggregate Revenue Requirement (ARR) for FY 2022-23 and
FY 2023-24, Provisional True-up of FY 2024-25 and ARR Projections and Multi Year
Tariff for 5th Control Period from FY 2025-26 to FY 2029-30

Coram

Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

Date: 28 March, 2025

ORDER

The Brihanmumbai Electric Supply and Transport Undertaking (**BEST**) filed its Multi Year Tariff (**MYT**) Petition for the approval of Truing-up of Aggregate Revenue Requirement (**ARR**) for FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25, and approval of ARR Projections and Multi Year Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30.

The Petition has been filed in accordance with the MERC (Multi Year Tariff) Regulations, 2019 (**“MYT Regulations, 2019”**) and its amendments thereof for the Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25 and approval of the ARR Projections and Multi Year Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30 in accordance with the MERC (Multi Year Tariff) Regulations, 2024 (**“MYT Regulations, 2024”**)

In exercise of its power conferred under Section 62 (read with Section 61) and Section 86 of the Electricity Act, 2003 (**“EA, 2003”**) and all other powers enabling it on this behalf, and after taking into consideration the submission made by BEST, the public and the stakeholders and all other relevant material, the Commission issues the following Order.

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LIST OF ABBREVIATIONS

A&G	Administrative and General
AEML	Adani Electricity Mumbai Limited
ABT	Availability Based Tariff
ACoS	Average Cost of Supply
APDRP	Accelerated Power Development Programme
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AT&C	Average Technical & Commercial Losses
AVG	Average
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BPL	Below Poverty Line
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CPI	Consumer Price Index
CR	Crore
CSD	Consumer Security Deposit
CWIP	Capital work in progress
D.A.	Dearness Allowance
DPR	Detailed Project Report
DSM	Demand Side Management
DSM	Deviation Settlement Mechanism
DSS	Distribution Sub-Station
ED	Electricity Duty
EHV	Extra High Voltage
EV	Electric Vehicle
FAC	Fuel Adjustment Cost
FBSM	Final Balancing & Settlement Mechanism
FY	Financial Year
GA	General Administration
GFA	Gross Fixed Assets
GDAM	Green Day Ahead Market
GTAM	Green Term Ahead Market
HBA Index	Harga Batubara Acuan Index
Hosp	Hospital
HT	High Tension
HV	High Voltage
IDC	Interest During Construction

IEX	Indian Energy Exchange
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
LV	Low Voltage
M.TAX	Maharashtra Tax
MCGM	Municipal Corporation of Greater Mumbai
MERC	Maharashtra Electricity Regulatory Commission
MMC	Mumbai Municipal Corporation
MMRDA	Mumbai Metropolitan Region Development Authority
MOD	Merit Order Dispatch
MoU	Memorandum of Understanding
MPL	Manikaran Power Limited
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.
MSETCL	Maharashtra State Electricity Transmission Company Limited
MEDA	Maharashtra Energy Development Agency
MMC Act, 1888	The Mumbai Municipal Corporation Act, 1888
MoP	Ministry of Power, Government of India
MPA	Mumbai Port Authority
MSLDC	Maharashtra State Load Despatch Centre
MYT	Multi Year Tariff
MU	Million Units
MW	MegaWatt
MYT	Multi-Year Tariff
NCLT	National Company Law Tribunal
NEF	National Electricity Fund
OD	Overdraft
O&M	Operation and Maintenance
PF	Power Factor
PPA	Power Purchase Agreement
PWW	Public Water Works
R&M	Repair and Maintenance
RE	Renewable Energy
REC	Renewable Energy Certificate

RoE	Return on Equity
RSS	Receiving Sub Station
RPO	Renewable Purchase Obligation
RPS	Renewable Power Source
RS	Rupees
RSS	Receiving Sub-Station
SCADA	Supervisory Control And Data Acquisition
SCH	School
SoP	Standard of Performance
SECI	Solar Energy Corporation of India
SLDC	State Load Despatch Centre
STU	State Transmission Utility
SWPGL	Sai Wardha Power Generation Ltd
TCR	Transmission Capacity Rights
TTSC	Total Transmission System Cost
TVS	Technical Validation Session
ToD	Time of Day
TPC-G	The Tata Power Company-Generation Business
WEF	With Effect From
WPI	Wholesale Price Index
WRPC	Western Regional Power Committee
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), an urban local government established under the Mumbai Municipal corporation Act, 1888 (MMC Act, 1888). 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 the erstwhile Tata Electric Company (presently The Tata Power Company Ltd.). In 1947, the Bombay Electric Supply & Tramways Company was municipalised and came to be known as the Bombay Electric Supply and Transport Undertaking, which was later changed to Brihanmumbai Electric Supply and Transport Undertaking. BEST distributes electricity from Colaba in South Mumbai to Sion/Mahim, which falls under North Mumbai.
- 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 the enactment of the Electricity Act, 2003, the revenue of electricity utilities was approved under the 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, since 'Local Authority' was exempted from the provision 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. MYT Regulations

- 1.2.1. The Commission notified the MYT Regulations, 2019 on 1 August, 2019, which was amended subsequently on 10 February, 2023 and 8 June, 2023. These Regulations are applicable for the 4th Control Period from FY 2020-21 to FY 2024-25.

- 1.2.2. Subsequently, the Commission notified the MYT Regulations, 2024 on 19 August, 2024. These Regulations are applicable for the 5th Control Period from FY 2025-26 to FY 2029-30, and as may be extended by the Commission.

1.3. Petition and Main Prayers of BEST

- 1.3.1. BEST has filed its MYT Petition on 29 November, 2024 for Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up of FY 2024-25 in accordance with the MYT Regulations, 2019 and its amendments thereof and approval of the Multi Year Tariff Projections for the 5th Control Period from FY 2025-26 to FY 2029-30, in accordance with the MYT Regulations, 2024. The Commission sought replies on the data gaps vide email dated 9 December, 2024, 26 December, 2024 and 20 February, 2025. BEST submitted its replies on 20 December, 2024 and 23 February, 2025.
- 1.3.2. The Technical Validation Session (TVS) was held on 26 December, 2024. The list of persons who attended the TVS is annexed as **Appendix – 1**. BEST filed the revised Petition on 8 January, 2025, incorporating the replies to the queries raised in the data gaps and clarification on the issues raised during the TVS. The main Prayers of BEST in its revised Petition are as under:

“1) Admit the MYT Petition for the 5th MYT Control Period in accordance with Regulation 5.1(a) of the MERC (Multi Year Tariff) Regulations, 2024;

2) Approve the final true-up for FY 2022-23 and FY 2023-24 and provisional true-up of FY 2024-25 and consequential Revenue Gap/(Surplus) in accordance with MERC (MYT) Regulations, 2019 and MERC (MYT) Regulations, 2024, as submitted by BEST;

3) Approve the projected ARR for the MYT Control Period from FY 2025-26 to FY 2029-30, as proposed by BEST in the Petition;

4) Incorporate the impact of the revision in Intra-State Transmission Losses, Intra-State Transmission Charges, STU Fees and Charges, and MSLDC Fees and Charges, as being approved by the Hon'ble Commission in other Petitions filed by the respective Utilities;

5) Approve the mechanism for recovery of computed Revenue Gap/(Surplus) along with carrying/(holding) cost and Tariff Schedule considering the Tariff Design principles and other suggestions proposed by BEST;

- 6) Approve the category-wise Fixed/Demand Charges at par with that approved for TPC-D and AEML-D;*
- 7) Verify the Compliance of RPO targets by BEST for FY 2022-23 and FY 2023-24 under RPO Regulations, 2019;*
- 8) Allow the fulfilment of any shortfall of RPO for FY 2022-23 and FY 2023-24 in FY 2024-25 by purchase of REC's;*
- 9) Allow BEST to carry forward the shortfall in RPO compliance of 4th Control Period, if any, to the next Control Period considering surplus tied up capacity (SECI 400 MW Hybrid Power and SECI 234 MW Solar Power);*
- 10) Allow power procurement from SECI from April 2025 as the delay is caused by CTU transmission constraints which are uncontrollable in nature;*
- 11) Consider only 50% of the projected Capitalisation for the purpose of projection of ARR and Tariff for the MYT Control Period;*
- 12) Consider the request of BEST in terms of certain claims made in the Petition on actual basis rather than normative basis in the true-up period of FY 2022-23 and FY 2023-24;*
- 13) Consider the Smart Meter Scheme expenses under Opex Scheme and allow Smart Meter Scheme expenses over and above normative O&M expenses in accordance with Regulation 84.7 of the MYT Regulations, 2019 and Regulation 93.5 and 103.5 of MYT Regulations, 2024;*
- 14) Determine Green Power Tariff in accordance with the MoP Rules for the State as a while or alternatively, continue the existing Green Power Tariff of Rs. 0.66/kWh for the consumers opting for meeting its 100% of power requirement through RE sources;*
- 15) Allow to retain the existing ToD tariff framework for BEST in the MYT Order and defer the implementation of revised ToD tariff till next Control Period/MTR Petition;*
- 16) Approve the Schedule of Charges proposed by BEST at par with the Schedule of Charges being approved for TPC-D;*

17) 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;

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

1.4. Admission of the Petition and Public Consultation Process

- 1.4.1. The Commission admitted the Petition on 14 January, 2025 and directed BEST to publish a Public Notice in accordance with Section 64 of the EA, 2003 in the prescribed format and manner and to reply expeditiously to any suggestions and objections received.
- 1.4.2. BEST published the Public Notice while inviting the suggestions and objections in the daily newspapers Indian Express and Free Press Journal (English), Loksatta and Pudhari (Marathi) on 18 January, 2024. The Petition and its Executive Summary were made available for inspection/purchase at BEST's offices and website (www.bestundertaking.com). The Public Notice and Executive Summary of the Petition were also made available on the website of the Commission (www.merc.gov.in) in downloadable format.
- 1.4.3. The Commission received written suggestions and objections on the MYT Petition. The e-Public Hearing was held on 17 February, 2025. Oral submissions made at the Public Hearing have been summarised under **Section 2** of this Order. The list of persons who attended the e-Public Hearing is provided under **Appendix – 2**.
- 1.4.4. The Commission has ensured that the due process contemplated under the law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to everyone to express their views.
- 1.4.5. The suggestions and objections made in writing as well as during the Public Hearing, along with the BEST's responses and the Commission's rulings have been summarised under **Section 2** of this Order.

1.5. Organisation of the Order

- 1.5.1. This Order is organised in the following Sections:
 - **Section 1** of the Order provides a brief history of the quasi-judicial regulatory process undertaken by the Commission.

- **Section 2** of the Order deals with Suggestions/Objections, BEST's responses and the Commission's Rulings.
- **Section 3** of the Order details out the Truing-up of the expenses and revenue of BEST for FY 2022-23 and FY 2023-24 in accordance with the MYT Regulations, 2019 and its amendments thereof.
- **Section 4** of the Order details out the Provisional True-up of the ARR for FY 2024-25 in accordance with the MYT Regulations, 2019 and its amendments thereof.
- **Section 5** of the Order details out the Multi Year Tariff (**MYT**) Projections of the ARR for the 5th Control Period from FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations, 2024.
- **Section 6** of the Order deals with the Tariff Philosophy adopted by the Commission and category-wise Tariff approved for the MYT 5th Control Period from FY 2025-26 to FY 2029-30.
- **Section 7** of the Order deals with the Schedule of Charges.
- **Section 8** of the Order deals with the Compliance to Directives.
- **Section 9** of the Order deals with the applicability of the present Order.

2. SUGGESTIONS/OBJECTIONS, BEST'S RESPONSES AND THE COMMISSION'S RULINGS

2.1. **Background**

- 2.1.1. The suggestions/objections received from Stakeholders and the Commission's views thereon have been summarized in the following paragraphs. It may be noted that all the suggestions given by the stakeholders upto 10 February, 2025 (i.e. within the stipulated time as per Public Notice issued by BEST) or otherwise submissions made as directed by the Commission have been considered. The Commission has attempted to discuss all the suggestions as well as the Commission's decisions on each suggestion, however, in case any suggestion is not specifically discussed, it does not mean that the same has not been considered.
- 2.1.2. Mr Rajesh Nayak, Mr Rajendra Thacker, Mr Gaurang Damani, Mr Jay Bhuta, Mr. Mohnaaz Shaikh, Shri Kim Jong Amu, Mr Uday Shenoy, Mr Arshad Malik, Mr Altaf Solkar have supported to suggestions/Objections of Mr. Kamlakar Shenoy.

2.2. **Payment of Standby Charges**

Suggestions/Objections

- 2.2.1. MSEDCL has submitted the Standby arrangement with BEST to be continued and payment of BEST's share of Standby Charges to be considered for the projections of 5th Control Period while approving MYT of BEST.
- 2.2.2. Mr. Kamalakar Shenoy and Indian Hotels and Restaurant Association (AHAR) has suggested that BEST is providing Rs 94.01 crores for Standby Power while there is hardly any requirement for Standby Power. The other power Distribution Licensees in Mumbai are not making provisions to pay Standby Charges to MSEDCL, BEST should reduce ARR by that amount.

BEST's Response

- 2.2.3. The Commission has already taken up the matter in respect of Standby Charges in Petition filed by AEML-D (Case No 1 of 2024) and TPC-D (Case No. 136 of 2024). BEST has already filed its submissions before the Commission in the said matters.
- 2.2.4. BEST has made additional submissions in respect of alternate options available with it meet the demand in case of forced outages. Further, MSEDCL's contention that BEST is yet to seek approval from the Commission for discontinuation of Standby

Charges is incorrect as BEST has sought approval from the Commission in this MYT Petition itself.

- 2.2.5. BEST requests the Commission not consider Standby arrangement.

Commission's Ruling

- 2.2.6. TPC-D has filed Case No 136 of 2024 in respect of discontinuance of Standby arrangement with MSEDCL. AEML-D, the other Licensee (TPC-D) in Mumbai has also filed similar Petition being Case No 1 of 2024 in respect Standby arrangement. All Distribution Licensees in Mumbai are required to be heard in the matter. BSET has also filed its submission in the said matters. The Commission will decide the matter after hearing all the parties. The Commission in the present Order has considered Standby Charges as submitted by BEST without going into the merit of the issue subject to outcome of Case No 136 of 2024 and Case No 1 of 2024 pending before the Commission.

2.3. Electric Vehicle (EV) Charging Tariff

Suggestion/Objection

- 2.3.1. Mr. Blasé D'Souza and Mr. N. Ponrathnam submitted that Fixed Charges for EV Charging Tariff should be made Nil and that there should be flat tariff rate of Rs 5/unit and also there should incentive of 2 Rs/unit under ToD tariff for LT Category for use in 10 PM to 6 AM.

BEST's Response

- 2.3.2. BEST submitted that the Tariff Structure proposed by BEST in its MYT Petition for EV Charging Station is in line with the tariff approved by the Commission in MTR Order dated 31 March, 2023 in Case No 212 of 2022. Fixed and Energy Charges are based in Average Cost of Supply.

Commission's Ruling

- 2.3.3. The Commission has determined single part tariff near to Average Cost of Supply and removed fixed charges as per guidelines dated 17 September, 2024 issued by MoP, GOI. The detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order.

2.4. Tariff Reduction due to Higher RE Purchase

Suggestions/Objections

- 2.4.1. Mr Blasé D'Souza submitted that due to reduction in RE tariff and by almost 50% in last 10 years, there should not be any increase in tariff and tariff for immediate 3 years must be capped at less than 40% from the current rate.

BEST's Response

- 2.4.2. BEST submitted that it has executed long/medium term PPAs for various conventional and RE generators. BEST also intends to procure more economical RE power to optimise the power purchase cost. It has already entered into Power Sale Agreement (PSA) with SECI for procurement of Wind-Solar Hybrid at Rs. 2.48/kWh and Rs 2.71/kWh. The power flow will commence from FY 2025-26 onwards.
- 2.4.3. BEST has proposed tariff revision based on ARR projections made in accordance with provisions of the MYT Regulations, 2024 and Average Cost of Supply.

Commission's Ruling

- 2.4.4. The Commission has considered renewable energy while approving the power purchase cost for the 5th Control Period and it is observed that there is reduction in Average Power Purchase Cost (APPC) of BEST. Lower APPC has resulted in decrease in tariff for the 5th Control Period as compared to existing tariff for FY 2024-25. The detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order.

2.5. Advance Payment Option

Suggestions/Objections

- 2.5.1. Mr Blasé D'Souza submitted that the condition having no default for previous 9 months in respect of advance payment option should be removed in the interest of Consumers and Licensees.

BEST's Response

- 2.5.2. BEST submitted that condition having no default is for previous 12 months and not 9 months. BEST will comply with any changes as directed by the Commission.

Commission's Ruling

- 2.5.3. The Commission has included the pre-condition of not allowing the Advance Payment option for defaulting consumer so as to bring discipline amongst defaulting consumer to take benefit of new initiative introduced by the Commission in the Tariff Order. However, considering the suggestion, the Commission is inclined to remove such conditions of no default, as advance payment will not only provide low cost working capital to Distribution Licensee but also help in reducing instances of default by consumer. Hence, the Commission is modifying the condition of advance payment and any consumer (including defaulting consumer) can avail such option of advance payment.

2.6. Virtual Net Metering

Suggestions/Objections

- 2.6.1. Mr. Blasé D'Souza submitted that Virtual Net Metering scheme should be extended to commercial users upto 20 kW connection.

BEST's Response

- 2.6.2. BEST submitted that the issue is outside the scope of present MYT Petition filed by BEST.

Commission's Ruling

- 2.6.3. The Commission notes the submissions of the stakeholder as well as BEST. In its Statement of Reasons for Regulations allowing Virtual Net metering, the Commission has provided reasons for restricting such facility only to residential consumers in multi-storied building. This aspect is not pertinent to the present Tariff proceedings; therefore, the Commission has not dealt with this issue any further in this Order.

2.7. kVAh Billing

Suggestions/Objections

- 2.7.1. Mr. N. Ponrathnam submitted that the tariff should be determined on kWh basis rather than kVAh basis. He added that the issue of Power Factor should not come into tariff. Also, Distribution Loss can be negative if billing is in kVA.

BEST's Response

- 2.7.2. BEST submitted that that Energy Charges are billed in kVAh for HT categories which automatically reflects power factor. BEST also submitted that distribution loss is being calculated on kWh units only.

Commission's Ruling

- 2.7.3. The Commission has clearly elaborated the rationale for adopting the kVAh based billing for selected categories to begin with, in the past Tariff Orders, and the same need not being repeated here for sake of brevity.

2.8. Issuance of Public Notice

Suggestions/Objections

- 2.8.1. Mr. N. Ponrathnam submitted that the Public Notice should be circulated along with the bills or sent by email and electronic media at least in the next Public Hearing, as consumers who are most affected are unaware of the Public Hearings.

BEST's Response

- 2.8.2. In accordance with Regulation 14.6 of the MYT Regulations 2024, BEST published a public notice in two English and two Marathi newspapers.

Commission's Ruling

- 2.8.3. The publication of the Public Notice has been done in accordance with the provisions of the MYT Regulations, 2024. Further, the Commission has also directed Distribution Licensee to send email/SMS to their consumers about their tariff Petition. The Commission will expect from BEST to take proactive measures as suggested in next Tariff Petition for larger publicity and awareness among the consumers.

2.9. Change in Slabs of Electricity Bill

Suggestions/Objections

- 2.9.1. Mr Ganesh Relekar suggested to change the first slab to 0-200 units and next slab as 201-500 considering the change in lifestyle and increase in usage of electricity.

BEST's Response

- 2.9.2. BEST submitted that the Commission has approved uniform slabs for Residential Category and existing slabs are in force for several years. BEST further submitted that around 29% of BEST's residential consumers and 36% of the consumption of residential category falls within 0-100 units consumption slab.

Commission's Ruling

- 2.9.3. The detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order.

2.10. Levy of Wheeling Charges

Suggestions/Objections

- 2.10.1. Mr Kamlakar Shenoy, India Hotel and Restaurant Association (AHAR) and Malcolm Rodrigues have objected to the consideration of Wheeling Charges proposed by BEST. The levy of wheeling charges was illegal and contrary to the letter and spirit of Electricity Act, 2003 and to be refunded to consumers with interest.

BEST's Response

- 2.10.2. BEST submitted that the businesses of Distribution Wires and Supply are intertwined as without a distribution network, BEST would not be able to supply electricity to its consumers. Therefore, as per the present tariff framework, expenses of Distribution Licensee are divided into Wire and Retail Supply Business. Recovery of charges of Wires Business are made through Wheeling Charges and that of Supply Business through Fixed/Demand Charges and Energy Charges. Retail Consumers use services of both segments of Distribution Licensee i.e., Wires as well Supply.
- 2.10.3. In earlier years, the entire ARR was being recovered through Fixed/ Demand and Energy charges and there was no segregation of Network and Other cost. Therefore, wheeling charges are part of ARR recovery and proposed according to Electricity Act, 2003, MYT Regulations, 2015, MYT Regulations, 2019 and MYT Regulations, 2024. Wires Business ARR is being determined separately from the MYT Order for FY 2015-16 and Wheeling Charges are being determined separately and levied to all consumers and not only open access consumers. There is no violation of provisions of Act, Rules, Regulations and Orders of the Commission.

Commission's Ruling

2.10.4. The Distribution Licensee undertakes two distinct businesses i.e. Wheeling (Wires) and the Supply (Retail). The business of owning and operating the distribution network is called as the Distribution Wires Business (Wires Business), as distinct from the Retail Supply Business, which has a contract with the end consumer for supply of electricity and enters into long-term and short term power purchase contracts with generators/traders for the required quantum of electricity. These two functions of the Distribution Licensee are evident from following definition under the EA, 2003 as follows:

*“2 (17) “distribution licensee” means a licensee authorised to **operate and maintain a distribution system** for **supplying electricity** to the consumers in his area of supply”;*

2.10.5. Section 61 of the EA 2003 empowers the Appropriate Commission to specify the terms and conditions for the determination of Tariff and is guided by the factors to be considered while determining tariff. Section 62 of the EA 2003 requires the State Electricity Regulatory Commission (SERC) to determine the tariff for Wheeling and Retail supply of electricity. Section 42 of the EA 2003 requires the SERC to introduce open access in the distribution system in a phased manner and stipulates that the duties of the distribution licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access. Also, under Section 9 of the EA 2003, captive consumers are required to pay wheeling charges for availing open access. Therefore, wheeling charges are to be paid by any person for availing open access using the distribution licensee's network.

2.10.6. The Commission in its Multi Year Tariff Regulations and various Tariff Orders for distribution licensees, has directed the distribution licensees to separate the accounting of wires related costs and supply related costs and also file separate Annual Revenue Requirement (ARR) for Wires and Supply Business, which is essential for unbundling of cost and tariff components and forms a pre-requisite for appropriate determination of Wheeling Charges. The wires cost is further segregated into different voltages of the distribution network for determination of the voltage wise wheeling charges. Accordingly, Wheeling Charges, so determined, are shown separately for every consumer of distribution licensee as a part of tariff so that consumers are aware of tariff for Wire Business of a Distribution Licensee.

2.10.7. Sections 42, 62 and 86 of the EA 2003 allows Commission to determine the Wheeling Charges. Also, Regulation 73 of the MYT Regulations, 2019, allows the Commission

to determine the Wheeling Charges of the Distribution Licensee in terms of Rupees/kWh or Rupees/kVAh or Rupees/kW/month or Rupees/kVA/month, for the purpose of recovery from the Distribution System User.

“73.2 The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of a Petition for determination of Tariff filed by the Distribution Licensee in accordance with Part B of these Regulations:

Provided that the Wheeling Charges may be denominated in terms of Rupees/kWh or Rupees/kVAh or Rupees/kW/month or Rupees/kVA/month, for the purpose of recovery from the Distribution System User, or any such denomination, as may be stipulated by the Commission:

Provided further that the Wheeling Charges shall be determined separately for LT voltage, HT voltage, and EHT voltage, as applicable:”

- 2.10.8. Regulation 91.2 of the MYT Regulations, 2024 also has similar provision in respect of determination of Wheeling Charges. Consumption at a particular voltage level utilises the network at that voltage as well as at all higher voltages. Accordingly, as HT network is used for supply power to LT consumers, cost of HT network is appropriately apportioned to LT consumers while computing LT wheeling Charges. Whereas as LT network is used only for LT consumers; while computing Wheeling Charges, cost of LT network is allocated to LT consumers only. Accordingly, the Commission is approving voltage wise Wheeling Charges (EHT, HT & LT) for the consumers.
- 2.10.9. The Commission in the MTR Order dated 12 September, 2018 in Case No. 203 of 2017 has already explained the basis for levying Wheeling Charges. As required under the 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 is necessary for effective performance monitoring of Distribution Licensee and introducing the competition in the electricity sector.

2.10.10. Further when the Commission was not approving wheeling charge as a separate component for electricity consumer, it was recovered through Energy Charge. Now when Wheeling Charges is being shown separately, Energy Charge is reduced to that extent. Hence, in both cases, total tariff being paid by consumer for respective year is same. Hence, showing separate Wheeling Charge in electricity tariff does not have any impact on the consumer.

2.10.11. Objectors have relied upon provision of the Electricity Act which states that consumer opting for Open Access has to pay Wheeling Charges and not the other consumers. Such interpretation is not correct. Said provision of the Act is for insulating the Open Access consumers from impact of charges of Supply Business (except surcharge) as it is not procuring power from Distribution Licensee and hence it mandates that only Wheeling Charges and Surcharge to be paid by Open Access consumer. But in case of retail consumer, as it is utilising wires and supply business services of the Distribution Licensee, it has to pay wheeling charges (for Wire Business) and Demand/Fixed Charges & Energy Charge (for Supply Business).

2.11. Two Pager Summary of the ARR shall be provided to each Consumer along with Bill

Suggestions/Objections

2.11.1. Mr. Kamlakar Shenoy has suggested that the MYT tariff Petition is very voluminous, huge, complicated and misleading for an ordinary consumer to understand. On earlier occasions during arguments for revoking the collection of TDLR we have requested that a simple synopsis in simple language be provided to each consumer in the style and manner which can be understood by an average citizen/ consumer.

BEST's Response

2.11.2. BEST has submitted that the requisite information pertaining to the ARR has been furnished on the Executive summary that has been submitted along with the MYT Petition, in accordance with the directions of the Commission. Furthermore, the necessary information has been provided in the Public Notice published in the newspaper, adhering to the format provided by the Commission. Therefore, BEST considers that the desired information has been provided in a crisp and ready format as desired by the Stakeholder. However, BEST requests the Commission to decide appropriately on these issues. BEST will comply with any directives issued by the Commission in the regards for the subsequent tariff process.

Commission's Ruling

- 2.11.3. The Commission has noted the suggestions of Mr. Kamlakar Shenoy and the submissions of BEST. The Commission is of the view that, Executive Summary should cover the gist of entire Petition for interest of Stakeholders. However, BEST may consider further improvising the same for future tariff Petitions for ease of reference for the Stakeholders.

2.12. Offenses Committed

Suggestions/Objections

- 2.12.1. Mr. Kamlakar Shenoy has submitted that the public servants have to come with clean hands before the Commission. However, this MYT Petition appears to be full of misrepresentations and concealment of true facts. On this grounds itself this MYT Petition shall be refused and dismissed for increase if tariffs

BEST's Response

- 2.12.2. BEST disagrees with Shri Kamlakar R. Shenoy's assertion that the MYT Petition contains misrepresentations. BEST affirms that the information presented in the MYT Petition are accurate and complete, without any concealment of true facts.

Commission's Ruling

- 2.12.3. The Commission notes that the MYT Petition by BEST is in accordance with the provisions of the EA, 2003 and MYT Regulations, 2019 and MYT Regulations, 2024. Further, the Commission has scrutinised the Petition and has issued the present Order after prudence check.

2.13. Ineligibility under Revamped Distribution Section Scheme (RDSS)

Suggestions/Objections

- 2.13.1. Mr. Kamlakar Shenoy and AHAR has objected that BEST Undertaking is Undertaking of Municipal Corporation of Greater Mumbai (MCGM). BEST Undertaking is not State-Owned Electricity Distribution Company. Hence, BEST Undertaking is not eligible entity under RDSS Scheme.

BEST's Response

- 2.13.2. BEST disagrees with the assertion that BEST Undertaking is ineligible under the RDSS Scheme. BEST clarifies that it is a Public Undertaking and a Local Authority. The Power Finance Corporation (PFC), vide Letter Ref. 02:10: RDSS: 2021: I: BEST dated 21 November, 2022, has recognized BEST's eligibility under the RDSS and subsequently approved financial assistance for project implementation of Projects under Revamped Distribution Sector Scheme (RDSS) of Govt. of India in the State of Maharashtra. Furthermore, the Commission has also conveyed its kind approval for the DPRs vide MERC/CAPEX/2023-24/0628 and MERC/CAPEX/2023-24/0023 dated 22 November, 2023 and 9 January, 2024, respectively, for implementation of various schemes under RDSS.
- 2.13.3. In fact, in the stakeholder's own submission in issue related to Smart Meters has recognized that BEST is eligible under RDSS and that PFC has conveyed approval to the Capex proposed by BEST under RDSS.
- 2.13.4. Hence, there is no basis for the contention that BEST is not eligible under RDSS, and hence, the same deserves to be rejected as misleading and false.

Commission's Ruling

- 2.13.5. The Commission notes the submission of BEST. The Scheme has been approved by the PFC and accordingly the in-principal approval is given by the Commission to BEST for the implementation of RDSS Scheme.

2.14. Appointment of AMISP (M/s Adani Transmission Ltd.)

Suggestions/Objections

- 2.14.1. Mr. Kamlakar Shenoy and AHAR has objected on the appointment of the AMISP, where the tender condition was changed after opening bid to "Execution of prepaid smart metering project". It is further submitted that there is increase in cost of smart meters vis-à-vis the cost approved by PFC. Also, the Commission is not the appropriate authority for approval of the Smart Metering DPR.

BEST's Response

- 2.14.2. As regards the appointment of the AMISP (M/s Adani Transmission Ltd -ATL.), BEST confirmed that a transparent, open-tendering process was conducted via the GeM

Portal. BEST strongly refuted the stakeholder's assertion that this appointment is illegal, void or unlawful.

- 2.14.3. BEST strongly refuted the allegations that the Tender for "Appointment of AMISP for implementing Smart Meters in BEST" has been issued without due approval. BEST confirmed that all due internal approvals from the appropriate authorities have been obtained before floating the said tender.
- 2.14.4. As regards the increase in cost of Smart Meters vis-à-vis the cost approved by PFC, BEST submitted that the actual cost submitted to the Commission was based on the actual discovered rates after competitive bidding. This fact was disclosed to the Commission while seeking its approval for the Smart Metering DPR, as the amount approved by PFC was based on earlier estimates. The Commission, while approving the DPR, has also recognized that BEST has carried out an open tendering process for "Appointment of AMISP for implementing Smart Meters in BEST". Thus, there is no infirmity regarding the process adopted by BEST or in the rates discovered through open tendering. It may be noted that the rates discovered by BEST are in line with the rates discovered by other Distribution Licensees in the country, which are much higher than the rate considered by PFC while conveying its approval for the Smart Metering programme.
- 2.14.5. As regards the stakeholder's contention that the Commission is not the appropriate authority for approval of the Smart Metering DPR, BEST is a Distribution Licensee regulated by the Commission and submitted the DPR for approval of the Commission in accordance with the applicable Regulations notified by the Commission. BEST requires the approval of the Commission for recovery of costs incurred by it, for supplying electricity to its consumers. BEST has received the necessary approvals from the Commission for the Smart Metering project in accordance with the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022.
- 2.14.6. Also, it is clarified that though the Commission has approved the pre-paid Smart Metering capital expenditure, BEST has installed only post-paid Smart Meters and conversion of such post-paid Smart Meters to pre-paid Smart Meters shall be done only if the respective consumer exercise this option, else, the Smart Meters shall continue as post-paid Smart Meters.

Commission's Ruling

2.14.7. The Commission notes the submission. The Commission upon the perusal of the submissions by BEST as part of capex approval of smart meter as well as in present Petition is of the view that award of the Work to AMISP by BEST is concluded through transparent bidding process after conducting e-reverse auction wherein ATL was lowest bidder. The Commission has scrutinised the documents and accordingly, given approval to BEST for Smart Metering DPR in accordance with the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022.

2.15. Solar Farms installation in Bus Depots

Suggestions/Objections

2.15.1. Mr. Kamalakar Shenoy and Indian Hotels and Restaurant Association (AHAR) has suggested that Solar Farms be installed in Bus depot by creating roof and on the top. There could be solar panel while the bus will operate below. This will reduce power purchase cost of BEST.

BEST's Response

2.15.2. BEST submitted that the Bus Depots are part of the Transport Division of BEST, which is not regulated by the Commission, and the costs or profits/losses of the Transport Division of BEST are not the subject matter of the present MYT Petition. Hence, this issue is not a subject matter of the present MYT Petition.

Commission's Ruling

2.15.3. The Commission notes the submission. Suggestion of installing rooftop solar on Bus Depot will help BEST to meet its RPO and reduce its power purchase expenses. Hence, BEST should explore the feasibility of such suggestions and strive to utilise all available roofs for solar generation.

2.16. EV Charging Facility in Bus Depots

Suggestions/Objections

2.16.1. Mr. Kamalakar Shenoy and AHAR has suggested that that EV charging facility be made available in Bus Depot, where by managing movement of fleet, space could be made available for EV charging during daytime. BEST can supply the electricity being distributed by it and charge for EV Charging service being provided.

BEST's Response

- 2.16.2. BEST submitted that the Bus Depots are part of the Transport Division of BEST, which is not regulated by the Commission, and the costs or profits/losses of the Transport Division of BEST are not the subject matter of the present MYT Petition. Hence, this issue is not a subject matter of the present MYT Petition.
- 2.16.3. However, it may be noted that EV Charging facilities are currently operational within the Bus Depots and are accessible for public use.

Commission's Ruling

- 2.16.4. The Commission notes the submission. As stated by BEST, EV Charging facilities are already being provided at its Bus Depots. **BEST shall strive to increase such facilities for promoting EV as well as increasing its energy sale.**

2.17. Introduce Trams to replace Buses

Suggestions/Objections

- 2.17.1. Mr. Kamalakar Shenoy and AHAR has suggested that BEST can once again introduce Trams to replace Buses being run on fossil fuel, at purchase cost of less than Rs per unit and electricity supply being available in house, this would reduce huge expenses of diesel, wet lease cost as well as reduce pollution.

BEST's Response

- 2.17.2. BEST submitted that this issue is outside the scope of the present MYT Petition filed by BEST.

Commission's Ruling

- 2.17.3. The submission is not pertinent to the present Tariff proceedings; therefore the Commission has not dealt with this issue.

2.18. Payment of MCGM Dividends

Suggestions/Objections

- 2.18.1. Mr. Kamalakar Shenoy and AHAR has suggested that BEST Undertaking would have surplus of more than Rs 500 crores in 2024-25 and as it does not have to pay any dividends to MCGM the same should be reduced in ARR.

BEST's Response

- 2.18.2. BEST submitted that it does not pay any dividends to MCGM, and no such expenses have been claimed in the Petition.

Commission's Ruling

- 2.18.3. The Commission notes that neither BEST has claimed any dividend, if any paid to MCGM nor the same has been allowed by the Commission in ARR.

2.19. Power Purchase from Walwhan Solar Energy @ Rs. 8.56/kWh

Suggestions/Objections

- 2.19.1. Mr. Kamalakar Shenoy and AHAR has suggested that the Walwan Solar Energy is being purchased for Rs.8.56 per unit while the existing Solar Power Rates in IEX is Rs 3.75/kWh. BEST is paying approximately Rs 17 crores more and that needs to be reduced or supplier replaced.

BEST's Response

- 2.19.2. BEST submitted that it has executed long-term PPA with Walwhan Solar Energy for purchase of solar power at the rate of Rs. 8.56/kWh, which has been duly approved by the Commission. These PPAs, once finalized, shall be governed by the terms and conditions agreed therein and without any stipulated default under the contract, revocation of these PPAs cannot be done. Hence, during the tenure of the PPA, BEST shall continue to procure power at the rate of Rs. 8.56/kWh, as it is not desirous of defaulting vis-à-vis the contractual provisions. BEST has also contracted from other sources for procurement of RE power at much lower rates, and the purchase from Walwhan Solar is only a small proportion of the total power procurement.

Commission's Ruling

- 2.19.3. The Commission notes the submission. The Commission has already discussed in detail regarding approval of Power purchase in Section 3, 4 and 5 of the Order.

2.20. Inflated Operation and Maintenance Costs

Suggestions/Objections

- 2.20.1. Mr. Kamalakar Shenoy AHAR has suggested that BEST Undertaking has inflated Operation and Maintenance Cost by Rs 155.75 crores. The operational and

maintenance expenses are Rs 669.72 crores but while Provisional Truing up it has increased the same to Rs 825.47 crores. So, while determining ARR the correct O&M expense be considered.

BEST's Response

- 2.20.2. BEST submitted that it has computed the Normative O&M Expenses for Provisional True-up for FY 2024-25 in accordance with Regulation 75.3 of the MYT Regulations, 2019, which specifies the O&M Expenses are to be computed on the basis of normative O&M Expenses escalated by WPI and CPI indices of the last 5 years in the ratio of 70:30, including the year of Truing-up. Accordingly, BEST has arrived at the normative O&M Expenses of Rs. 696.36 Crore for FY 2024-25. Further, BEST submitted that it has been undertaking installation of Smart Meters in strict adherence with the regulatory framework, including the RDSS guidelines, MERC Regulations, and MoP Guidelines. Accordingly, BEST has claimed OPEX expenditure of Rs. 49.11 Crore towards installation of Smart Meters over and above the normative O&M Expenses for FY 2024-25.
- 2.20.3. Furthermore, BEST submitted that the arrears of the previous Wage Revision Agreement (w.e.f. 2016) are partially paid to the officers/management cadre during H1 of FY 2024-25 amounting to Rs. 80 Crore. Accordingly, BEST has claimed Rs. 80 Crore towards payment of Arrears over and above the normative O&M Expenses, in accordance with the MYT Regulations, 2019. Therefore, effectively BEST has justifiably claimed Rs. 825.47 Crore towards O&M Expenses in the Provisional True-up for FY 2024-25.
- 2.20.4. Hence, there is no merit in the stakeholder's contention that BEST has inflated the claim of O&M expenses for FY 2024-25.

Commission's Ruling

- 2.20.5. The Commission has approved O&M expenses in Section 4 of the Order for FY 2024-25.

2.21. Disallowance of additional Tariff recovery from Consumers till legality of Smart Meters installed is decided

Suggestions/Objections

- 2.21.1. Mr. Kamalakkar Shenoy and AHAR objected on the legality towards the implementation of Smart Meter Scheme by BEST and submitted that additional tariff recovery be disallowed till the said issue is decided.

BEST's Submission

- 2.21.2. BEST disagrees with the Objector's contention that Smart Meters, which have been installed, are illegal. BEST is implementing Smart Meters installation in accordance with the MoP Electricity (Rights of Consumers) Rules, 2020, and after due approval of the Commission.
- 2.21.3. The relevant extract of the MoP Electricity (Rights of Consumers) Rules, 2020 is reproduced below:

"5. Metering – (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter.

...."

- 2.21.4. Further, CEA has amended its Metering Regulations, and as per Clause 4(1)(b), all new consumer meters shall be smart meters with pre-payment feature. The relevant extract from the Central Electricity Authority (Installation and operation of meters) Amendment Regulations, 2019 is reproduced below:

"Provided that the existing meters, other than Smart Meters, shall be replaced with Smart Meters with pre-payment feature within a time frame as specified by the Central Government"

- 2.21.5. Furthermore, the Ministry of Power (MoP), Government of India (GoI), vide Letter dated 26 February, 2021, has communicated as under:

"I am directed to refer to Ministry of Power's letters dated 16.08.2018, 02.08.2019 & 07.08.2020 (copies enclosed) and to say that all the States must have taken steps and prepared a road map for shifting over to smart pre-

payment meters/pre-payment meters. Some of the States have already started implementation of pre-payment meters at the consumer levels.

.....

*The Electricity (Rights of Consumers) Rules, 2020 has been notified on 31.12.2020 and as per this Rule, **no connection shall be given without a meter and such meter shall be the Smart pre-payment meter or pre-payment meter.***

.....

Accordingly, the Discoms are required to implement the above provision. No specific approval is required from State Commission in this regard.

....

Further, the following stipulations may be indicated in the Scheme to be proposed by the States:-

- I. No connection shall be given without a meter and such meter shall be the smart prepayment meter or prepayment meter.*
- II. Any faulty meter shall be replaced only by smart prepayment meter or prepayment meter.*
- III. The existing post-paid meters should be replaced within 3 years.***

.....”

- 2.21.6. Further, BEST had submitted the Detailed Project Report (DPR) for installation of Smart Meters for the approval of the Commission, and the Commission has conveyed its kind approval for the DPR vide MERC/CAPEX/2023-24/0628 dated 22 November, 2023.
- 2.21.7. BEST incurs cost payable to the AMISP for the Smart Meter under the TOTEX Model, wherein the cost of the Smart Meter and the recurring cost towards meter reading are to be paid to the AMISP. Therefore, BEST has included TOTEX expenditure towards Smart Meters over and above the normative O&M Expenses in strict adherence to the MoP Rules and MERC MYT Regulations.

- 2.21.8. Thus, there is no illegality as alleged by the stakeholder, in the installation of Smart Meters, and BEST requests the Commission to approve the recovery of TOTEX cost, in addition to the normative O&M expenses, as claimed by BEST in its MYT Petition.

Commission's Ruling

- 2.21.9. The Commission notes the Smart Meter is being implemented nationwide in line with The Electricity (Rights of Consumers) Rules, 2020 issued by MoP, GOI. Further, the Smart Meter scheme proposed by BEST has been approved by the PFC and accordingly the in-principal approval is given by the Commission to BEST for the implementation of RDSS Scheme, in accordance with the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022.

2.22. Rs. 27,000/- Crore spent on Smart Meters

Suggestions/Objections

- 2.22.1. Mr. Kamalakar Shenoy objected regarding the BEST's spends of Rs. 27,000 Crore on Smart Meters.

BEST's Response

- 2.22.2. BEST disagrees with the stakeholder's contention that BEST has proposed to incur expenditure of Rs. 27,000 Crore towards implementation of Smart Meters. BEST clarifies that the Commission, in its approval of the DPR vide MERC/CAPEX/2023-24/0628 dated 22 November, 2023 has approved Capex of Rs. 1303.16 Crore for the implementation of Smart Metering System. Accordingly, BEST has claimed TOTEX over and above normative O&M Expenses in the present Petition.

Commission's Analysis and Ruling

- 2.22.3. The implementation of the Smart meter Scheme is allowed by the Commission in lines with the applicable Regulations and complete prudence check of the DPR submitted by the Licensee. Accordingly, upon following the due process the Commission has allowed the Scheme in-principal cost of Rs. 1303 Crore. Hence, the contention of the stakeholder of BEST spending Rs. 27,000 Crore is incorrect.

2.23. Replies to RTI Queries

Suggestions/Objections

- 2.23.1. Mr. Kamalakar Shenoy objected that BEST has not responded to its several RTI queries.

BEST's Response

- 2.23.2. BEST submitted that the stakeholder's contention that BEST has not replied to the information sought by the stakeholder under RTI is factually incorrect, as BEST has responded to the RTI queries within the stipulated deadline. BEST submitted that moreover, this issue is not within the purview of the present MYT Petition filed by BEST, and relief desired by the stakeholder, if any, has to be sought under the framework laid down in the RTI Act.

Commission's Ruling

- 2.23.3. The Commission is of the view that this aspect is neither pertinent to the present Tariff proceedings nor under the purview of the Commission, therefore the Commission has not dealt with this issue.

2.24. Smart Meters are being used as Electronic Meters (Issue of Manual Billing)

Suggestions/Objections

- 2.24.1. AHAR has objected that BEST is utilising its Smart Meters like the Electronic Meter by taking Manual readings.

BEST's Response

- 2.24.2. BEST clarifies that the meter reading for the Smart Meters installed is done remotely. Manual meter reading is reported to only in the limited number of cases (~4-5%) where Smart Meters are not yet fully configured. However, even these meter readings are provided by the AMISP and BEST's meter readers are not reading the meters.

Commission's Ruling

- 2.24.3. The Commission notes the submission. BEST has submitted that the Smart Metering scheme will be completed by March 2026, accordingly, the complete infrastructure is also expected to be ready for the remote billing facility of consumers through Smart Meters.

2.25. Notice for the Replacement of Smart Meter gives no Choice of Meter

- 2.25.1. Mr. Kamlakar Shenoy has objected that, the Notice given by BEST to its consumers for the replacement of Smart Meter does not gives the choice to the Consumer to buy meter, which is contempt of the Commission's Order dated 20 December 2023 in Case No. 203 of 2022 under para. 12.

Commission's Analysis and Ruling

- 2.25.2. The Commission has noted the objection. Objector have relied on Order in Case No. 203 of 2022 to oppose installation of smart meter. But in the said Case No. 203 of 2022, the Petitioner has infact requested for installation of Smart Meter. Relevant para form Order in Case No. 203 of 2022 is reproduced below:

"3.9. TPL is violating MERC Supply Code Regulations, 2021 and CEA Regulations by replacing digital meter with digital meter whereas as per the Regulations, existing meter shall be replaced only by Smart Meter or Meter having at least the facility of remote reading."

Hence, above case does not support contention of the Objector in the present matter. Further, in its Order in Case No. 203 of 2022, the Commission has just made an observation based on Respondent's submission in that matter that based on provisions of Regulations, they are providing choice to the consumer to purchase their own meter. Para. 12 of the referred Order dated 20 December, 2023 in Case No. 203 of 2022 is reproduced below:

"12. The Commission also observes that the Section 55 of the Electricity Act, 2003 allows the consumer to purchase the meter and TPL has been providing the choice to the consumer accordingly. To create more awareness, the Commission directs TPL to demonstrate such choice to the consumer in the notices issued by them for replacement of meters"

- 2.25.3. Option of purchasing meter referred in the above Order is based on the following provisions of the Supply Code Regulations 2021

"15.1.2 Wherever required, suitable switchgear of the appropriate rating and specification shall be installed in addition to the meter by the Distribution Licensee:

*At the time of releasing a new connection, the Distribution Licensee shall not recover any cost towards meter and allied equipment. **The Consumer may also opt***

to purchase the meter and allied equipment himself, provided the same are of a specification approved by the Distribution Licensee from time to time:

Provided that where the Consumer elects to purchase the meter and allied equipment from a supplier other than the Distribution Licensee, the same shall be purchased from the approved list of suppliers which shall be uploaded by the Distribution Licensee on its Website:

Provided further that that in case the consumer elects to purchase the meter from the approved sources, the Distribution Licensee shall be entitled to test the correctness of the meter prior to the installation:

Provided further that Distribution Licensee shall complete the process of testing and installation of meter purchased by Consumer within Seven (7) days of meter being handed over to the Licensee by the Consumer."

As can be seen from above provisions of the Regulations, even if the consumer has opt to purchase meter, such meter shall be as per specification approved by the Distribution Licensee.

2.25.4. Meter specification of the Distribution Licensee is governed by the CEA Metering Regulations which clearly mandates for installation of Smart meter. Hence, when the consumer opts for purchase of meter, said meter must be compliant with CEA Regulations which mandates installation of Smart Meter.

2.25.5. As per mandate of CEA Regulations and policies of the Government of India, BEST is in the process of replacing the existing meters with the Smart Meter. If the consumer wants the option to purchase its own Smart Meter, BEST shall provide such option as per provisions of Supply Code Regulations.

2.26. Recovery of Cost of Smart Meters should be Fixed Cost rather than Variable Cost

Suggestions/Objections

2.26.1. AHAR has suggested that BEST shall recover its Cost of Smart Meters through Fixed Cost rather than Variable Cost.

BEST's Response

2.26.2. BEST submitted that it has proposed recovery of the amount payable to the AMISP for the Smart Meters under fixed costs, categorized as TOTEX, over and above

normative O&M expenses, in strict adherence to the Rules, Regulations and Orders of the Commission. However, it may be noted that only a part of BEST's fixed costs are recovered through Fixed/Demand Charges and the balance portion of BEST's fixed costs are recovered through Energy Charges.

Commission's Ruling

- 2.26.3. The Commission notes the submission. The Commission has discussed recovery of the Annual Aggregate Revenue for the respective year under the Section 6 of this Order.

3. TRUING UP OF FY 2022-23 AND FY 2023-24

3.1. Background

- 3.1.1. BEST has sought the Truing-up of ARR for FY 2022-23 and FY 2023-24 based on the actual expenditure and revenue as per the Audited Accounts for FY 2022-23 and FY 2023-24 and in accordance with the provisions of the MYT Regulations, 2019. BEST has also submitted the reasons for variation in the actual expenses as compared to the expenses approved in the Mid-Term Review (MTR) Order dated 31 March 2023 in Case No. 212 of 2022 for FY 2022-23 and FY 2023-24, respectively.
- 3.1.2. The Books of Accounts of BEST are audited by the Municipal Chief Auditor as per the Mumbai Municipal Corporation Act, 1888 (M.M.C Act, 1888). BEST has submitted the audited Proforma Accounts for FY 2022-23 and FY 2023-24, which has been considered by the Commission for the purpose of Truing-up of ARR for FY 2022-23 and FY 2023-24.
- 3.1.3. BEST has bifurcated allocation of cost between Wires and Supply Business in accordance with the Regulation 71 of the MYT Regulations, 2019 for FY 2022-23 and FY 2023-24. However, normative working capital requirement for Wires and Supply Business is computed in accordance with Regulation 32.3 and Regulation 32.4 of the MYT Regulations, 2019 for FY 2022-23 and FY 2023-24.
- 3.1.4. The analysis underlying the Commission's approval of Truing-up for FY 2022-23 and FY 2023-24 is set out as under.

3.2. Energy Sales

BEST's Submission

- 3.2.1. BEST has submitted the summary of the category-wise sales as approved by the Commission in the MTR Order and actuals for FY 2022-23 and FY 2023-24 as shown in Table below:

Table 3-1: Category-wise Energy Consumption for FY 2022-23 and FY 2023-24, as submitted by BEST (HT in MU and LT in MU)

Consumer Category & Consumption Slab	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	True-up Requirement	MTR Order	MYT Petition	True-up Requirement
HT Category						
HT - I Industry	190.39	165.58	(24.81)	194.20	172.20	(22.00)
HT - II Commercial	208.45	219.93	11.48	245.97	214.45	(31.52)

Consumer Category & Consumption Slab	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	True-up Requirement	MTR Order	MYT Petition	True-up Requirement
HT - III Group Housing	32.12	32.40	0.28	32.12	35.07	2.95
HT IV- Railways, Metro, Monorail	2.57	2.11	(0.46)	2.57	2.32	(0.25)
HT V-(A)Public services Govt. Hospitals and Educational Institutions)	27.78	27.76	(0.02)	27.78	30.24	2.46
HT V-(B) Public services Others)	186.01	188.73	2.72	197.17	201.53	4.36
HT-VI Electrical vehicle	-	-	-	-	-	-
Sub-total	647.33	636.52	(10.81)	699.82	655.82	(44.00)
LT Category						
LT-I (A) Residential (BPL)	0.04	0.03	(0.01)	0.04	0.04	(0.00)
<u>LT - I(B) Residential</u>	2,103.76	2,041.47	(62.29)	2,166.88	2,160.05	(6.83)
0 – 100 units	749.71	748.22	(1.49)	772.21	762.10	(10.11)
101 – 300 units	721.10	696.11	(24.99)	742.73	742.72	(0.01)
301 - 500 units	237.62	218.59	(19.03)	244.75	241.40	(3.35)
> 501 units	395.33	378.55	(16.78)	407.19	413.82	6.63
LT - II (a) Commercial	826.49	820.09	(6.40)	909.14	873.49	(35.65)
LT - II (b) Commercial - >20 & <=50 kW	170.76	172.67	1.91	179.30	184.37	5.07
LT - II (c) Commercial - >50	358.23	365.79	7.56	365.40	393.86	28.46
LT - III (A) Industry (upto 20 kW)	105.74	103.11	(2.63)	112.08	106.72	(5.36)
LT-III (b) Industrial	79.81	79.53	(0.28)	83.80	78.82	(4.98)
LT - IV (A) Public Services - (Govt. Hosp. & Edu. Institutions)	61.40	61.03	(0.37)	61.40	64.41	3.01
LT - IV (B) Public Services - Others	178.82	169.04	(9.78)	187.76	178.79	(8.97)
LT-V (A) Agriculture- Pump sets	-	-	-			
LT-V (B) Agriculture- Others	0.05	0.05	0.00	0.05	0.16	0.11
LT VI Vehicle Charging	18.17	18.49	0.32	20.90	27.00	6.10
Sub-total	3,903.27	3,846.80	(56.47)	4,086.73	4,084.34	(2.41)
Total Sales (HT in MU & LT in kWh)	4,550.60	4,483.32	(67.28)	4,786.55	4,740.15	(46.42)

3.2.2. BEST submitted that, the actual Energy Sales of FY 2022-23 and FY 2023-24 slightly lower than the Energy Sales approved by the Commission in the MTR Order dated 31 March, 2023 in Case No. 212 of 2022. Accordingly, BEST has considered the actual Energy Sales for the purpose of Truing-up for FY 2022-23 and FY 2023-24, respectively.

3.2.3. BEST has therefore requested the Commission to approve the actual energy sales for FY 2022-23 and FY 2023-24 as submitted in the table above for the purpose of Truing-up.

Commission's Analysis and Ruling

3.2.4. The Commission notes that the Energy Sales during FY 2022-23 and FY 2023-24 is marginally lower in the range of 1.5% to 1% than the approved Energy sales approved

in the MTR Order dated 31 March, 2023 in Case No. 212 of 2022. Since, Sales being an uncontrollable parameter under the MYT Regulations, the Commission therefore allows the actual Energy Sales as submitted by BEST. The summary of the Energy Sales for FY 2022-23 and FY 2023-24 approved by the Commission for the purpose of Truing-up is summarised in the Table below:

Table 3-2: Energy Sales for FY 2022-23 and FY 2023-24, as approved by the Commission (MU)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Sales (MU)	4537.98	4483.32	4483.32	4772.81	4740.15	4740.15

3.2.5. Accordingly, the Commission approves the Energy Sales of 4,483.32 MU and 4,740.15 MU for FY 2022-23 and FY 2023-24, respectively.

3.3. Distribution Losses and Energy Balance

BEST's Submission

- 3.3.1. BEST submitted that post considering the actual Energy Sales and the actual energy drawl at the interface point (T\diamondD Interface) based on the MSLDC certificate, the actual distribution loss for FY 2022-23 and FY 2023-24 works out to 4.18% and 4.12%, respectively. The same has been claimed by BEST for the purpose of Truing-up of FY 2022-23 and FY 2023-24, respectively. BEST has submitted the MSLDC Certificate along with the MYT Petition for the respective years.
- 3.3.2. BEST further submitted that, the actual distribution loss of 4.18% for FY 2022-23 is same as approved by the Commission, whereas the actual distribution loss during FY 2023-24 is 4.12%, which is slightly lower than the distribution loss approved by the Commission in the MTR Order dated 31 March, 2023 in Case No. 212 of 2022. BEST submitted that, losses have been hovering around 4-5% and are almost near to the technical minimum of the network, which has been made possible by taking various initiatives such as continuous vigilance activities, raids, and consumer awareness on theft and energy conservation, legal actions against theft incidences and replacement of faulty meters. Further, the distribution losses are impacted by various technical, commercial and other parameters such as sales mix, weather variations, vintage of the network and equipment, line loading, etc.

- 3.3.3. Accordingly, BEST requested the Commission to approve the actual distribution loss of 4.18% and 4.12% for FY 2022-23 and FY 2023-24, respectively. The summary of the distribution loss claimed by BEST for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 3-3: Distribution Loss for FY 2022-23 and FY 2023-24, as submitted by BEST (%)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Distribution Loss (%)	4.18%	4.18%	4.18%	4.12%

- 3.3.4. With regards to the Energy Balance BEST submitted that, it has considered the actual Energy Sales, actual distribution loss and actual Energy procured during FY 2022-23 and FY 2023-24, respectively.
- 3.3.5. BEST has considered the actual InSTS loss for FY 2022-23 and FY 2023-24, respectively based on the State Grid Loss account maintained by MSLDC, where the actual InSTS losses during FY 2022-23 and FY 2023-24 is 3.26% and 3.29% as recorded by MSLDC for the respectively vis-à-vis the InSTS loss approved by the Commission of 3.18% for FY 2022-23 and FY 2023-24, respectively in the MTR Order dated 31 March, 2023 in Case No. 212 of 2022.
- 3.3.6. BEST further submitted that monthly energy drawl at T<D interface has been grossed-up by monthly InSTS loss available on MSLDC's website, to derive energy requirement at G<T interface. The summation of 12 month's energy drawl at T<D Interface and summation of 12 month's energy drawl at G<T interface has been considered for working out InSTS loss for FY 2022-23 and FY 2023-24. Based on above mentioned method, InSTS loss of 3.26% for FY 2022-23 and 3.29% for FY 2023-24 has been worked out by considering total energy drawl of 12 months of 4678.68 MU for FY 2022-23 and 4944.06 MUs at T<D Interface and derived total grossed-up energy drawl of 12 months of 4836.32 MU for FY 2022-23 and 5112.02 MU for FY 2023-24 at G<>T interface. The summary of the Energy Balance for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 3-4: Energy Balance for FY 2022-23 and FY 2023-24, as submitted by BEST

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Sales (MU)	4537.98	4483.32	4772.81	4740.15
Distribution loss (%)	4.18%	4.18%	4.18%	4.12%
Energy Requirement at T-D interface (MU)	4735.94	4678.66	4981.02	4944.06
Intra-state Transmission loss (%)	3.18%	3.26%	3.18%	3.29%

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Energy Requirement at G-T interface (MU)	4891.49	4836.32	5144.61	5112.02

- 3.3.7. Accordingly, BEST requested the Commission to approve the actual Energy Balance for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

Commission's Analysis and Ruling

- 3.3.8. The Commission has noted the submissions of BEST. The Commission has considered the actual InSTS Loss of 3.26% and 3.29% for FY 2022-23 and FY 2023-24, respectively, as per the monthly InSTS loss details provided by MSLDC and energy drawn by BEST at T< >D interface based on the energy drawl data provided by MSLDC.
- 3.3.9. Considering the energy injected into the BEST's 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 2022-23 and FY 2023-24 works out to be 4.18% and 4.12%, respectively.
- 3.3.10. Accordingly, for the purpose of Truing-up, the Commission approves the actual Distribution loss of 4.18% and 4.12% for FY 2022-23 and FY 2023-24, respectively. The efficiency gains/(loss) on account of Distribution Loss lower than the target loss levels has been discussed subsequently in this Section.
- 3.3.11. Based on the above, the Energy Balance approved by the Commission for FY 2022-23 and FY 2023-24, is summarised in the Table below:

Table 3-5: Energy Balance for FY 2022-23 and FY 2023-24, as approved by the Commission (MU)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Sales (MU)	4537.98	4483.32	4483.32	4772.81	4740.15	4740.15
Distribution Loss (%)	4.18%	4.18%	4.18%	4.18%	4.12%	4.12%
Energy Requirement at T <> D Interface (MU)	4735.94	4678.66	4678.66	4981.02	4944.06	4944.06
InSTS Loss (%)	3.18%	3.26%	3.26%	3.18%	3.29%	3.29%
Energy Requirement at G <> T Interface (MU)	4891.49	4836.32	4836.32	5144.61	5112.02	5112.02

3.3.12. **Accordingly, the Commission approves the energy requirement at G < > T interface of 4,836.32 MU and 5,112.02 MU for FY 2022-23 and FY 2023-24, respectively.**

3.4. Power Purchase Expenses

BEST's Submission

- 3.4.1. BEST has submitted that the power purchase quantum and cost include the purchase from the conventional sources for meeting BEST's Base Load and Peak Load requirement, Renewable Purchase Obligation (RPO), net purchase/sale from Imbalance Pool, and sale of surplus power, if any, during the year.
- 3.4.2. The actual power purchase for FY 2022-23 and FY 2023-24 is based on the actual energy input requirement as shown above. The energy requirement of BEST has been met primarily through the following sources:
- i) Power Purchase from Tata Power-G (TPC-G)
 - ii) Power Purchase from Manikaran Power Ltd.
 - iii) Power Purchase from Renewable Sources
 - iv) Power Purchase from Short Term bilateral sources.

TPC-G

- 3.4.3. BEST has submitted that, it has signed a Power Purchase Agreement (PPA) with TPC-G for extension to its earlier PPAs dated 21 December, 2006, 5 February, 2010 and 26 March 2018. BEST has signed this PPA in accordance with the direction of the Commission in its Order in Case No. 249 of 2018.
- 3.4.4. BEST submitted that, the actual quantum of purchase from TPC-G during FY 2022-23 is slightly higher than approved, however, the actual cost of power purchase from TPC-G is significantly higher than approved, on account of the increase in the actual average rate of purchase from Rs. 7.90/kWh approved in the MTR Order to Rs. 8.36/kWh actually billed by TPC-G. In FY 2023-24, though the actual quantum of purchase from TPC-G is higher than approved, the actual cost of power purchase from TPC-G is significantly lower than approved, on account of the significant reduction in the actual average rate of purchase from Rs. 7.10/kWh approved in the MTR Order to Rs. 6.00/kWh actually billed by TPC-G.

3.4.5. The break-up of Unit-wise power purchase from TPC-G for FY 2022-23 and FY 2023-24 is shown in the table below:

Table 3-6: Summary of Unit-wise Power Purchase from TPC-G for FY 2022-23, as submitted by BEST

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charges Rate	Total Power Purchase Cost	Total Power Purchase Rate
	MU	Rs. Crore	Rs. /kWh	Rs. Crore	Rs. /kWh	Rs. Crore	Rs. /kWh
Unit-5	1355.77	198.18	1.48	1258.75	9.28	1456.94	10.75
Unit-7	314.50	74.16	2.36	180.63	5.74	254.79	8.10
Unit-8	580.62	92.68	1.60	538.19	9.27	630.88	10.87
Hydro	779.08	78.14	1.00	101.63	1.30	179.77	2.31
Thermal Incentive		(0.00)				(0.00)	
Hydro Incentive		7.88				7.88	
Total	3029.98	451.04	1.49	2079.21	6.86	2530.25	8.35

Table 3-7: Summary of Unit-wise Power Purchase from TPC-G for FY 2023-24, as submitted by BEST

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charges Rate	Total Power Purchase Cost	Total Power Purchase Rate
	MU	Rs. Crore	Rs./kWh	Rs. Crore	Rs./kWh	Rs. Crore	Rs. /kWh
Unit-5	1477.82	156.23	1.05	905.93	6.13	1062.16	7.19
Unit-7	494.52	83.16	1.68	249.66	5.05	332.82	6.73
Unit-8	565.28	87.19	1.54	343.37	6.07	430.55	7.62
Hydro	797.62	88.14	1.10	116.76	1.46	204.90	2.57
Thermal Incentive		(0.00)				(0.00)	
Hydro Incentive		8.66				8.66	
Standby Charge Recovery as per Order in Case No. 221 of 2022						(36.64)	
Total	3335.24	423.38	1.27	1615.71	4.84	2002.46	6.00

3.4.6. BEST therefore requested the Commission to approve the actual quantum and cost of power procured from TPC-G for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

Commission Analysis and Ruling

3.4.7. The Commission notes that, the power purchase cost from TPC-G has increased during FY 2022-23 due to increase in the prices of the imported coal. It can be clearly seen from the HBA index which was at \$203.69/MT in March, 2022, rose to

\$330.97/MT in October 2023 with the average of \$302.81/MT, leading to sharp increase in the price of thermal power from TPC-G.

Table 3-8: Rise in Price of HBA Index summary of Power Purchase Expenses from TPC-G for FY 2022-23

Month	HBA Index (\$/MT)
Apr-22	288.40
May-22	275.64
Jun-22	323.91
Jul-22	319.00
Aug-22	321.59
Sep-22	319.22
Oct-22	330.97
Nov-22	308.20
Dec-22	281.48
Jan-23	305.21
Feb-23	277.05
Mar-23	283.08

- 3.4.8. The cost of power purchase from TPC-G claimed by BEST is in line with the Fixed Charges and Variable Charges as approved by the Commission for TPC-G for FY 2022-23 and FY 2023-24 as well as the revenue considered by TPC-G from sale of power for the said period. Hence, the Commission has approved the actual quantum and cost of power purchase from TPC-G for FY 2022-23 and FY 2023-24, as under:

Table 3-9: Power Purchase from TPC-G for FY 2022-23, as approved by the Commission

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charges Rate	Total Power Purchase Cost	Total Power Purchase Rate
	MU	Rs. Crore	Rs. /kWh	Rs. Crore	Rs. /kWh	Rs. Crore	Rs. /kWh
Unit-5	1355.77	198.18	1.48	1258.75	9.28	1456.94	10.75
Unit-7	314.50	74.16	2.36	180.63	5.74	254.79	8.10
Unit-8	580.62	92.68	1.60	538.19	9.27	630.88	10.87
Hydro	779.08	78.14	1.00	101.63	1.30	179.77	2.31
Thermal Incentive		(0.00)				(0.00)	
Hydro Incentive		7.88				7.88	
Total	3029.98	451.04	1.49	2079.21	6.86	2530.25	8.35

Table 3-10: Power Purchase from TPC-G for FY 2023-24, as approved by the Commission

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charges Rate	Total Power Purchase Cost	Total Power Purchase Rate
	MU	Rs. Crore	Rs./kWh	Rs. Crore	Rs./kWh	Rs. Crore	Rs. /kWh
Unit-5	1477.82	156.23	1.05	905.93	6.13	1062.16	7.19
Unit-7	494.52	83.16	1.68	249.66	5.05	332.82	6.73
Unit-8	565.28	87.19	1.54	343.37	6.07	430.55	7.62
Hydro	797.62	88.14	1.10	116.76	1.46	204.90	2.57
Thermal Incentive		(0.00)				(0.00)	
Hydro Incentive		8.66				8.66	
Standby Charge Recovery as per Order in Case No. 221 of 2022						(36.64)	
Total	3335.24	423.38	1.27	1615.71	4.84	2002.46	6.00

3.4.9. Accordingly, the Commission approves Rs. 2530.25 Crore and Rs. 2,002.46 Crore as the cost of power purchased from TPC-G for final Truing-up for FY 2022-23 and FY 2023-24, respectively.

Manikaran Power Limited (MPL)

BEST's Submission

3.4.10. BEST submitted that, MPL has started supplying power from March, 2020 as per the approval of the Commission vide Order dated 2 January, 2019 in Case No. 249 of 2018. Accordingly, BEST has considered the quantum and cost as per the PPA.

3.4.11. BEST has procured Power from MPL at an average rate of Rs. 4.29/kWh and Rs. 4.25/kWh as against the approved rate of Rs. 4.22/kWh and Rs. 4.35/kWh, for FY 2022-23 and FY 2023-24, respectively. The summary of actual power purchase from MPL for FY 2022-23 and FY 2023-24 is shown in the Table below:

Table 3-11: Power Purchase from MPL for FY 2022-23 and FY 2023-24, as submitted by BEST

Manikaran Power Ltd.	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Energy Quantum (MU)	744.60	714.66	746.64	827.19
Total Power Purchase Cost (Rs. Crore)	314.05	306.58	324.76	351.45
Average Power Purchase	4.22	4.29	4.35	4.25

Manikaran Power Ltd.	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Rate (Rs./kWh)				

- 3.4.12. Accordingly, BEST requested the Commission to approve the actual quantum and cost of power purchase from MPL as shown in the above table for FY 2022-23 and FY 2023-24.

Commission's Analysis and Ruling

- 3.4.13. The Commission notes that power has been purchased from MPL is as per the PPA approved by the Commission. The Commission has also verified the cost of power purchased from the Audited Accounts and accordingly approves power purchased from MPL for final Truing-up of FY 2022-23 and FY 2023-24, respectively, as summarised in the Table below:

Table 3-12: Power Procurement from MPL for FY 2022-23 and FY 2023-24, as approved by the Commission

Manikaran Power Ltd.	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Energy Quantum (MU)	744.60	714.66	714.66	746.64	827.19	827.19
Total Power Purchase Cost (Rs. Crore)	314.05	306.58	306.58	324.76	351.45	351.45
Average Power Purchase Rate (Rs./kWh)	4.22	4.29	4.29	4.35	4.25	4.25

- 3.4.14. Accordingly, the Commission approves Rs. 306.58 Crore and Rs. 351.45 Crore as the cost of power purchased from MPL for the purpose of Truing-up for FY 2022-23 and FY 2023-24, respectively.

Renewable Power Purchase

BEST's Submission

- 3.4.15. BEST submitted that it has procured 65.52 MU and 35.58 MU of Renewable Energy (RE) power through short-term and long term PPA during FY 2022-23 and FY 2023-24, respectively. The summary of the actual quantum and cost of RE power purchase vis-à-vis the quantum and cost of RE power purchase approved by the Commission

for FY 2022-23 and FY 2023-24 in the MTR Order dated 31 March 2023 is provided in the Table below:

Table 3-13: RE Power Purchase during FY 2022-23 and FY 2023-24, as submitted by BEST

Particulars	Details	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
Power Purchase Quantum (MU)	Walwhan Solar Energy	31.50	31.13	31.59	31.50
	RPS - Solar - IEX	113.84	29.13	430.43	3.33
	RPS - Non-Solar - IEX	20.56	5.26	506.01	0.75
Power Purchase Cost (Rs. Crore)	Walwhan Solar Energy*	26.96	26.29	27.04	26.69
	RPS - Solar - IEX	49.35	12.63	210.91	1.32
	RPS - Non-Solar - IEX	8.88	2.27	247.95	0.31
Power Purchase Rate (Rs./kWh)	Walwhan Solar Energy	8.56	8.56	8.56	8.56
	RPS - Solar - IEX	4.33	4.33	4.90	3.97
	RPS - Non-Solar - IEX	4.32	4.32	4.90	4.14

*Note: Post adjusting the Rebate of Rs. 0.35/kWh and Rs. 0.27/kWh for FY 2022-23 and FY 2023-24, respectively.

- 3.4.16. BEST submitted that, during FY 2022-23 it has procured 29.13 MU of RE-Solar Power from the Indian Energy Exchange (IEX) at an average rate of Rs. 4.33/kWh and 5.26 MU of RE-Non-Solar Power from IEX at an average rate of Rs. 4.32/kWh, which is in line with the rate approved by the Commission in the MTR Order.
- 3.4.17. During FY 2023-24, BEST has procured 3.33 MU of RE-Solar Power and 0.75 MU of RE Non-Solar Power from IEX at an average rate of Rs. 3.97/kWh and Rs. 4.14/kWh, respectively, which is significantly lower than the rate of Rs. 4.90/kWh approved in the MTR Order.
- 3.4.18. Further, the solar power purchase from Walwhan Solar during FY 2022-23 and FY 2023-24 was in accordance with the rate approved by the Commission in the MTR Order.
- 3.4.19. BEST has therefore requested the Commission to approve the actual quantum and cost of power purchase cost from RE sources for FY 2022-23 and FY 2023-24, respectively.

Commission's Analysis and Ruling

3.4.20. **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 Walwhan Solar MH Ltd. for FY 2022-23 and FY 2023-24. As per the agreement, BEST has procured the entire solar power of 20 MW of Walwhan Solar MH Ltd. During FY 2022-23 and FY 2023-24, BEST has purchased 31.13 MU and 31.50 MU at the rate of Rs. 8.56/kWh as approved in the PPA and the same is being considered by the Commission. In addition to the aforesaid, BEST has also purchased 29.13 MU and 3.33 MU of solar power from IEX in GDAM/GTAM market during FY 2022-23 and FY 2023-24, respectively. The Commission has verified the same from the Daily Obligation report of IEX and has considered Rs. 12.63 Crore and Rs. 1.32 Crore for FY 2022-23 and FY 2023-24, respectively, for the said purchase of Solar Power from IEX.

3.4.21. **Non-Solar RE Purchase:** BEST has procured 5.26 MU and 0.75 MU of the non-solar power purchase from IEX in GDAM/GTAM market during FY 2022-23 and FY 2023-24, respectively. The Commission has verified the same from the Daily Obligation report of IEX and has considered Rs. 2.27 Crore and Rs. 0.31 Crore for FY 2022-23 and FY 2023-24, respectively, towards the purchase of Non-Solar power from IEX.

3.4.22. The Commission therefore approves the RE purchase from solar and non-solar sources for FY 2022-23 and FY 2023-24 as shown in Table below:

Particulars	Details	FY 2022-23			FY 2023-24		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Power Purchase Quantum (MU)	Walwhan Solar Energy	31.50	31.13	31.13	31.59	31.50	31.50
	RPS - Solar - IEX	113.84	29.13	29.13	430.43	3.33	3.33
	RPS - Non-Solar - IEX	20.56	5.26	5.26	506.01	0.75	0.75
Power Purchase Cost (Rs. Crore)	Walwhan Solar Energy*	26.96	26.29	26.29	27.04	26.69	26.69
	RPS - Solar - IEX	49.35	12.63	12.63	210.91	1.32	1.32
	RPS - Non-Solar - IEX	8.88	2.27	2.27	247.95	0.31	0.31
Power Purchase Rate (Rs./kWh)	Walwhan Solar Energy	8.56	8.56	8.56	8.56	8.56	8.56
	RPS - Solar - IEX	4.33	4.33	4.33	4.90	3.97	3.97
	RPS - Non-Solar - IEX	4.32	4.32	4.32	4.90	4.14	4.14

*Note: Post adjusting the Rebate of Rs. 0.35/kWh and Rs. 0.27/kWh for FY 2022-23 and FY 2023-24, respectively

- 3.4.23. **Accordingly, the Commission approves Rs. 41.19 Crore and Rs. 27.92 Crore as the cost of power purchased from Renewable sources for Final Truing up for FY 2022-23 and FY 2023-24, respectively.**

RPO Compliance

BEST's Submission

FY 2022-23

- 3.4.24. BEST submitted that, the power from 400 MW (Power Sale Agreement) PSA signed with Solar Energy Corporation of India Ltd. (SECI) for Hybrid Wind/Solar power, which was scheduled to be operational from February, 2023, has been delayed due to transmission constraints. Accordingly, the Commission in the MTR Order dated 31 March 2023, allowed BEST to carry forward the RPO shortfall for FY 2022-23 to FY 2024-25 as a one-time exception, considering the regular compliance of RPO by BEST in the past period.
- 3.4.25. In FY 2022-23, BEST has partially fulfilled its RPO targets by procuring solar energy of 31.13 MU from Walwhan Solar MH Ltd. and solar energy generation of 11.80 MU from Net Metering Consumers. Additionally, BEST procured 29.13 MU of Solar RE and 5.26 MU of Non-Solar RE from the Power Exchange (GDAM). BEST has a standalone solar RPO shortfall of 252.52 MU and a cumulative solar RPO shortfall of 358.32 MU. Furthermore, BEST has a standalone Non-Solar RPO shortfall of 461.32 MU and a cumulative Non-Solar RPO shortfall of 717.69 MU. Hence, BEST has an actual cumulative total shortfall of 1076.01 MU against the approved RPO shortfall of 1006.18 MU.
- 3.4.26. BEST submitted that in Table No. 79 of Energy Balance for FY 2021-22 of the MTR Order, approve total energy requirement of 4407.20 MU at the G-T interface. Additionally, in Table No. 84 of Power purchase from TPC-G for FY 2021-22 of the MTR Order, approved Hydro energy of 790.09 MU. Therefore, the net energy requirement (excluding Hydro) for FY 2021-22 comes to 3617.11 MU. However, the approved net energy requirement (excluding Hydro) of 3622.49 MU (Table No.94-RPO shortfall as on FY 2021-22). Accordingly, the Commission has approved the closing balance of Solar RPO and Non-Solar RPO as 106.12 MU and 256.99 MU, respectively.
- 3.4.27. BEST submits that, in view of the actual net energy requirement of 3617.11 MU for RPO instead of 3622.49 MU, the closing balance of Solar RPO and Non-Solar RPO

is revised to 105.80 MU and 256.37 MU, respectively. Accordingly, BEST has considered RPO Shortfall of FY 2021-22 in FY 2022-23. BEST has also submitted its RPO compliance Report submitted to MEDA along with this Petition. The RPO compliance status of FY 2022-23 is as shown in the table below:

Table 3-14: Details of RPO Compliance for FY 2022-23, as submitted by BEST

Particulars	FY 2022-23
Energy Requirement at G-T Interface	4,836.32
Energy from TPC-G Hydro power	779.09
Net Energy Requirement at G-T Interface	4,057.23
RPO Target	
Solar RPO %	8.00%
Solar RPO in MU	324.58
Non-Solar RPO %	11.50%
Non-Solar RPO in MU	466.58
Availability in MU	
Walwhan Solar MH Ltd.	31.13
Solar energy from Net Metering Consumers	11.80
Solar RE purchased from Power Exchange (GDAM)	29.13
Solar REC purchased	0
Non-Solar REC purchased	0
Non-Solar RE purchased from Power Exchange (GDAM)	5.26
Solar RPO Achieved in MU	72.06
Solar RPO Achieved in %	1.78%
Non-Solar energy from proposed Hybrid (solar +wind) project of SECI	0
Non-Solar RPO Achieved in MU	5.26
Non-Solar RPO Achieved in %	0.13%
Standalone Shortfall/(surplus)	
Solar RPO shortfall/(surplus)	252.52
Non-Solar RPO shortfall/(surplus)	461.32
Previous year RPO Shortfall/(surplus)	
Solar RPO shortfall/(surplus)	105.80
Non-Solar RPO shortfall/(surplus)	256.37
Cumulative Shortfall/(surplus)	
Solar RPO Shortfall in MU	358.32
Non-Solar RPO Shortfall in MU	717.69
Total Cumulative Shortfall/(surplus)	1076.01

FY 2023-24

- 3.4.28. BEST has submitted that considering the fact that the power from SECI will not be available, the Commission in the MTR Order has considered that RE power will be procured from GDAM/GTAM or through competitive bidding process for FY 2023-24 and FY 2024-25. The Commission has considered the quantum of RE purchase such that BEST meets its standalone RPO for FY 2023-24 and FY 2024-25.
- 3.4.29. The Commission has considered the rates discovered for the GDAM Market on IEX, which are reflective of the market rate at that time for RE purchase. Accordingly, the Commission has considered the average rate of July 22 to December, 22, i.e., Rs 4.90/kWh, discovered on IEX – GDAM market for both the years.
- 3.4.30. Accordingly, the Commission has approved the cost of power purchase from RE sources (both solar as well as Non-Solar) of Rs. 485.89 Crore for FY 2023-24 in the MTR Order.
- 3.4.31. BEST submitted that it has partially fulfilled its RPO targets by procuring solar energy of 31.50 MU from Walwhan Solar MH Ltd., solar energy generation of 13.35 MU from Net Metering Consumers, 3.33 MU of Solar RE and 0.75 MU of Non-solar RE purchased from Power Exchange (GDAM). However, in FY 2023-24, BEST has a standalone Solar RPO shortfall of 404.83 MU and a cumulative Solar RPO shortfall of 763.15 MU. Furthermore, in FY 2023-24, BEST has a standalone Non-solar RPO shortfall of 495.41 MU and a cumulative Non-solar RPO shortfall of 1213.10 MU. Hence, BEST has an actual cumulative total shortfall of 1976.25 MU as against the approved RPO shortfall of 1006.18 MU.
- 3.4.32. BEST submitted that the main reason for the RPO shortfall in FY 2023-24 is the nonavailability of RE power from the SECI's 400 MW Solar Wind Hybrid project due to delays in the scheduled commissioning date (SCOD). These projects were expected to be commissioned by the third quarter of FY 2022-23. However, the date of scheduled commissioning has been extended from time to time to January, 2023, June 2024, December, 2024, and March 2025 due to various reasons, including the COVID-19 pandemic and Hon'ble Supreme Court's Order on the ban on overhead power transmission cables in the habitat of the endangered Great Indian Bustard (GIB) in Rajasthan. Now, the SCOD of these projects is linked to the Long-Term Access (LTA) Operationalization date. SECI has approved the extension of COD to these projects considering the issues raised by the developers.

- 3.4.33. Therefore, BEST has floated short-term tenders three times in August 2022, January, 2023, and March 2023 for the procurement of solar and wind power to fulfil the cumulative RPO up to FY 2023-24. However, no bidders have participated in all three tenders.
- 3.4.34. BEST has purchased RE power through the GDAM Market to meet the shortfall in daily power requirements and optimize the power purchase cost. As directed by the Commission, BEST has purchased Solar and Non-Solar energy through the GDAM/GTAM market below the approved rate of Rs. 4.90 per unit to fulfil the Solar and Non-Solar RPO of BEST for FY 2023-24. However, procurement of Solar and Non-Solar energy through the GDAM market is not sufficient to meet the RPO of FY 2023-24.
- 3.4.35. The RPO compliance status of FY 2023-24 is as shown in the table below:

Table 3-15: Details of RPO Compliance for FY 2023-24, as submitted by BEST

Particulars	FY 2023-24
Energy Requirement at G-T Interface	5,112.02
Energy from TPC-G Hydro power	797.62
Net Energy Requirement at G-T Interface	4,314.40
Target	
Solar RPO %	10.50%
Solar RPO in MU	453.01
Non-Solar RPO %	11.50%
Non-Solar RPO in MU	496.16
Availability in MU	
Walwhan Solar MH Ltd	31.5
Solar energy from Net Metering Consumers	13.35
Solar RE purchased from Power Exchange (GDAM)	3.33
Non solar RE purchased from Power Exchange (GDAM)	0.75
Solar RPO Achieved in MU	48.18
Solar RPO Achieved in %	1.12%
Non Solar energy from proposed Hybrid (solar +wind) project of SECI	0
Non Solar RPO Achieved in MU	0.75
Non Solar RPO Achieved in %	0.02%
Standalone Shortfall/(surplus)	
Solar RPO shortfall/(surplus)	404.83
Non Solar RPO shortfall/(surplus)	495.41
Previous year RPO Shortfall/(surplus)	

Particulars	FY 2023-24
Solar RPO shortfall/(surplus)	358.32
Non Solar RPO shortfall/(surplus)	717.69
Cumulative Shortfall/(surplus)	
Solar RPO Shortfall in MU	763.15
Non-Solar RPO Shortfall in MU	1213.10
Total Cumulative Shortfall/(surplus)	1976.25

- 3.4.36. BEST submitted that, the RPO compliance Report submitted to MEDA for FY 2023-24 along with this Petition. BEST has therefore requested the Commission to allow BEST to fulfil the Cumulative Shortfall of 1976.25 MU at the end of FY 2023-24, along with RPO requirement of FY 2024-25, in FY 2024-25.

Commission's Analysis and Ruling

- 3.4.37. The Commission observes that BEST has only one operational PPA for Solar Power of 20 MW and is supplying ~31MU per annum. BEST has relied on IEX GDAM/GTAM purchase for RPO fulfilment, which is very marginal.
- 3.4.38. The Commission also notes that, to meet the RPO, BEST has tied up 400 MW Solar Wind Hybrid power at rate of Rs 2.48 per unit for a period of 25 years and the same is approved by the Commission vide its Order dated 26 April, 2021 in Case No. 16 of 2021. The power from the said project was envisaged to be available from January, 2023 and would be able to meet the RPO for future years. However, as submitted by BEST, the said power is expected to be available during FY 2025-26. It was expected that power from this source will help BEST to meet any cumulative RPO shortfall over the entire Control Period from FY 2020-21 to FY 2024-25 and will also help in lowering the Power Purchase cost to that extent. Since the power from the said source is delayed, BEST is likely to have continuing shortfall over the 4th Control Period.
- 3.4.39. The Commission notes from the past record of BEST that it has always complied with RPO as specified in the Regulations. Also, it is seen that BEST has tied up long term PPA with SECI to meet the cumulative RPO for the Control Period, but the said PPA got delayed by almost 18 months, which is beyond the control of BEST and the same has been further delayed as evident in the SCOD status submitted by BEST as response to the data gap. The Commission further notes that directing BEST to meet RPO by purchasing REC in the remaining years of the Control Period will add to the cost in the said years and also increase the tariff of consumers. It is evident that power available from long term PPA's signed by BEST (1166 MU considered for 634 MW) from FY 2025-26 onwards will be higher than required to meet RPO for each year of

the next Control Period. Further, such power would be available at very competitive rate as approved by the Commission. Thus, the Commission deems it fit to invoke power under Regulation 16: Power To Relax of RPO-REC Regulations, 2019 and allow BEST as one time exception considering the past performance of meeting RPO targets and to reduce the tariff impact on consumers, to meet the shortfall in RPO target of FY 2022-23 and FY 2023-24 in FY 2024-25 without levying any penalty as per Regulation 12.3 of the said Regulations.

Short Term Power Purchase

BEST's Submission

- 3.4.40. After considering the procurement from long-term/medium-term sources and RE sources, BEST has met its balance power requirement through purchase of power from short-term sources. The Commission has approved certain quantum of purchase from short-term sources for FY 2022-23 and FY 2023-24 in the MTR Order.
- 3.4.41. Regulation 22 of the MYT Regulations, 2019 allows the Distribution Licensee to procure additional power procurement in case of an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply for short-term basis.
- 3.4.42. BEST submits that it has contracted capacity of approximately 768 MW. However, due to anticipated increase in peak demand, BEST has purchased short-term power mainly to fulfil its peak demand requirement.
- 3.4.43. BEST has procured bilateral power from various power Traders/ Generators after inviting e-tender through DEEP e-portal, in line with Ministry of Power (MoP) guidelines on short term competitive bidding. The result of the competitive bidding is provided by BEST as part of this Petition.
- 3.4.44. BEST had filed a Petition before the Commission in Case No.151 of 2022 for approval of tariff discovered through competitive bidding process undertaken by BEST for short-term bilateral power purchase for the period from August, 2022 to December, 2022. The final Order in Case No.151 of 2022 was issued by the Commission on 24 August, 2022. After the receipt of the Commission's Order in Case No.151 of 2022, short-term bilateral power was scheduled from 25 August, 2022.
- 3.4.45. BEST submits that the average rate of short-term power procurement was Rs. 5.77/kWh for FY 2022-23 and Rs. 5.09/kWh for FY 2023-24, which is lower than the

Average Power Purchase Cost of Rs. 7.28/kWh for FY 2022-23 and Rs. 5.74/kWh for FY 2023-24, respectively. Hence, short-term power purchase done by BEST in FY 2022-23 and FY 2023-24 has contributed to reduction in overall power purchase cost, thereby reducing the burden on the consumers.

3.4.46. The details of short-term power procurement by BEST from various sources in FY 2022-23 and FY 2023-24 are given in the Tables below:

Table 3-16: Bilateral Power Procurement for FY 2022-23, as submitted by BEST

Source	Quantum	Total Cost	Rates
	MU	Rs. Cr.	Rs./kWh
TPTCL	117.47	82.64	7.04
DIL	27.22	13.23	4.86
AEL	1.68	0.98	5.86
MPL	28.39	23.22	8.18
IEX Purchase	822.96	457.20	5.56
Inter Discom Sale (IDT)	(1.95)	(2.32)	11.90
Inter Discom Purchase (IDT)	0.00	0.00	0.00
STOA Application Processing Fee		0.01	
Total	995.76	574.96	5.77

Table 3-17: Bilateral Power Procurement for FY 2023-24, as submitted by BEST

Source	Quantum	Total Cost	Rates
	MU	Rs. Cr.	Rs./kWh
TPTCL	19.94	16.38	8.21
DIL	2.99	3.06	10.25
MPL	53.61	46.03	8.59
KEIPL	97.56	74.17	7.60
IEPL	34.93	21.16	6.06
IEX Purchase	723.82	321.16	4.44
Inter Discom Sale (IDT)	(16.08)	(15.52)	9.65
Inter Discom Purchase (IDT)	1.24	1.16	9.38
STOA Application Processing Fee		0.01	
Total	918.02	467.61	5.09

3.4.47. Hence, BEST requested the Commission to approve the short term power purchase as shown in table above.

Commission's Analysis and Ruling

3.4.48. The Commission notes the submission of BEST. BEST has procured bilateral power from various power traders/ Generators after inviting e-tender through Ministry of Power's DEEP e-portal, in line with MoP guidelines for short term competitive

bidding. Power is also purchased through Power Exchange to meet shortfall. BEST submitted that short term power is purchased to meet its demand.

3.4.49. BEST has procured short-term power at weighted average rate of Rs. 5.77/ kWh for FY 2022-23 and Rs. 5.09/kWh for FY 2023-24. The Commission has verified the copy of result of the e-bidding as submitted by BEST bilaterally through competitive bidding. The Commission has also verified the rates at IEX for the respective year and accordingly, post verification of the Short Term Cost with the Audited Accounts of the respective year. The Commission thus approves the cost of power procurement from Short-Term sources as claimed by BEST.

3.4.50. **Accordingly, the Commission approves Rs. 574.96 Crore and Rs. 467.61 Crore for FY 2022-23 and FY 2023-24, towards the Short Term Procurement for the purpose of truing-up.**

Sale of Surplus Power

BEST's Submission

3.4.51. For FY 2022-23 and FY 2023-24, BEST has considered the actual quantum and revenue from the sale of surplus power. The Commission had approved the sale of 5.26 MU at an average rate of Rs. 11.14/kWh. In FY 2022-23, BEST sold 11.30 MU at Rs. 10.48/kWh, realising revenue of Rs. 11.85 Crore. In FY 2023-24, it sold 46.92 MU at Rs. 9.09/kWh, realising revenue of Rs. 42.63 Crore.

3.4.52. The revenue from sale of surplus power has been deducted from the power purchase cost in order to pass on the benefits to the consumers. BEST always endeavours to maximise the revenue from sale of surplus power, so that the benefit can be passed on to its consumers. The details of sale of surplus power (IEX) are shown in the Table below:

Table 3-18: Sale of Surplus Power on IEX in FY 2022-23 and FY 2023-24, as submitted by BEST

Year	Quantum (MU)	Total Cost (Rs. Cr)	Rates (Rs./kWh)
FY 2022-23	(11.30)	(11.85)	10.48
FY 2023-24	(46.92)	(42.63)	9.09
Total	(58.22)	(54.48)	9.36

Commission's Analysis and Ruling

- 3.4.53. The Commission notes the submission of BEST. The Commission while analysing the power purchase expenses for the respective years have sought head-wise reconciliation of the power purchase cost with the Audited Accounts for FY 2022-23 and FY 2023-24 from BEST as part of the data gaps. BEST in response to the same has submitted the detailed reconciliation statement of its Power Purchase expenses for the respective years.
- 3.4.54. **The Commission post verifying the Audited Accounts and Reconciliation statement submitted by BEST allows the claims of BEST of Rs. (11.85) Crore and Rs. (42.63) Crore towards the Sale of Surplus Power for FY 2022-23 and FY 2023-24, respectively.**

Prior Period Payment and Other Cost

BEST's Submission

- 3.4.55. BEST has received Rs. 20.23 Crore in FY 2022-23 and paid Rs. 30.61 Crore in FY 2023-24, respectively, towards prior payment and other charges. The details of the same are provided in the below tables:

Table 3-19: Summary of Prior Period Payment for FY 2022-23, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Bilateral Rebate		(2.12)
DSM Energy	5.12	(17.12)
Net DSM Charges		
Prior Period Payment of DSM Bills	0.01	(0.98)
Prior Period (RPS) - Walwhan for Additional power in March 2022	0.01	
Total	5.14	(20.23)

Table 3-20: Summary of Prior Period Payment for FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Bilateral Rebate		(3.21)
DSM Energy		10.52
Scheduling and Rescheduling Charges (From October 2021)		0.11
Prior Period payment of Standby energy purchased in FY 2016-17 and FY 2017-18		23.18
Provisional fixed charge bills under intra-State ABT for FY 2011-12 to FY 2017-18		0.01
Past Period Imbalance Pool	61.97	
Total	61.97	30.61

- 3.4.56. As seen from the above Table, BEST submits that it has made a payment of Rs. 23.18 Crore in FY 2023-24 towards prior period payment of variable cost of Standby Energy purchased in FY 2016-17 and FY 2017-18. BEST has paid for the variable charge of Standby Energy availed at the rate ranging from Rs. 4.28/kWh to Rs. 16.00/kWh as demanded by MSEDCL.

Commission's Analysis and Ruling

- 3.4.57. The Commission notes the submission of BEST. The Commission while analysing the power purchase expenses for the respective years have sought head-wise reconciliation of the power purchase cost with the Audited Accounts for FY 2022-23 and FY 2023-24 from BEST as part of the data gaps. BEST in response to the same has submitted the detailed reconciliation statement of its Power Purchase expenses for the respective years. The Commission post verifying the Audited Accounts and Reconciliation statement submitted by BEST allows the claims of BEST of Rs. (20.23) Crore and Rs. 30.61 Crore towards the Prior Period Payment and other Costs for FY 2022-23 and FY 2023-24, respectively. The summary of the same is provided in the Table below:

Table 3-21: Summary of Prior Period Payment for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Bilateral Rebate		(2.12)	(2.12)
DSM Energy	5.12	(17.12)	(17.12)
Net DSM Charges			
Prior Period Payment of DSM Bills	0.01	(0.98)	(0.98)

Particulars	MTR Order	MYT Petition	Approved in this Order
Prior Period (RPS) - Walwhan for Additional power in March 2022	0.01		
Total	5.14	(20.23)	(20.23)

Table 3-22: Summary of Prior Period Payment for FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Bilateral Rebate		(3.21)	(3.21)
DSM Energy		10.52	10.52
Scheduling and Rescheduling Charges (From October 2021)		0.11	0.11
Prior Period payment of Standby energy purchased in FY 2016-17 and FY 2017-18		23.18	23.18
Provisional fixed charge bills under intra-State ABT for FY 2011-12 to FY 2017-18		0.01	0.01
Past Period Imbalance Pool	61.97		
Total	61.97	30.61	30.61

Power Quantum through MSLDC Pool Imbalance

BEST's Submission

- 3.4.58. BEST has computed the actual balancing quantum of pool imbalance as 103.07 MU and 20.18 MU for FY 2022-23 and FY 2023-24, respectively. BEST has computed the quantum of actual pool imbalance by deducting power purchase from all the remaining sources (TPC-G, Walwhan Solar, Manikaran, RE power purchase, short term sources, etc.) from the total power purchase at G-T interface, which is considered as actual pool imbalance quantum for FY 2022-23 and FY 2023-24.
- 3.4.59. BEST submits that the cost associated with the Pool Imbalance is not considered and shall be considered as and when bills are received and accounted for by BEST in appropriate claims/filing (MTR/FAC).

Commission's Analysis and Ruling

- 3.4.60. The Commission notes the submission of BEST. The Commission while analysing the power purchase expenses for the respective years have sought head-wise reconciliation of the power purchase cost with the Audited Accounts for FY 2022-23 and FY 2023-24 from BEST as part of the data gaps. BEST in response to the same has submitted the detailed reconciliation statement of its Power Purchase expenses for

the respective years. The Commission post verifying the Audited Accounts and Reconciliation statement submitted by BEST observes that no cost associating with MSLDC Imbalance is considered and accordingly approves 'nil' towards the MSLDC Pool Imbalance for FY 2022-23 and FY 2023-24.

MSEDCL Standby Support Charges

BEST's Submission

- 3.4.61. BEST has submitted that Standby support power was utilized to the extent of 8.59 MU and 2.55 MU during FY 2022-23 and FY 2023-24, respectively. In accordance with the Commission's approval in the MTR Order, BEST has remitted Standby Charges amounting to Rs. 98.53 Crore and Rs. 94.03 Crore for FY 2022-23 and FY 2023-24, respectively. The cost of actual energy drawn under Standby arrangement is accounted for as and when the bills for the same are received from MSEDCL. Considering the usual delay in receipt of these bills, the cost of actual energy purchased under Standby arrangement is accounted for under 'Prior Period Payment', as discussed above.

Commission's Analysis and Ruling

- 3.4.62. The total Stand-by Charges of Rs. 396 Crore payable to MSEDCL are recovered from Distribution Licensees availing the stand-by facility. In FY 2022-23 and FY 2023-24, these charges were recoverable from TPC-D, AEML-D, BEST and Indian Railways. The charges are allocated between these Licensees in the ratio of their Base Transmission Capacity Rights (TCR) in the overall TCR.
- 3.4.63. 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. 98.53 Crore and Rs. 94.03 Crore paid by BEST on Truing up for FY 2022-23 and FY 2023-24. This is also in accordance with the relevant Order in respect of MSEDCL.

Intra-state Transmission Charges and MSLDC Charges

BEST's Submission

- 3.4.64. BEST has paid Transmission Charges of Rs. 254.20 Crore during FY 2022-23 as against Rs. 256.72 Crore approved in the MTR Order. The variation in Transmission Charges paid during FY 2022-23 is because of 1% rebate on Transmission Charges. BEST has paid MSLDC Charges of Rs. 1.26 Crore during FY 2022-23 as against Rs. 1.27 Crore approved in the MTR Order.

3.4.65. BEST has paid Transmission Charges of Rs. 233.64 Crore for FY 2023-24 as against Rs. 232.10 Crore approved in the MTR Order. Also, BEST has paid MSLDC Charges of Rs. 0.92 Crore for FY 2023-24.

Commission's Analysis and Ruling

3.4.66. 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 for FY 2022-23 and FY 2023-24 is as given in Table below:

Table 3-23: Intra-State Transmission Charges and MSLDC Charges, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Intra-State Transmission Charges	256.72	254.20	254.20	232.10	233.64	233.64
MSLDC Charges	1.27	1.26	1.26	0.93	0.92	0.92

3.4.67. Accordingly, the Commission approves Rs. 254.20 Crore and Rs. 233.64 Crore as the Intrastate Transmission Charges and Rs. 1.26 Crore and Rs, 0.92 Crore towards MSLDC Charges for Final Truing up for FY 2022-23 and FY 2023-24, respectively.

Summary of Power Purchase Expenses

BEST's Submission

3.4.68. The comparison of actual and approved source-wise quantum and cost of power purchase for FY 2022-23 and FY 2023-24, is shown in the Tables below:

Table 3-24: Summary of Power Purchase Expenses for FY 2022-23, as submitted by BEST

Particulars	Approved in 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	3,012.62	2,381.20	7.90	3,029.98	2,531.56	8.36
Walwhan Solar Energy	31.50	26.96	8.56	31.13	26.64	8.56

Particulars	Approved in MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
Maharashtra						
Manikaran Power Limited	744.60	314.05	4.22	714.66	306.58	4.29
Short-term Sources						
Bilateral Power Purchase	220.36	124.72	5.66			
Traders	77.39	42.52	5.49	174.75	120.07	6.87
IEX - Purchase	670.33	379.41	5.66	822.96	457.20	5.56
IEX - Sale	(5.26)	(5.86)	11.14	(11.30)	(11.85)	10.48
STOA Application Processing Fees of MSLDC				-	0.01	
RE-Non-Solar IEX	20.56	8.88	4.32	5.26	2.27	4.32
RE-Solar IEX	113.84	49.35	4.33	29.13	12.63	4.33
Standby Energy from MSEDCL	7.10	-	-	8.59	-	
DSM	(20.13)	5.12	(2.54)	(69.95)	(17.12)	2.45
MSLDC Pool Imbalance	19.73	-	-	103.07	-	
Inter-Discom Sale	(1.14)	(1.37)	11.98	(1.95)	(2.32)	11.90
Standby Charges	-	98.53		-	98.53	
Bilateral Rebate	-				(2.12)	
RPS Rebate	-	(0.21)			(0.35)	
Rebate of 1% on Transmission Charges		(1.28)				
Rebate of 1% on monthly MSLDC Charges		(0.01)				
Prior Period RPS- Additional Power of March 2021 from M/s Walwhan	-	0.01			0.10	
Net DSM Charges Payable	-				(0.98)	
Prior Period Payment of DSM Bills	-	0.01				
TPC-G Credit Bill (October-2021 to March 2022)	-	(0.35)			(1.31)	
Total	4891.49	3421.68	7.00	4,836.32	3,519.53	7.28

Table 3-25: Summary of Power Purchase Expenses for FY 2023-24, as submitted by BEST

Particulars	Approved in 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						

Particulars	Approved in MTR Order			MYT Petition		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
TPC-G	3,231.37	2,293.36	7.10	3,335.24	2,035.93	6.10
Past Period Surplus as approved for TPC-G		(200.50)				
Walwhan Solar Energy Maharashtra	31.59	27.04	8.56	31.50	26.96	8.56
Manikaran Power Limited	746.64	324.76	4.35	827.19	351.45	4.25
Short-term Sources						
Bilateral Power Purchase						
Traders				209.03	160.80	7.69
IEX - Purchase				723.82	321.16	4.44
IEX - Sale				(46.92)	(42.63)	9.09
STOA Application Processing Fees of MSLDC				-	0.01	
RPS-Non-Solar IEX	506.01	247.95	4.90	0.75	0.31	4.14
RPS-Solar IEX	430.43	210.91	4.90	3.33	1.32	3.97
Short term sources	198.58	147.54	7.43			
Standby Support from MSEDCL				2.55	-	
DSM Energy				20.18	10.52	5.21
MSLDC Pool Imbalance				20.18	-	
Inter-Discom Sale				(16.08)	(15.52)	9.65
Inter-Discom Purchase				1.24	1.16	9.38
Standby Charges		94.03			94.03	
Scheduling and Rescheduling Charges (From October 2021)					0.11	
Bilateral Rebate					(3.21)	
RPS Rebate					(0.27)	
Past Period Imbalance Pool		61.97				
Prior Period Payment of Standby energy purchased in FY 2016-17 & FY 2017-18					23.18	
TPC-G Credit Bill (October-2021 to March 2022)					(33.48)	
Provisional Fixed Charge Bills under intra-State ABT for the FY 2011-12 to FY 2017-18					0.01	
Total	5114.61	3207.05	6.23	5112.02	2931.86	5.74

3.4.69. BEST has therefore requested the Commission to approve the actual quantum and cost of power purchase for FY 2022-23 and FY 2023-24, as given in the Table above.

Commission's Analysis and Ruling

3.4.70. The summary of power purchase quantum and expenses, including Stand-by Charges and Transmission Charges as approved by the Commission for FY 2022-23 and FY 2023-24 after final Truing up, is given in the following Table:

Table 3-26: Summary of Power Purchase Expenses for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	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	3,012.62	2,381.20	7.9	3,029.98	2,531.56	8.36	3,029.98	2,531.56	8.36
Walwhan Solar Energy Maharashtra	31.5	26.96	8.56	31.13	26.64	8.56	31.13	26.64	8.56
Manikaran Power Limited	744.6	314.05	4.22	714.66	306.58	4.29	714.66	306.58	4.29
Short-term Sources									
Bilateral Power Purchase	220.36	124.72	5.66						
Traders	77.39	42.52	5.49	174.75	120.07	6.87	174.75	120.07	6.87
IEX - Purchase	670.33	379.41	5.66	822.96	457.2	5.56	822.96	457.2	5.56
IEX - Sale	-5.26	-5.86	11.14	-11.3	-11.85	10.48	-11.3	-11.85	10.48
STOA Application Processing Fees of MSLDC				-	0.01		-	0.01	
RE-Non-Solar IEX	20.56	8.88	4.32	5.26	2.27	4.32	5.26	2.27	4.32
RE-Solar IEX	113.84	49.35	4.33	29.13	12.63	4.33	29.13	12.63	4.33
Standby Energy from MSEDCL	7.1	-	-	8.59	-		8.59	-	
DSM	-20.13	5.12	-2.54	-69.95	-17.12	2.45	-69.95	-17.12	2.45
MSLDC Pool Imbalance	19.73	-	-	103.07	-		103.07	-	
Inter-Discom Sale	-1.14	-1.37	11.98	-1.95	-2.32	11.9	-1.95	-2.32	11.9
Standby Charges	-	98.53		-	98.53		-	98.53	
Bilateral Rebate	-				-2.12			-2.12	
RPS Rebate	-	-0.21			-0.35			-0.35	
Rebate of 1% on Transmission Charges		-1.28							
Rebate of 1% on monthly MSLDC Charges		-0.01							
Prior Period RPS- Additional Power of March 2021 from M/s Walwhan	-	0.01			0.1			0.1	
Net DSM Charges Payable	-				-0.98			-0.98	
Prior Period Payment of DSM Bills	-	0.01							

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
TPC-G Credit Bill (October-2021 to March 2022)	-	-0.35			-1.31			-1.31	
Total	4891.49	3421.68	7	4,836.32	3,519.53	7.28	4,836.32	3,519.53	7.28

Table 3-27: Summary of Power Purchase Expenses for FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	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	3,231.37	2,293.36	7.1	3,335.24	2,035.93	6.1	3,335.24	2,035.93	6.1
Past Period Surplus as approved for TPC-G		-200.5							
Walwhan Solar Energy Maharashtra	31.59	27.04	8.56	31.5	26.96	8.56	31.5	26.96	8.56
Manikaran Power Limited	746.64	324.76	4.35	827.19	351.45	4.25	827.19	351.45	4.25
Short-term Sources									
Bilateral Power Purchase									
Traders				209.03	160.8	7.69	209.03	160.8	7.69
IEX - Purchase				723.82	321.16	4.44	723.82	321.16	4.44
IEX - Sale				-46.92	-42.63	9.09	-46.92	-42.63	9.09
STOA Application Processing Fees of MSLDC				-	0.01		-	0.01	
RPS-Non-Solar IEX	506.01	247.95	4.9	0.75	0.31	4.14	0.75	0.31	4.14
RPS-Solar IEX	430.43	210.91	4.9	3.33	1.32	3.97	3.33	1.32	3.97
Short term sources	198.58	147.54	7.43						
Standby Support from MSEDCL				2.55	-		2.55	-	
DSM Energy				20.18	10.52	5.21	20.18	10.52	5.21
MSLDC Pool Imbalance				20.18	-		20.18	-	
Inter-Discom Sale				-16.08	-15.52	9.65	-16.08	-15.52	9.65
Inter-Discom Purchase				1.24	1.16	9.38	1.24	1.16	9.38
Standby Charges		94.03			94.03			94.03	
Scheduling and Rescheduling Charges (From October 2021)					0.11			0.11	
Bilateral Rebate					-3.21			-3.21	
RPS Rebate					-0.27			-0.27	
Past Period Imbalance Pool		61.97							
Prior Period Payment of Standby energy purchased in FY 2016-17 & FY 2017-18					23.18			23.18	
TPC-G Credit Bill (October-2021 to March 2022)					-33.48			-33.48	

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
Provisional Fixed Charge Bills under intra-State ABT for the FY 2011-12 to FY 2017-18					0.01			0.01	
Total	5114.61	3207.05	6.23	5112.02	2931.86	5.74	5112.02	2931.86	5.74

3.4.71. Accordingly, the Commission approves the total cost of power purchase of Rs. 3,519.53 Crore and Rs. 2,931.86 Crore on final Truing up of ARR for FY 2022-23 and FY 2023-24, respectively.

3.5. Operation and Maintenance Expenses

BEST's Submission

- 3.5.1. BEST has computed the normative O&M expenses for FY 2022-23 and FY 2023-24. BEST has considered the normative O&M expenses approved in the true-up of FY 2021-22 and escalated the same with WPI and CPI indices of last 5 years in the ratio 70:30.
- 3.5.2. BEST has no Open Access consumers, on account of BEST being a Local Authority, thereby exempting it from the provisions of Open Access. The consumer growth of BEST in past years is shown in the following table:

Table 3-28: Growth in Consumers in past years, as submitted by BEST

Year	No. of Consumers	CAGR - 3 Years
FY 2019-20	1039439	
FY 2020-21	1043871	
FY 2021-22	1046216	
FY 2022-23	1048116	0.28%
FY 2023-24	1050150	0.20%

- 3.5.3. As per Regulation 75.3 of the MYT Regulations, 2019, since, the increase in the number of consumers is lower than 2 percent annually over the last 3 years, the efficiency factor has to be considered in proportion to the percentage growth in the number of consumers. Accordingly, BEST has calculated the efficiency factor of 0.86% and 0.90% for FY 2022-23 and FY 2023-24, respectively, as shown in the Table below:

Table 3-29: Escalation Rate for O&M Expenses, as submitted by BEST

Particulars	FY 2022-23	FY 2023-24
CPI (%)	5.84%	5.78%
WPI (%)	5.93%	4.92%
CPI: WPI: 70:30	5.86%	5.53%
<i>Less: Efficiency Factor</i>	<i>0.86%</i>	<i>0.90%</i>
Escalation factor	5.00%	4.63%

3.5.4. The O&M expenses approved by the Commission in the true-up for FY 2021-22 have been escalated at a rate of 5.00% to arrive at the normative O&M expenses for FY 2022-23. Further, the revised normative O&M expenses for FY 2022-23 have been escalated at a rate of 4.63% to arrive at the revised normative O&M expenses for FY 2023-24.

3.5.5. The computation of revised normative O&M expenses for FY 2022-23 and FY 2023-24 in accordance with the MYT Regulations, 2019 is provided in the table below:

Table 3-30: Revised Normative O&M Expenses, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Wires Business	412.96	416.07	430.39	435.32
Retail Supply Business	222.36	224.04	231.75	234.40
Total O&M Expenses	635.33	640.11	662.13	669.72

3.5.6. BEST has incurred actual O&M expenses of Rs. 438.24 Crore for Distribution Wires Business and Rs. 235.97 Crore for Retail Supply Business for FY 2022-23. BEST has incurred actual O&M expenses of Rs. 453.37 Crore for Distribution Wires Business and Rs. 244.12 Crore for Retail Supply Business for FY 2023-24.

3.5.7. The component-wise actual O&M expenses in FY 2022-23 and FY 2023-24 for the Wires Business and Supply Business, are shown in the Tables below:

Table 3-31: Actual O&M Expenses for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
Employee Expenses	412.96	309.10	430.39	305.60
R&M Expenses		39.86		62.56
A&G Expenses		89.27		85.20
Total O&M	412.96	438.24	430.39	453.37

Employee Expenses

3.5.8. BEST has claimed employee expenses of Rs. 475.54 Crore and Rs. 470.16 Crore in FY 2022-23 and FY 2023-24, respectively. The details of actual employee expense as per Audited Accounts of FY 2022-23 and FY 2023-24 are given in the table below:

Table 3-32: Actual Employee Expenses for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Basic Salary	168.75	166.52
Dearness Allowance (DA)	41.17	43.86
House Rent Allowance	23.48	21.51
Conveyance Allowance	0.55	0.51
Leave Travel Allowance	3.14	1.76
Earned Leave Encashment	-	-
Other Allowances	-	-
Medical Reimbursement	2.04	1.87
Overtime Payment	9.53	11.08
Bonus/Ex-Gratia Payments	8.92	9.13
Interim Relief / Wage Revision	-	2.61
Functional Allowance, Incentive, EDIE	3.93	3.41
Provident Fund Contribution	22.85	22.40
Provision for PF Fund	-	-
Pension Payments	-	-
Gratuity Payment	59.12	56.20
Gross Employee Expenses	343.47	340.85
Less: Expenses Capitalized		
Less: Estb. of CAS, T&E & St. Ltg. Dept.	34.37	35.25
Net Employee Expenses	309.10	305.60

Table 3-33: Actual Employee Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Basic Salary	90.87	89.67
Dearness Allowance (DA)	22.17	23.61
House Rent Allowance	12.64	11.58
Conveyance Allowance	0.29	0.27
Leave Travel Allowance	1.69	0.95
Earned Leave Encashment	-	-
Other Allowances	-	-
Medical Reimbursement	1.10	1.01
Overtime Payment	5.13	5.96

Particulars	FY 2022-23	FY 2023-24
Bonus/Ex-Gratia Payments	4.80	4.92
Interim Relief / Wage Revision	-	1.41
Functional Allowance, Incentive, EDIE	2.12	1.84
Provident Fund Contribution	12.30	12.06
Provision for PF Fund	-	-
Pension Payments	-	-
Gratuity Payment	31.83	30.26
Gross Employee Expenses	184.94	183.54
Less: Expenses Capitalised	-	-
Less: Estb. of CAS, T&E & St. Ltg. Dept.	18.50	18.98
Net Employee Expenses	166.44	164.56

- 3.5.9. The actual employee expenses are in the same range for FY 2022-23 and FY 2023-24. It may be noted that the Wage Revision Agreement for BEST's employees is due w.e.f. 2021. However, the same is still pending. As and when such Wage Revision Agreement is signed, the arrears in salaries shall be paid to the employees and accounted for as actual employee expenses in the respective year. Also, the arrears of the previous Wage Revision Agreement (w.e.f. in 2016) are yet to be paid to the officers/management cadre and will be considered at actuals as and when it is actually paid.
- 3.5.10. BEST craves leave for claiming the impact of the actual Wage Revision, as and when it is made effective.
- 3.5.11. BEST submitted that BEST organization has some allied departments namely Consumer Advisory Services Dept., Telecommunications & Electronics Dept., Street Lighting Dept. & Electrical works Dept., which provide services to transport division as well as electricity supply business. Since, MCGM provides expenses towards street lighting department, 100% cost towards such employee expenses has been deducted. For other departments, only 45% employee cost of such departments have been considered for calculating employee expenses and 55% employee cost has been deducted.
- 3.5.12. BEST requested the Commission to approve Employee Expenses as shown above for FY 2022-23 and FY 2023-24.

A&G Expenses

- 3.5.13. The actual A&G Expenses incurred by BEST as per Audited Accounts of FY 2022-23 and FY 2023-24 are Rs. 137.34 Crore and Rs. 131.08 Crore, respectively. The details

of actual A&G expenses for FY 2022-23 and FY 2023-24 are shown in the Tables below:

Table 3-34: Actual A&G Expenses for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23 (Actual)	FY 2023-24 (Actual)
Rent Rates & Taxes	4.03	3.28
Insurance	0.31	0.39
Telephone & Postage, etc.	3.56	3.73
Legal charges & Audit fee	0.40	0.63
Professional, Consultancy, Technical fee	0.21	0.24
Electricity charges	2.60	2.22
Security arrangements	6.28	5.46
Printing & Stationery	0.86	0.87
Advertisements	0.42	1.03
License Fee and other related fee	1.34	0.01
Vehicle Running Expenses Truck / Delivery Van	10.38	8.80
Miscellaneous Expenses	5.60	6.99
Share of General Administration Expenses	53.27	51.57
Gross A &G Expenses	89.27	85.20
Less: Expenses Capitalised		
Net A &G Expenses	89.27	85.20

Table 3-35: Actual A&G Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23 (Actual)	FY 2023-24 (Actual)
Rent Rates & Taxes	2.17	1.77
Insurance	0.17	0.21
Telephone & Postage, etc.	1.92	2.01
Legal charges & Audit fee	0.22	0.34
Professional, Consultancy, Technical fee	0.11	0.13
Electricity charges	1.40	1.19
Security arrangements	3.38	2.94
Printing & Stationery	0.46	0.47
Advertisements	0.22	0.55
License Fee and other related fee	0.72	0.00
Vehicle Running Expenses Truck / Delivery Van	5.59	4.74
Miscellaneous Expenses	3.02	3.76
Share of General Administration Expenses	28.68	27.77

Particulars	FY 2022-23 (Actual)	FY 2023-24 (Actual)
Gross A &G Expenses	48.07	45.88
Less: Expenses Capitalized		
Net A &G Expenses	48.07	45.88

Share of General Administration Expenses

3.5.14. BEST has considered the allocation of the General Administration Expenses between Electric Supply & Transport Division based on the number of employees deployed in respective division. The percentage of the allocation considered based on the actual employees for major departments for FY 2022-23 and FY 2023-24 are as under:

Table 3-36: Allocation of General Administration between Electricity Supply and Transport for FY 2022-23 and FY 2023-24, as submitted by BEST

Particulars	FY 2022-23		FY 2023-24	
	Transport	Supply	Transport	Supply
Security & Vigilance	75%	25%	75%	25%
Civil Engineering Department	55%	45%	55%	45%
Time keeping, Personnel, Welfare, Medical etc.	81%	19%	81%	19%
EDP Department	35%	65%	35%	65%
Legal, Audit, Account, Cash, Secretarial, PRO etc.	50%	50%	50%	50%

3.5.15. BEST submitted its details of share of Electricity Supply Division from the total General Administration expenses for FY 2022-23 and FY 2023-24 in shown in the below table:

Table 3-37: Detailed of Allocation of General Administration to Supply Division for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23 (Actual)	FY 2023-24 (Actual)
	Supply	Supply
Establishment Cost	63.59	57.35
Administration & General Expense	12.57	12.95
Repair and Maintenance Work	9.17	7.83
Other Expenses	0.19	0.15
Depreciation	1.56	4.26
Miscellaneous Expenses	4.53	5.17
Sub-total	91.61	87.73
(less) Security Expenses	9.66	8.40
Net Share of General Administration	81.96	79.34

- 3.5.16. Security Expenses has been deducted from Share of General Expenses as those are considered separately in A&G Expenses.
- 3.5.17. BEST requested the Commission to approve A&G Expenses as shown above for FY 2022-23 and FY 2023-24.

R&M Expenses

- 3.5.18. The actual R&M Expenses incurred by BEST as per Audited Accounts of FY 2022-23 and FY 2023-24 are Rs. 61.33 Crore and Rs. 96.25 Crore, respectively. The details of actual Repair & Maintenance (R&M) expenses incurred by BEST in FY 2022-23 and FY 2023-24 are shown in the Tables below:

Table 3-38: Actual R&M Expenses for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23 (Actual)	FY 2023-24 (Actual)
Plant & Machinery	7.15	3.49
Buildings	-	-
Civil Works	28.31	53.28
Hydraulic Works	-	-
Lines & Cable Networks	17.18	32.76
Vehicles	-	-
Furniture & Fixtures	0.17	0.12
Office Equipment	4.94	3.44
Meter & Equipment	3.58	3.15
Gross R&M Expenses	61.33	96.25
Less: R&M Expenses Capitalized	-	-
Net R&M Expenses	61.33	96.25

- 3.5.19. BEST submitted that as per Regulation 75.6 and 84.6 of the MYT Regulations, 2019, R&M expenses need to be at least 20% of the total O&M expenses and in case the same are below 20%, then such savings in R&M expenses shall not be off-set against the other heads of O&M expenses. In case of BEST, the actual R&M expenses are 9.10% and 13.80% of total O&M expenses for FY 2022-23 and FY 2023-24, respectively. However, at the same time, the actual O&M expenses are higher than the revised normative O&M expenses, and BEST is subject to computation of efficiency loss. Thus, BEST has not gained in terms of efficiency gains on account of R&M expenses being lower than 20% of total O&M expenses. Further, BEST is taking efforts to increase the share of R&M expenses as a percentage of overall O&M

expenses, as can be seen from the increase in share of R&M from 9.10% in FY 2022-23 to 13.80% in FY 2023-24.

- 3.5.20. Hence, BEST requested the Commission to kindly not set off the savings in R&M against other heads of O&M expenses under the Regulations of "Power to relax" and "Power to remove difficulties" of the MYT Regulations, 2019 and accordingly allow expenses as per normal sharing of gains and losses.

Commission's Analysis and Ruling

- 3.5.21. In the MTR Order dated 31 March, 2023 in Case No. 212 of 2022, the Commission had approved normative O&M Expenses for FY 2022-23 and FY 2023-24 in accordance with the provisions of the MYT Regulations, 2019.

- 3.5.22. **Calculation of Escalation Factor:** The Commission had notified the MYT Regulations, 2019 specifying methodology for computation of normative O&M expenses. The Commission has analysed the methodology submitted by BEST for computation of Escalation Factor and notes that it is as per provisions of MYT Regulations, 2019. By applying 30% and 70% weightage to WPI and CPI respectively for FY 2022-23 and FY 2023-24, the escalation rate works out to 5.86% and 5.53%. The Commission notes that there been annual growth of 0.28% in number of consumers over the last three years for FY 2022-23 and 0.20% for FY 2023-24 considering the last three years as FY 2020-21 to FY 2022-23. As per Regulation 75 and 84 of the MYT Regulations, 2019, the reduction in efficiency factor shall be considered in proportion to the percentage growth in the number of consumers. Accordingly, for calculating the O&M expenses for FY 2022-23 and FY 2023-24, the Commission has applied the efficiency factor of 0.86% and 0.90% respectively to the escalation rate to arrive at the escalation factor as outlined in the following Table:

Table 3-39: Determination of O&M escalation factor for FY 2022-23 and FY 2023-24

Year	FY 2022-23		FY 2023-24	
	WPI (%)	CPI (%)	WPI (%)	CPI (%)
Average from FY 2019-20 to FY 2021-22	5.84%	5.93%		
Average from FY 2021-22 to FY 2022-23			5.78%	4.92%
Weights	30.00%	70.00%	30.00%	70.00%
Escalation Factor	5.86%		5.53%	
Efficiency Factor	0.86%		0.90%	
Escalation Factor Net of Efficiency Factor	5.00%		4.63%	

- 3.5.23. The Commission has computed the normative O&M Expenses for FY 2022-23 and FY 2023-24 by applying an escalation factor of 5.00% and 4.63% respectively to base

O&M expenses (of previous year). As per the provisions of the MYT Regulations, 2019 and above escalation factor, the Commission has approved the revised normative O&M expenses as shown in the Table below:

Table 3-40: Normative O&M Expenses for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Normative O&M Expenses of Preceding Year	609.61	640.11
Escalation Factor of respective years	5.00%	4.63%
Normative O&M expenses after applying escalation factor	640.11	669.72

3.5.24. The Commission notes the justification given by BEST for A&G and R&M expenses incurred by BEST as specified in para 3.5.8 to 3.5.20 of this Order.

3.5.25. The Commission has verified the same from Audited Accounts of FY 2022-23 and FY 2023-24 and therefore approves the actual O&M expenses as sought by BEST and specified in the Table below:

Table 3-41: Actual O&M Expenses for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Employee Expenses	475.54	475.54	470.16	470.16
A&G Expenses	61.33	61.33	96.25	96.25
R&M Expenses	137.34	137.34	131.08	131.08
Total O&M Expenses	674.21	674.21	697.49	697.49

3.5.26. The Commission notes that R&M expenses incurred by BEST is less than 20% of the total O&M Expenses. The provisions of MYT Regulations, 2019 clearly state that if R&M expenses are below 20%, then such savings in R&M expenses shall not be offset against other heads of O&M expenses. Thus, the Commission has recomputed the approved O&M expenses as specified in the MYT Regulations, 2019 by reworking the actual O&M expenses considering 20% R&M expenses. Based on such revised O&M expenses, 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, 2019 as discussed subsequently in this Order.

3.5.27. The detailed treatment of the **net entitlement of O&M expenses and 20% R&M expenses is calculated** in the subsequent chapter of sharing of efficiency losses/ gains of O&M expenses.

3.6. **Capital Expenditure and Capitalisation**

BEST's Submission

- 3.6.1. The Commission, in the MTR Order, approved Capital Expenditure and Capitalisation of Rs. 132.59 Crore and Rs. 228.31 Crore for the Wires Business for FY 2022-23 and FY 2023-24, respectively. Nil Capital Expenditure and Capitalisation was approved for the Retail Supply Business for FY 2022-23. Capitalisation and Capital Expenditure of Rs. 7.70 was approved for the Retail Supply Business for FY 2023-24.
- 3.6.2. BEST has incurred total capital expenditure of Rs. 161.40 Crore and Rs. 129.23 Crore in FY 2022-23 and FY 2023-24, respectively, and capitalised assets of Rs. 180.49 Crore and Rs. 128.72 Crore, respectively, for the said years, as shown in the Table below:

Table 3-42: Details of Capital Expenditure and Capitalisation for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Distribution Wires Business				
Capital Expenditure	132.59	160.38	228.31	129.22
IDC	0.00	0.00	0.00	0.00
Capitalisation + IDC	132.59	164.84	228.31	128.71
Retail Supply Business				
Capital Expenditure	0.00	1.02	7.70	0.01
IDC	0.00	0.00	0.00	0.00
Capitalisation + IDC	0.00	15.65	7.70	0.01

- 3.6.3. BEST submitted that, as per the books of accounts, capitalisation for FY 2022-23 and FY 2023-24 is Rs. 161.49 Crore and Rs. 128.72 Crore, respectively. However, BEST has claimed the Capitalisation of Rs. 180.49 Crore for FY 2022-23. The difference is because of the revision in amount claimed under Non-DPR Schemes. The following schemes are added under Non-DPR Schemes:

i. Installation of additional 33 kV GIS Bus Section at 110 kV DBA RSS in FY 2019-20

As per the ruling given by the Commission in Case No.212 of 2022 dated 31 March 2023 under para 3.6.11, it is mentioned that the Capitalisation amount of Rs. 4.37 Crore has been disallowed considering that “the Capitalisation was not of that scheme i.e. BEST/FY18/02A, MERC Ref. No. MERC/CAPEX/2019-20/135 dated 10.05.2019”. Now, the said capitalization amount towards Installation of additional 33 kV GIS Bus Section at 110 kV DBA RSS is considered under Non DPR-Schemes for FY 2022-23.

ii. Replacement of old Conventional Energy Meters

As per the ruling given by the Commission in Case No.212 of 2022 dated 31 March 2023, Para 4.6.10, it is mentioned that “*BEST has claimed the capitalisation of Rs. 14.63 Crore in FY 2021-22 against which the DPR is yet to be approved and is in relation to implementation of Energy Meters. As per the past approach of the Commission, the capitalisation undertaken for the scheme which is yet to be approved is not allowed and accordingly, the Commission not considered the capitalisation of Rs. 14.63 Crore in FY 2021-22. BEST may seek approval for such capitalisation in next tariff Petition post seeking approval of the Commission for said DPR*”.

- 3.6.4. Now, the said capitalization amount towards the scheme is considered under Non DPR-Schemes for FY 2022-23. Therefore, BEST requested the Commission to consider the revised Capitalisation as detailed above.
- 3.6.5. BEST has not claimed any amount against IDC for FY 2022-23 and FY 2023-24. BEST further submitted that, Rs. 22.19 Crore and Rs. 19.08 Crore were capitalised against RI charges in FY 2022-23 and FY 2023-24, respectively, for HV and LV cable laying. 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 to meet future demand in its area of supply and also for introducing IT/Automation to give better service and meet the Standards of Performance obligations as specified in the Regulations by the Commission.
- 3.6.6. Further, BEST has received a capital connection fee, Grant for street lighting from MCGM amounting to Rs. 17.04 Crore for FY 2022-23. Further, BEST has received a capital connection fee, Grant from IPDS and MCGM amounting to Rs. 18.63 Crore

for FY 2023-24. These amounts have been deducted while calculating normative loan and equity.

- 3.6.7. The capital expenditure and Capitalisation achieved in FY 2022-23 is higher than the Capital Expenditure and Capitalisation approved in the MTR Order, whereas, in FY 2023-24, the actual capital expenditure and Capitalisation is lower than the Capital Expenditure and Capitalisation approved in the MTR Order.
- 3.6.8. BEST has submitted that the detailed justification for the delay in completion of the schemes is submitted along with the Petition. Further, BEST submits that most of the schemes are completed and closure report of the schemes have been submitted to the Commission.

Commission's Analysis and Ruling

- 3.6.9. The Commission has examined the actual capitalisation claimed by BEST for FY 2022-23 and FY 2023-24 against the Capital Expenditure schemes approved in-principal. BEST has claimed total capitalisation of Rs. 180.49 Crore and Rs. 128.72 Crore for FY 2022-23 and FY 2023-23, respectively, which pertains to major DPR Schemes as under:

- Revamping of Existing RSS
- New Distribution Substation and New Receiving Substations
- Extension of Distribution Network
- Integrated Power Development Scheme (IPDS)
- RDSS Scheme Phase I
- SCADA and Digitisation

- 3.6.10. Capitalisation towards the non-DPR Schemes has been proposed as Rs. 58.74 Crore and Rs. 19.03 Crore during FY 2022-23 and FY 2023-24, respectively.
- 3.6.11. The Capitalisation of Rs. 121.75 Crore and Rs. 109.70 Crore for FY 2022-23 and FY 2023-24, respectively towards the in-principally approved DPR Schemes has been approved by the Commission, as the work executed is in accordance with the approved Scope of Work.

- 3.6.12. Further, with regards to the Non-DPR cost of Rs. 14.63 Crore towards the 'Replacement of Old Conventional Meters' claimed by BEST, since, in the past MTR Order the Commission has taken a view that the DPR of 'Replacement of old Conventional Meters' were not approved. The same cannot be claimed under the Non-DPR Scheme, without providing the proper Scope of Work and requirement of such Scheme, where BEST is already implementing its Smart Meter Scheme. With regards to the non-DPR claim of Rs. 4.37 Crore towards "Installation of additional 33 kV GIS Bus Section at 110 kV DBA RSS", BEST has not provided the detailed justification and the Scope of work for claiming such capitalisation. Further, the claim of the BEST is over and above the capitalisation booked in the Audited Accounts of FY 2022-23, hence, the Commission is not inclined to approve such capitalisation claimed by BEST under the non-DPR Scheme.
- 3.6.13. Accordingly, the Commission approves the capitalisation towards Non DPR Schemes of Rs. 39.74 Crore and Rs. 19.03 Crore for FY 2022-23 and FY 2023-24, which is within the limit of 20% of the approved DPR Schemes.
- 3.6.14. The Commission, therefore, approves capitalisation for FY 2022-23 and FY 2023-24, respectively, which is summarised in the Table below:

Table 3-43: Capitalisation for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Distribution Business						
DPR-Approved	132.59	121.75	121.75	238.31	109.69	109.69
Non-DPR		58.74	39.74		19.03	19.03
Total Capitalisation	132.59	180.49	161.49	238.31	128.72	128.72
Wires Business		164.84	160.47		128.71	128.71
Supply Business		15.65	1.02		0.01	0.01

- 3.6.15. Accordingly, the Commission approves the Capitalisation of Rs. 161.49 Crore and Rs. 128.72 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.7. **Funding of Capitalisation**

BEST's Submission

- 3.7.1. BEST 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.
- 3.7.2. The funding of capitalisation is shown below including 'Nil' IDC for FY 2022-23 and FY 2023-24:

Table 3-44: Funding of Capitalisation for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
	Actual	Actual
Distribution Wires Business		
Capital Connection Fee	10.35	9.37
Grants from IPDS/RDSS	0.00	5.75
Grants for Street Lights	6.69	3.51
Debt	103.46	77.06
Equity	44.34	33.02
Total Capitalisation including IDC	164.84	128.71
Retail Supply Business		
Grants from IPDS Scheme/RDSS Scheme	0.00	0.00
Debt	10.96	0.01
Equity	4.70	0.00
Total Capitalisation including IDC	15.65	0.01

Commission's Analysis and Ruling

- 3.7.3. The Commission has approved capitalization of Rs. 161.49 Crore and Rs. 128.72 Crore for FY 2022-23 and FY 2023-24, respectively. The Commission has verified the funding available from the consumer contribution and grants from the Audited Accounts for the said years. 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 27 of the MYT Regulations, 2019 after deducting the capital connection fee and grants received by BEST.

3.7.4. Accordingly, the sources of capitalisation and finding of Capitalisation considered by the Commission for Truing-up of FY 2022-23 and FY 2023-24 is as shown in Table below:

Table 3-45: Details of funding of Capitalisation for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Distribution Wires Business				
Capital Connection Fee	10.35	10.35	9.37	9.37
Grants from IPDS Scheme/RDSS Scheme	0.00	0.00	5.75	5.75
Grants for Street Lights	6.69	6.69	3.51	3.51
Debt	103.46	100.40	77.06	77.06
Equity	44.34	43.03	33.02	33.02
Total of Capitalisation including IDC	164.84	160.47	128.71	128.71
Retail Supply Business				
Grants from IPDS Scheme/RDSS Scheme	0.00	0.00	0.00	0.00
Debt	10.96	0.71	0.01	0.01
Equity	4.70	0.31	0.00	0.00
Total of Capitalisation including IDC	15.65	1.02	0.01	0.01

3.7.5. The Commission approves the funding of the Capitalisation considering Rs. 10.35 Crore & Rs. 9.37 Crore of Capital Connection Fee, Rs. 6.69 Crore & Rs. 3.51 Crore of Grants and balance as Debt: Equity in ratio of 70:30 for FY 2022-23 and FY 2023-24, respectively.

3.8. Depreciation

BEST's Submission

3.8.1. BEST has incurred depreciation expense of Rs. 109.30 Crore and Rs. 113.03 Crore for FY 2022-23 and FY 2023-24, respectively, towards Electric Supply division, as per the audited accounts for FY 2022-23 and FY 2023-24. For truing-up, BEST has calculated depreciation using average depreciation rate of 3.50% for FY 2022-23 and 3.47% for FY 2023-24. The average depreciation rate has been arrived at by dividing depreciation as per audited accounts by average of opening and closing GFA as per accounts. The approach adopted by BEST for the claim of depreciation is in line with previous submissions and also approval of the Commission in the previous Orders.

- 3.8.2. The average depreciation rate computed above has been applied on average of opening of regulatory GFA and closing of regulatory GFA submitted by BEST for approval of the Commission. Closing regulatory GFA of FY 2021-22 is considered as opening GFA for FY 2022-23. Similarly, closing GFA of FY 2022-23 is considered as opening GFA for FY 2023-24. The following table summarizes the depreciation calculation for truing-up for FY 2022-23 and FY 2023-24:

Table 3-46: Depreciation for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Audited Opening GFA	3050.43	3196.81
Audited Closing GFA	3196.81	3310.69
Average Audited GFA	3123.62	3253.75
Audited Depreciation	109.30	113.03
Average Depreciation Rate (%)	3.50%	3.47%
Opening Regulated GFA	3011.48	3176.86
Capitalisation with IDC	180.49	128.72
Retirement	14.64	14.91
Closing Regulated GFA	3176.86	3290.71
Average Regulated GFA	3094.17	3233.79
Depreciation	108.27	112.34

- 3.8.3. The opening GFA for FY 2022-23 is Rs. 3050.43 Crore and 3196.81 Crore as per 'schedule of fixed assets' given in Audited accounts for FY 2022-23 and FY 2023-24 for Electricity Supply Division submitted along with this MYT Petition. Further, Asset Register for FY 2022-23 and FY 2023-24 are also submitted along with this Petition.
- 3.8.4. BEST has therefore requested the Commission to approve the depreciation for FY 2022-23 and FY 2023-24 as submitted in the table above.

Commission's Analysis and Ruling

- 3.8.5. The Commission notes that BEST has not considered the 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.
- 3.8.6. The Commission has computed the depreciation in accordance with Regulation 28 of the MYT Regulations, 2019. Accordingly, the Commission has considered the opening GFA of Rs. 3,011.48 Crore for FY 2022-23 same as closing GFA approved for FY 2021-22 in this Order. For FY 2023-24, the Commission has considered the

opening GFA same as closing GFA of FY 2022-23 as approved by the Commission in this Order.

- 3.8.7. Addition in GFA is considered equal to capitalization approved by the Commission during FY 2022-23 and FY 2023-24. 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 2022-23 and FY 2023-24.
- 3.8.8. The Commission has considered actual depreciation rate of FY 2022-23 and FY 2023-24 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, 2019.
- 3.8.9. The summary of depreciation expense for FY 2022-23 and FY 2023-24 as submitted by BEST and as approved by the Commission is as given in the Table below:

Table 3-47: Depreciation for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening GFA	3011.48	3011.48	3011.48	3124.37	3176.86	3157.86
Capitalisation with IDC	132.49	180.49	161.49	143.78	128.72	128.73
Retirement	19.70	14.64	14.64	19.70	14.91	14.91
Closing GFA	3124.37	3176.86	3157.86	3248.44	3290.71	3271.72
Average GFA	3067.92	3094.17	3084.67	3186.41	3233.79	3214.79
Depreciation Rate	3.53%	3.50%	3.50%	3.53%	3.47%	3.47%
Depreciation	108.45	108.27	107.94	112.63	112.34	111.68

- 3.8.10. Accordingly, the Commission approves the Depreciation of Rs. 107.94 Crore and Rs. 111.68 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.9. Interest on Long-Term Loan

BEST's Submission

- 3.9.1. BEST has computed the Interest on Long-term Loan as per Regulation 30 of the MYT Regulations, 2019. The closing net normative loan approved by the Commission in the truing up of FY 2021-22 in the MTR Order has been considered as opening net normative loan for FY 2022-23. Similarly, the closing net normative loan for FY 2022-23 has been considered as the opening net normative loan for FY 2023-24. The computation of interest on Long-term loan capital has done on the basis of average normative loan in a year. The normative repayment of loan has been considered equal to the depreciation for the respective year, in accordance with the MYT Regulations, 2019. For arriving at the debt component, the Debt: Equity ratio of 70:30 has been considered on the capitalisation for respective year. The interest rate has been considered as weighted average rate of interest of the actual loan basket of BEST.
- 3.9.2. The actual interest expense incurred by BEST in FY 2022-23 and FY 2023-24 is as shown in table below:

Table 3-48: Normative Interest Expense for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Source of Loan	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Opening Balance of Net Normative Loan	0.00	0.00	0.00	6.02
Less: Reduction of Normative Loan due to retirement or replacement of asset	12.41	0.00	12.41	0.00
Addition of normative loan due to capitalisation during the year	73.95	100.40	90.58	77.06
Repayment of Normative loan during the year	61.53	97.14	78.18	83.07
Closing Balance of Net Normative Loan	0.00	6.02	0.00	0.00
Average Balance of Net Normative Loan	0.00	3.01	0.00	3.01
Weighted average Rate of Interest on actual Loans (%)	10.49%	10.26%	10.49%	10.34%
Interest Expenses	0.00	0.31	0.00	0.31
Finance Charges		3.50		3.67
Total Interest and Financing Expenses	0.00	3.81	0.00	3.98

Table 3-49: Normative Interest Expense for Retail Supply Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Source of Loan	FY 2022-23		FY 2023-24	
	MTR Order	True-up	MTR Order	True-up
Opening Balance of Net Normative Loan	0.00	0.00	0.00	0.13
Less: Reduction of Normative Loan due to retirement or replacement of asset	1.38	0.00	1.38	0.00
Addition of normative loan due to capitalisation during the year	8.22	10.96	10.06	0.01
Repayment of Normative loan during the year	6.84	10.83	8.69	0.14
Closing Balance of Net Normative Loan	0.00	0.13	0.00	0.00
Average Balance of Net Normative Loan	0.00	0.06	0.00	0.06
Weighted average Rate of Interest on actual Loans (%)	10.44%	10.26%	10.49%	10.34%
Interest Expenses	0.00	0.01	0.00	0.01
Finance Charges		0.00		0.00
Total Interest and Financing Expenses	0.00	0.01	0.00	0.01

3.9.3. BEST submitted that the reduction in normative loan due to retirement or replacement of asset has been considered as Nil, as these assets are very old and there is no loan outstanding against such retired assets. The Finance Charges have been claimed at actuals in the true-up for FY 2022-23 and FY 2023-24.

3.9.4. The actual interest expenses incurred by BEST in FY 2022-23 and FY 2023-24 are as shown in table below:

Table 3-50: Details of Actual Interest Expenses for FY 2022-23, as submitted by BEST (Rs. Crore)

Source	Opening Balance	Addition	Repayment	Closing Balance	Average Balance	Interest Expense	Interest Rate (%)
APDRP	6.76	0.00	2.22	4.54	5.65	0.60	11.50%
REC	276.72	0.00	39.53	237.19	256.96	26.33	10.75%
Total	283.48	0.00	41.75	241.73	262.60	26.93	10.26%

Table 3-51: Details of Actual Interest Expenses for FY 2023-24, as submitted by BEST (Rs. Crore)

Source	Opening Balance	Addition	Repayment	Closing Balance	Average Balance	Interest Expense	Interest Rate (%)
APDRP	4.54	0.00	2.22	2.32	3.43	0.37	11.50%
REC	237.19	0.00	39.53	197.66	217.43	22.47	10.75%
Total	241.73	0.00	41.75	199.98	220.86	22.84	10.34%

- 3.9.5. BEST submitted that it has to adhere to the stringent provisions of MMC Act, 1888 for raising of any long-term loan and BEST has to follow the provisions of Section 106 and procedure laid down under the said Act, wherein approval of the Government of Maharashtra is absolutely necessary. The same requires significant time for overall application and approval process. Therefore, BEST has found it difficult to raise new long-term loans in the past.
- 3.9.6. The normative interest expenses computed in the tables above is lower than the actual interest expenses incurred by BEST for FY 2022-23 and FY 2023-24.
- 3.9.7. BEST submitted that approving normative interest on loan as per Regulations is hampering BEST's financial position adversely. Hence, BEST requested the Commission to consider allowing interest on actual basis rather than normative basis. BEST also requested to exercise its powers available under Regulation 106 of the MYT Regulations, 2019 and Regulation 96 of earlier MERC (Conduct of Business) Regulations, 2004, which is now replaced by Regulation 46(a) of MERC (Transaction of Business and Fees and Charges) Regulations, 2022 and may kindly allow interest on loan on actual basis.

Commission's Analysis and Ruling

- 3.9.8. For Truing up, the Commission has computed the interest on loan capital in accordance with Regulation 30 of the MYT Regulations, 2019. For computation of interest on loan capital, the Commission has considered the opening balance of net normative loan of FY 2022-23 as 'Nil' which is same as approved closing balance of loan for FY 2021-22.
- 3.9.9. 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 30.5 of the MYT Regulations, 2019. The relevant extract of the same is provided as under:

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

- 3.9.10. The Commission has considered the BEST's submission of considering the reduction in normative loan due to retirement or replacement of asset as Nil, as these assets are very old and there is no loan outstanding against such retired assets.

3.9.11. 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, 2019. 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 Accounts to calculate the weighted average interest rate to be considered for computation of the interest on normative long-term loans. Based on the above, actual weighted interest rate works out to 10.26% and 10.34% for FY 2022-23 and FY 2023-24, respectively.

3.9.12. Further, BEST has requested the Commission to exercise its powers available under Regulation 106 of the MYT Regulations, 2019 and Regulation 96 of earlier Conduct of Business Regulations 2004 which is now replaced by Regulation 46(a) of MERC (Transaction of Business and Fees and Charges) Regulations, 2022 and allow interest on actual basis rather than normative basis. However, the Commission is not inclined to relax the norms as provided in the Regulations and is following the set principles as provided in the MYT Regulations, 2019.

3.9.13. Accordingly, the Commission has approved the interest on loan capital for FY 2022-23 and FY 2023-24 as given in the Table below:

Table 3-52; Interest on Loan for FY 2022-23 and FY 2023-24 (Combined Distribution Business), as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening Balance of Normative Loan	0.00	0.00	0.00	0.00	2.45	3.26
Less: Reduction of Normative Loan due to retirement or replacement of Assets	13.79	0.00	0.00	13.79	0.00	0.00
Loan Drawl during the year	82.16	114.42	101.12	100.64	77.06	77.07
Loan Repayment during the year	68.37	108.27	97.86	86.85	83.21	80.33
Closing Balance of Normative Loan	0.00	6.15	3.26	0.00	0.00	0.00
Average Balance of Normative Loan	0.00	3.07	1.63	0.00	3.07	1.63
Applicable Interest Rate (%)	10.49%	10.26%	10.26%	10.49%	10.34%	10.34%
Interest Expenses	0.00	0.32	0.17	0.00	0.32	0.17
Financing Charges	0.00	3.50	3.50	0.00	3.67	3.67
Total Interest Expenses	0.00	3.82	3.67	0.00	3.99	3.84

3.9.14. The Commission approves Interest on Long Term Loan as 3.67 Crore and Rs. 3.84 Crore for FY 2022-23 and FY 2023-24, respectively.

3.10. Interest on Working Capital

BEST's Submission

- 3.10.1. BEST has computed the normative Interest on Working Capital (IoWC) as per Regulation 32 of the MYT Regulations, 2019. The Consumer Security Deposit (CSD) has been considered same as the amount reflecting in the Audited accounts for FY 2022-23 and FY 2023-24. Regulation 32.3 (b) and 34.3 (b) of the MYT Regulations, 2019 specify the rate of Interest to be taken for computing Interest on Working Capital.
- 3.10.2. Hence, the one-year SBI MCLR applicable for FY 2022-23 and FY 2023-24 have been considered, i.e., 7.80% for FY 2022-23 and 8.57% for FY 2023-24. Accordingly, for computation of IoWC, BEST has considered the rate of interest of 9.30% for FY 2022-23 and 10.07% for FY 2023-24, in accordance with the MYT Regulations, 2019.

Table 3-53: Normative Interest on Working Capital for Distribution Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
O&M expenses for a month	34.41	34.67	35.87	36.28
Maintenance Spares at 1% of Opening GFA	27.10	27.10	28.12	28.42
One and half months' equivalent of the expected revenue from Wheeling Charges	45.85	74.09	52.46	93.32
Less: Amount held as Security Deposit	43.61	53.14	43.61	56.60
Total Working Capital Requirement	63.75	82.73	72.83	101.59
Computation of Working Capital Interest				
Interest Rate (%) - SBI MCLR +150 basis points	9.55%	9.30%	9.55%	10.07%
Interest on Working Capital	6.09	7.69	6.96	10.22
Actual Interest on Working Capital		1.21		1.50

Table 3-54: Normative Interest on Working Capital for Retail Supply Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
O&M expenses for a month	18.53	18.67	19.31	19.53
Maintenance Spares at 1% of Opening GFA	3.01	3.01	3.12	3.18
One and half months' equivalent of the expected revenue from Wheeling Charges	412.65	366.85	472.14	430.29
Less: Amount held as Security Deposit	392.53	478.23	392.53	509.38

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC charges	306.64	314.58	286.67	263.87
Total Working Capital Requirement	(264.98)	(404.29)	(184.63)	(320.25)
Computation of Working Capital Interest				
Interest Rate (%) - SBI MCLR +150 basis points	9.55%	9.30%	9.55%	10.07%
Interest on Working Capital	0.00	0.00	0.00	0.00
Actual Interest on Working Capital		10.90		13.54

- 3.10.3. BEST has submitted that the provision in the MYT Regulations, 2019 of reducing the working capital by total amount of consumer security is resulting in the net working capital being negative for the Supply Business. Therefore, the working capital requirement based on normative principle works out to zero. However, as per the Audited Accounts, BEST has incurred IoWC. The working capital loan is being taken to meet actual daily requirements of overall business whereas as per the regulatory provisions the same is computed separately for Wires and Supply ARR. One of the factors for negative working capital is that the security deposit amount being considered for working capital is the cumulative/ accumulated amount over the period of years and the other components are for the year. However, the interest on working capital for wires business has been worked out to Rs. 7.69 Crore and Rs. 10.22 Crore for FY 2022-23 and FY 2023-24, respectively.
- 3.10.4. BEST further submitted that Canara Bank O.D. is used for Electric Supply as well as Transport Division. The amount of actual interest on O.D account is allocated to Electric Supply Division based on usage of O.D. limit by Electric Supply Division.
- 3.10.5. BEST's day to day inflow of cash/bank from electric bill receipt from consumers varies from month to month (i.e., date of payment of bill every month by consumer is uncertain) and the huge payment of power purchase/Employee salary and vital items are to be paid in bulk. Hence, this facility is availed by BEST.
- 3.10.6. BEST has made maximum efforts to lower the working capital requirement and has paid lower interest on working capital as compared to FY 2021- 22.
- 3.10.7. Further, due to stringent conditions of MMC Act, 1888, BEST has to rollover the short-term loan thereby effectively using it as a long-term fund till BEST gets exemption under Section 106 of MMC Act. It leads to increase in actual working capital requirement.

- 3.10.8. Accordingly, BEST has requested the Commission to approve the interest on working capital on actual basis, rather than normative basis.

Commission's Analysis and Ruling

- 3.10.9. The Regulation 32.2 and 32.4 of MYT Regulations, 2019 stipulates 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.
- 3.10.10. The Commission has worked out the rate of Interest of Working Capital (IoWC) as 9.30% and 10.07% for FY 2022-23 and FY 2023-24, respectively.
- 3.10.11. Further, the Commission has observed that, BEST has considered the actual Consumer Security Deposit of Rs. 531.37 Crore and Rs. 565.98 Crore for FY 2022-23 and FY 2023-24, respectively, duly reconciled with the Audited Accounts of the respective years. However, the Commission also sought the details of the Additional Consumers Security Deposit Demand raised by BEST to its consumers and corresponding realisation of the same as part of the data gaps.
- 3.10.12. BEST in response to the data gap query submitted that, for FY 2022-23 the additional consumer security deposit Demand of Rs. 303.10 Crore was raised out of which Rs. 88.42 Crore have been collected from the Consumers. Similarly, during FY 2023-24, a demand of Rs. 424.82 Crore has been raised as the additional consumer security deposit to its consumers out of which Rs. 57.95 Crore have been realised.
- 3.10.13. The Commission observes that, since there is no break-up available, realised CSD of Rs. 88.42 Crore and Rs. 57.95 Crore for FY 2022-23 and FY 2023-24 is considered as included in actual CSD of Rs. 531.37 Crore and Rs. 565.98 Crore for the purpose of computing the normative IoWC for FY 2022-23 and FY 2023-24 respectively.
- 3.10.14. The Commission in addition to such actual CSD booked for the respective years have also considered the difference of the additional CSD demand and realised CSD over and above the actual CSD booked for the respective year, where the total CSD for the FY 2022-23 works out to Rs. 746.05 Crore (Rs. 531.37 Crore + (Rs. 303.10-Rs.88.42 Crore)) and Rs. 932.85 Crore (Rs. 565.98 Crore + (Rs. 424.82 Crore – Rs. 57.95 Crore)) for FY 2023-24. The same has been considered as the Amount of Security Deposit held for the FY 2022-23 and FY 2023-24, respectively, while computing the normative IoWC for the respective years.

3.10.15. The summary of the normative IoWC for FY 2022-23 and FY 2023-24 as approved by the Commission is provided in the Table below:

Table 3-55: Interest on Working Capital for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Wires Business						
O&M expenses for a month	34.41	34.67	34.67	35.87	36.28	36.28
Maintenance Spares at 1% of Opening GFA	27.10	27.10	27.10	28.12	28.42	28.57
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	45.85	74.09	44.09	52.46	93.32	52.36
Less: Amount held as Security Deposit from Distribution System Users	43.61	53.14	74.61	43.61	56.60	93.29
Total Working Capital Requirement	63.75	82.73	31.26	72.83	101.42	23.92
Computation of Working Capital Interest						
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	9.30%	9.30%	9.55%	10.07%	10.07%
Interest on Working Capital	6.09	7.69	2.91	6.96	10.21	2.41
Retail Supply Business						
O&M expenses for a month	18.53	18.67	18.67	19.31	19.53	19.53
Maintenance Spares at 1% of Opening GFA	3.01	3.01	3.01	3.12	3.16	3.01
One and half month's equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	412.65	366.85	396.84	472.14	430.29	471.25
Less: Amount held as security deposit	392.53	478.23	671.45	392.53	509.38	839.57
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	306.64	314.58	314.58	286.67	263.87	263.87
Total Working Capital Requirement	-264.98	-404.29	-567.50	-184.63	-320.26	-609.64
Computation of Working Capital Interest						
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	9.30%	9.30%	9.55%	10.07%	10.07%
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
Total Distribution Business						
Interest on Working Capital	6.09	7.69	2.91	6.96	10.21	2.41

3.10.16. Accordingly, the Commission approves the Normative IoWC of Rs. 2.91 Crore and Rs. 2.41 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.10.17. Since, IoWC Expenses is controllable, the Commission has undertaken sharing of efficiency gain/losses in accordance with the MYT Regulations, 2019 and the treatment of the actual interest on working capital loan, which is discussed in the subsequently in this Section.

3.11. Interest on Consumer Security Deposit

BEST's Submission

3.11.1. BEST has submitted that Interest on CSD amount claimed is on actual paid basis, which is adjusted in the consumers' bills. BEST therefore requested the Commission to approve actual Interest on CSD as shown in the table below:

Table 3-56: Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Interest on Security Deposit for Wires Business	1.85	1.58	2.68	3.26
Interest on Security Deposit for Retail Supply Business	16.68	14.22	24.14	29.32
Interest on Security Deposit for Combined Distribution Business	18.54	15.80	26.82	32.57

Commission's Analysis and Ruling

3.11.2. The Commission has verified the Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 based on the submissions of BEST and the reconciliation statement with the Audited Accounts submitted by BEST in response to the data gaps raised by the Commission. The Commission therefore approves the actual interest on CSD claimed by BEST, which is summarised in the Table below:

Table 3-57: Interest on Consumer's Security Deposit for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Interest on Security Deposit for Wires Business	1.85	1.58	1.58	2.68	3.26	3.26
Interest on Security Deposit for Retail Supply Business	16.68	14.22	14.22	24.14	29.32	29.32
Interest on Security Deposit for Combined Distribution Business	18.53	15.80	15.80	26.82	32.57	32.57

3.11.3. Accordingly, the Commission approved Rs. 15.80 Crore and Rs. 32.57 Crore as the Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.12. Contribution to Contingency Reserves

BEST's Submission

3.12.1. As per the MYT Regulations, 2019, the Commission has approved contribution to the Contingency Reserve at the rate of 0.25 % on Opening Gross Fixed Assets (GFA) as against ceiling of 0.5% on Opening G.F.A.

3.12.2. BEST submitted that the Commission in its MTR Order has not allowed any amount towards Contribution to Contingency Reserves because of delayed investment for two consecutive years as per the Regulation 35.1 of the MYT Regulations, 2019 and has directed BEST to invest in Contingency Reserves as per Regulation 35.1 of the MYT Regulations, 2019. In compliance to the directive given by the Commission, BEST has invested in Contingency Reserves for FY 2022-23 and FY 2023-24 in a timely manner. The summary of the actual Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 3-58: Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Opening GFA of Wire Business	2710.33	2710.33	2811.93	2859.18
Contribution to Contingency Reserves for Wires Business	0.00	6.78	0.00	7.15
Opening GFA of Retail Supply Business	301.15	301.15	312.44	317.69
Contribution to Contingency Reserves for Retail Supply Business	0.00	0.75	0.00	0.79

3.12.3. BEST further submitted that it has invested combined amount of Wires Business and Supply Business of Rs. 7.62 Crore for FY 2022-23 and Rs. 7.98 Crore in FY 2023-24. BEST has submitted the proof of the investment made against contingency reserves along with the Petition.

3.12.4. BEST has therefore requested the Commission to approve the actual Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24, respectively.

Commission's Analysis and Ruling

- 3.12.5. The Commission has noted the submissions of BEST. The Commission has verified the actual Contribution to Contingency Reserves invested in the Government Securities for FY 2022-23 and FY 2023-24.
- 3.12.6. Based on the above, the Commission has approved the Contribution to Contingency Reserves for the Wires and Supply Business for FY 2022-23 and FY 2023-24 at 0.25% of the approved value of the Opening GFA for the respective business as shown in the Table below:

Table 3-59: Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening GFA of Wire Business	2710.33	2710.33	2710.33	2811.93	2859.18	2857.21
Contribution to Contingency Reserves for Wires Business	0.00	6.78	6.78	0.00	7.15	7.14
Opening GFA of Retail Supply Business	301.15	301.15	301.15	312.44	317.69	300.66
Contribution to Contingency Reserves for Retail Supply Business	0.00	0.75	0.75	0.00	0.79	0.75
Opening GFA of Distribution Business	3011.48	3011.48	3011.48	3124.37	3176.87	3157.86
Contribution to Contingency Reserves for Distribution Business	0.00	7.53	7.53	0.00	7.94	7.89

- 3.12.7. Accordingly, the Commission approves the Contribution to Contingency Reserves of Rs. 7.53 Crore and Rs. 7.89 Crore for the Combined Distribution Business for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.13. Other Expenses

BEST's Submission

- 3.13.1. BEST has submitted that, has incurred Other Expenses of Rs. 34.97 Crore and Rs. 42.23 Crore for FY 2022-23 and FY 2023-24, respectively. The break-up of Other Expenses is summarised in the Table below:

Table 3-60: Other Expenses for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Prompt payment Discount		12.30		15.11
Power factor Incentive		9.55		11.52
Load factor Incentive		2.82		4.48
Discount on Digital Payment to Consumers		3.36		4.32
Discount for E Bill Option		6.77		6.66
Reimbursement of Transaction charges against payment through Visa Master Debit/Credit card.		0.17		0.13
Total	24.19	34.97	24.19	42.23

3.13.2. BEST further submitted that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses and therefore requested the Commission to approve the actual Other Expenses as submitted in the above table.

Commission's Analysis and Ruling

3.13.3. The Commission has noted the submission of BEST. BEST has claimed the actual expenses incurred during for FY 2022-23 and FY 2023-24 under Other Expenses for payment of PF incentive, prompt payment discount, and ECS discount. The Commission observes that such expenses are related to billing and collection to the consumers and hence such cost is allocated to supply business of the Distribution Licensee.

3.13.4. Further, as per Regulation 36 of the MYT Regulations, 2019, the Commission has verified the Other Expenses from Audited Accounts based on the reconciliation statement submitted by BEST in response to the data gaps sought by the Commission for FY 2022-23 and FY 2023-24 and therefore has approved Other Expenses as summarised in the Table below:

Table 3-61: Other Expenses for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Prompt payment Discount		12.30	12.30		15.11	15.11
Power factor Incentive		9.55	9.55		11.52	11.52
Load factor Incentive		2.82	2.82		4.48	4.48
Discount on Digital Payment to Consumers		3.36	3.36		4.32	4.37
Discount for E Bill Option		6.77	6.77		6.66	6.66
Reimbursement of Transaction charges against payment through Visa Master Debit/Credit card.		0.17	0.17		0.13	0.13
Total	24.19	34.97	34.97	24.19	42.23	42.23

3.13.5. Accordingly, the Commission approves Rs. 34.97 Crore and Rs. 42.23 Crore as Other Expenses for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.14. Provision of Bad and Doubtful Debts

BEST's Submission

- 3.14.1. BEST has submitted that it has kept provisions for Bad and Doubtful Debts at the rate of 1.5% of the amount shown as Trade Receivables for FY 2022-23 and FY 2023-24.
- 3.14.2. BEST has submitted that the Commission had provisionally allowed Rs. 7.97 Crore as provision for bad debts for both FY 2022-23 and FY 2023-24 in the previous MTR Order. Against which, BEST has actually written off Bad Debts of Rs. 5.65 Crore and Rs. 6.60 Crore in FY 2022-23 and FY 2023-24, respectively.
- 3.14.3. The major reasons for bills remaining unpaid in BEST area is demolition of buildings / slum structures, vacating of premises, etc. In such cases, before giving reconnection to original residents of the plot in rehabilitation buildings, arrears are recovered. Further, in some cases, consumers staying in existing premises fail to pay the bills due to unavoidable circumstances. In such cases, Vigilance Department carries out regular raids and registers cases against consumers using unauthorised supply. Recovery of old arrears is made and then supply is reconnected through meters. Also, in such cases, meters are removed and final bills are prepared after 2 years of meter removal. An amnesty scheme was brought in by BEST whereby the Delayed Payment Charge

(DPC) and interest on arrears (IOA) charged after meter removal was waived and only energy charges were recovered. At present, this scheme is applicable for meter removal prior to 2020. Consumers have taken advantage and got their meters reconnected after paying energy charges.

- 3.14.4. BEST has therefore requested the Commission to approve the actual bad and doubtful debts written off as submitted above.

Commission's Analysis and Ruling

- 3.14.5. The Commission has noted the submission of BEST. As per the provisions of the Regulation 76 and 85 of the MYT Regulations, 2019, the Commission may allow provisioning of bad and doubtful debts up to 1.5% of the amount shown as receivables in the Audited Accounts.

- 3.14.6. The Commission has verified the provision for bad and doubtful debts from the audited annual accounts and approved the same is summarised in the Table below:

Table 3-62: Provision of Bad and Doubtful Debts for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Wires Business			Supply Business			Distribution Business		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
FY 2022-23									
Provision of Bad and Doubtful Debt	0.80	0.57	0.57	7.18	5.09	5.09	7.97	5.65	5.65
FY 2023-24									
Provision of Bad and Doubtful Debt	0.80	0.66	0.66	7.18	5.94	5.94	7.97	6.60	6.60

- 3.14.7. 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.

- 3.14.8. **Accordingly, the Commission approves the Provision for Bad and Doubtful Debts of Rs. 5.65 Crore and Rs. 6.60 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.**

3.15. Return on Equity

BEST's Submission

- 3.15.1. BEST has computed the Return on Equity (RoE) in accordance with Regulation 29 of the MYT Regulations, 2019. For FY 2022-23 and FY 2023-24, BEST has computed the RoE in two components, viz., base return on equity and additional return on equity linked to actual performance as per Regulation 29 of the MYT Regulations, 2019. For FY 2022-23 and FY 2023-24, BEST has computed the Base RoE for the Wires Business at 14% and Additional RoE at 1.00% as the Wires Availability was 99.23% and 99.30% for FY 2022-23 and FY 2023-24, respectively.
- 3.15.2. In case of Retail Supply Business, for FY 2022-23, BEST has computed the Base RoE for the Retail Supply Business at 15.5% and Additional RoE at 1.00% on account of collection efficiency for the year being over 100%. The documentary evidence for actual collection efficiency in FY 2022-23 has been submitted along with the Petition. Percentage of assessed bills in FY 2022-23 has been reported as 2.68%. Therefore, BEST has not claimed additional RoE of 1% as the percentage of assessed bills during FY 2022-23 works out to be more than 1.5%. BEST submits the details of assessed bills during FY 2022-23 as shown in the Table below:

Table 3-63: Details of Assessed Bills during FY 2022-23, as submitted by BEST

Month	Total no. of meters bills on estimation	Total no. of meters billed on actual	Total no. of meters
Apr	14480	1033229	1047709
May	22579	1025153	1047732
Jun	27655	1019783	1047438
Jul	24080	1001206	1025286
Aug	16701	1031347	1048048
Sep	28555	1019378	1047933
Oct	142844	904746	1047590
Nov	14971	1032381	1047352
Dec	12365	1034628	1046993
Jan	11251	1036167	1047418
Feb	10628	1037449	1048077
Mar	10309	1037752	1048061
Cumulative	336418	12213219	12549637

- 3.15.3. For FY 2023-24, the additional RoE on account of collection efficiency works out to 1.00%, on account of 100.46% collection efficiency in the year. The documentary evidence for actual collection efficiency in FY 2023-24 has been submitted along with

this Petition. As regards the second parameter for Additional RoE, the percentage of assessed bills in FY 2023-24 has been reported as 2.03%. However, BEST humbly submits that such higher percentage of assessed bills reported in FY 2023-24 does not reflect the true picture and has arisen on account of certain peculiar circumstances, as detailed below.

3.15.4. Under the RDSS project, BEST has commenced installation of Smart Meters to its retail consumers from 02 December 2023. Whenever a meter is replaced, it usually takes at least one billing cycle for new meter to get updated in the billing system. The meter reader reads the meters through meter reading app in which the data of meters is available as per the billing system. When the meter reader does not find a meter on board as per the data of meters available on his meter reading app, the remark "Reading not taken" is entered and by default, the meters that are replaced before meter reading date, get billed on average for a month or two. This pattern can be seen from the table below:

Table 3-64: Increase in Assessed Bills during FY 2023-24 due to Smart Metering, as submitted by BEST

Month	Consumer Bills Generated	Bills Generated on Actual Reading	% Bills generated on Actual Reading	No. of Consumer Meters replaced by Smart Meter	Smart meters % of total Meters
Apr	1047491	1037141	99.0%	Nil	
May	1047258	1032787	98.6%	Nil	
Jun	944202	932359	98.7%	Nil	
Jul	1048374	1031055	98.3%	Nil	
Aug	1049001	1031997	98.4%	Nil	
Sep	1049917	1036615	98.7%	Nil	
Oct	1049991	1037224	98.8%	Nil	
Nov	1050252	1037025	98.7%	Nil	
Dec	1050740	1021939	97.3%	15328	1.5%
Jan	1051181	994529	94.6%	18304	1.7%
Feb	1051841	1028680	97.8%	52573	5.0%
Mar	1052103	1016846	96.6%	52769	5.0%
Cumulative	12492351	12238197	98.0%	138974	

3.15.5. From the above data, it can be seen that before commencement of installation of smart meters, i.e., from April to November, 2023, assessed billing was less than 1.5% on an average. However, after December, 2023, the percentage of assessed billing has increased and has ranged from 2.2% to 5.4%.

3.15.6. Based on the above justification, BEST has claimed Additional RoE of 1% for FY 2023-24 on account of the Assessed Bills percentage also. Thus, BEST has claimed additional RoE of 2% for FY 2023-24.

3.15.7. Further, as BEST is exempted from payment of Income Tax, the rate of RoE and additional RoE has not been grossed up by the applicable Income Tax rate.

3.15.8. The RoE claimed by BEST for FY 2022-23 and FY 2023-24 for the Wires Business and Retail Supply Business is shown in the following Tables:

Table 3-65: Base Return on Equity for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Regulatory Equity at the beginning of the year	871.62	871.62	898.00	912.01
Capitalisation during the year	105.64	164.84	129.40	128.71
Equity portion of capitalisation during the year	31.69	44.34	38.82	33.02
Reduction in Equity Capital on account of retirement/replacement of assets	5.32	3.95	5.32	4.03
Regulatory Equity at the end of the year	898.00	912.01	931.50	941.01
Return on Equity Computation				
Base Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%
Pretax Return on Equity after considering effective Tax rate	-	14.00%	-	14.00%
Return on Regulatory Equity at the beginning of the year	122.03	122.03	125.72	127.68
Return on Regulatory Equity addition during the year	1.85	3.10	2.35	2.31
Total Return on Equity	123.87	125.13	128.06	129.99

Table 3-66: Base Return on Equity for Retail Supply Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
Regulatory Equity at the beginning of the year	96.85	96.85	99.78	101.10
Capitalisation during the year	11.74	15.65	14.38	0.01
Equity portion of capitalisation during the year	3.52	4.70	4.31	0.00
Reduction in Equity Capital on account of retirement/replacement of assets	0.59	0.44	0.59	0.45
Regulatory Equity at the end of the year	99.78	101.10	103.50	100.66
Return on Equity Computation				
Base Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%
Pre-tax Return on Equity after considering effective Tax rate	-	15.50%		15.50%

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
Return on Regulatory Equity at the beginning of the year	15.01	15.01	15.47	15.67
Return on Regulatory Equity addition during the year	0.23	0.36	0.29	0.00
Total Return on Equity	15.24	15.38	15.75	15.67

3.15.9. The Additional RoE claimed by BEST for FY 2022-23 and FY 2023-24 for the Wires Business and Retail Supply Business is shown in the following Tables:

Table 3-67: Additional Return on Equity for Wires Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
Wires Availability above 98%	%	99.23%	99.30%
Additional Rate of Return on Equity for Wire availability	%	1.00%	1.00%
Additional Return on Equity Computation			
Return on Regulatory Equity at the beginning of the year	Rs. Crore	8.72	9.12
Return on Regulatory Equity addition during the year	Rs. Crore	0.22	0.17
Total Additional Return on Equity	Rs. Crore	8.94	9.29

Table 3-68: Additional Return on Equity for Retail Business for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
% of Assessed bills with respect to total bills issued during the year	%	2.68%	2.03%
Additional Rate of Return on Equity for assessment of bills	%	-	1.00%
Collection Efficiency for the year	%	100.46%	100.46%
Additional Rate of Return for collection efficiency	%	1.00%	1.00%
Total Additional Return on Equity	%	1.00%	2.00%
Additional Return on Equity Computation			
Return on Regulatory Equity at the beginning of the year	Rs. Crore	0.97	2.02
Return on Regulatory Equity addition during the year	Rs. Crore	0.02	0.00
Total Additional Return on Equity	Rs. Crore	0.99	2.02

3.15.10. BEST has therefore requested the Commission to approve Return on Equity on normative basis as shown in tables above for FY 2022-23 and FY 2023-24.

Commission's Analysis and Ruling

3.15.11. The Commission has computed the Base RoE at 14% and 15.5% for the Distribution Wires and Retail Supply Business, respectively, in accordance with the MYT

Regulations, 2019 on the opening equity of FY 2022-23 and FY 2023-24 taking the approved Capitalisation and on 50% of the approved asset Capitalisation during the year, at the Debt: Equity ratio of 70:30.

3.15.12. As Income Tax is not applicable for BEST, for FY 2022-23 and FY 2023-24, the RoE rate has not been grossed up with the Tax Rate.

3.15.13. As regards, the impact of retirement of assets in the computation of RoE for FY 2022-23 and FY 2023-24, 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.

3.15.14. The Commission has considered the allocation of assets between the Wires and Retail Supply Business in the ratio of 90:10 in lines with the MYT Regulations, 2019 and computed the weighted average rate of return for FY 2022-23 and FY 2023-24.

3.15.15. The summary of the Base RoE for FY 2022-23 and FY 2023-24, as approved by the Commission is provided in the Table below:

Table 3-69: Base Return on Equity for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23					FY 2023-24				
	MTR Order	MTR Petition	Approved in this Order	Wires Business	Supply Business	MTR Order	MTR Petition	Approved in this Order	Wires Business	Supply Business
Regulatory Equity at the beginning of the year	968.47	968.47	968.47	871.62	96.85	997.77	1013.11	1007.41	910.70	96.71
Equity portion of capitalisation during the year	35.21	49.04	43.34	43.03	0.31	43.13	33.03	33.03	33.03	0.00
Reduction in Equity Capital on account of retirement / replacement of assets	5.91	4.39	4.39	3.95	0.44	5.91	4.47	4.47	4.03	0.45
Regulatory Equity at the end of the year	997.77	1013.11	1007.41	910.70	96.71	1034.99	1041.67	1035.97	939.70	96.27
Return on Regulatory Equity at the beginning of the year	137.04	137.04	137.04	122.03	15.01	141.18	143.35	142.49	127.50	14.99
Return on Regulatory Equity addition during the year	2.07	3.47	2.72	2.74	-0.01	2.63	2.31	2.00	2.03	-0.03
Total Return on Equity	139.11	140.51	139.76	124.76	15.00	143.82	145.66	144.48	129.53	14.96

3.15.16. BEST has claimed additional RoE of 1% for the Distribution Wires Business based on the Wires Availability as per the Regulation 29.8 of the MYT Regulations, 2019. The Commission has scrutinised the SOP Reports and computed the Wires Availability of 99.23% and 99.30% for FY 2022-23 and FY 2023-24, respectively. Accordingly, the

Commission has approved additional RoE of 1% towards Distribution Wires business for the respective years.

3.15.17. With regards to the additional RoE for the Retail Supply Business, the Commission notes that the Assessed Bills are 2.68% during FY 2022-23 and ranging between 2.2% to 5% during FY 2023-24. BEST has not claimed any additional RoE towards the Assessed Bills during FY 2022-23, accordingly, the Commission has not approved the additional RoE towards the Assessed Bills during FY 2022-23. However, during FY 2023-24, the BEST has submitted that, the increase the Assessed Bills is due to the implementation of Smart Meters and therefore considered the 1% additional RoE towards Assessed Bill during FY 2023-24. The Commission observes that, although BEST has put its efforts in reducing its assessed Bills percentage, however, the justification provided by BEST for the increase in the Assessed Bills percentage due to implementation of Smart Meter cannot be accepted. BEST has committed to complete its Smart Meter installations by March 2026, however, such implementation should further result in reducing the percentage of Assessed Bills and not increase. In addition, BEST has not supported its justification with any such documentary evidence in order allow its claims towards the Additional RoE of 1%. Accordingly, the Commission is not inclined in allowing the Additional RoE of 1% towards the Assessed Bills during FY 2023-24 as per provisions of MYT Regulations, 2019.

3.15.18. It is observed that the Collection Efficiency for FY 2022-23 and FY 2023-24 is 100.46%, accordingly, the Commission has considered the 1% of Additional RoE for FY 2022-23 and FY 2023-24, respectively, in accordance with the Regulation 29.9(d) of the MYT Regulations, 2019. The additional RoE approved by the Commission for FY 2022-23 and FY 2023-24, is summarised in the Table below:

Table 3-70: Additional Return on Equity for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Unit	FY 2022-23		FY 2023-24	
		MTR Petition	Approved in this Order	MTR Petition	Approved in this Order
Wires Business					
Wires Availability above 98% (95% for MSEDCL)	%	99.23%	99.23%	99.30%	99.30%
Additional Rate of Return on Equity for Wire Availability (a)	%	1.00%	1.00%	1.00%	1.00%

Particulars	Unit	FY 2022-23		FY 2023-24	
		MTR Petition	Approved in this Order	MTR Petition	Approved in this Order
Additional Return on Equity Computation					
Return on Regulatory Equity at the beginning of the year	Rs. Crore	8.72	8.72	9.12	9.11
Return on Regulatory Equity addition during the year	Rs. Crore	0.22	0.22	0.17	0.17
Total Additional Return on Equity	Rs. Crore	8.94	8.91	9.29	9.25
Retail Supply Business					
% of Assessed bills with respect total bills issued during the year	%	2.68%	2.68%	2.03%	2.03%
Additional Rate of Return on Equity for Assessment of bills (a)	%	0.00%	0.00%	1.00%	0.00%
Collection Efficiency for the year	%	100.46%	100.46%	100.46%	100.46%
Additional Rate of Return for collection efficiency (b)	%	1.00%	1.00%	1.00%	1.00%
Total Additional Return on Equity (c) = (a) + (b)	%	1.00%	1.00%	2.00%	1.00%
Additional Return on Equity Computation		0.00	0.00	0.00	0.00
Return on Regulatory Equity at the beginning of the year	Rs. Crore	0.97	0.97	2.02	0.97
Return on Regulatory Equity addition during the year	Rs. Crore	0.02	0.00	0.00	0.00
Total Additional Return on Equity	Rs. Crore	0.99	0.97	2.02	0.96

3.15.19. Accordingly, the Commission approves the Return on Equity of Rs. 149.64 Crore and Rs. 154.70 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of True-up.

3.16. Return as Interest on Internal Funds

BEST's Submission

3.16.1. The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal No. 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.

3.16.2. Accordingly, BEST has claimed the Interest on Internal Fund as under:

Table 3-71: Return on Internal Funds for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Return on Internal Fund	FY 2022-23		FY 2023-24	
	MTR Order	MTR Petition	MTR Order	MTR Petition
Distribution Wires Business	4.75	4.75	4.75	4.75
Retail Supply Business	0.53	0.53	0.53	0.53

3.16.3. BEST has therefore requested the Commission to approve the above Return of Internal Funds for FY 2022-23 and FY 2023-24 as shown above.

Commission's Analysis and Ruling

3.16.4. The Commission has considered the submissions of BEST and approved the return as interest on internal funds of Rs.5.28 Crore for FY 2022-23 and FY 2023-24 as per direction given by Hon'ble the Appellate Tribunal of Electricity in its Judgment in Appeal No 13 of 2007. Also, the Commission notes that said return is allowed on internal funds of Rs 87.99 Crore at 6% rate of interest.

3.17. Sharing of Gains/(Losses) on account of uncontrollable Factors

BEST's Submission

3.17.1. As per Regulation 11 of the MYT Regulations 2019, the Commissions allows the sharing of gains or losses between the distribution licensee and the consumers.

3.17.2. The controllable expenses are as follows:

- O&M Expenses
- Variation in Distribution Loss
- Interest on Working Capital

3.17.3. BEST has computed sharing of (gains)/losses on account of difference between revised normative O&M expenses and actual O&M expenses in the True up for FY 2022-23 and FY 2023-24, as shown in the Tables below:

Table 3-72: Sharing of (Gains)/Losses in O&M Expenses for FY 2022-23, as submitted by BEST (Rs. Crore)

Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
O&M Expenses for Wires Business	416.07	438.24	22.16	7.38
O&M Expenses for Retail Supply Business	224.04	235.97	11.93	3.98
Total Sharing to be claimed/(adjusted) in ARR				11.37

Table 3-73: Sharing of (Gains)/Losses in O&M Expenses for FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
O&M Expenses for Wires Business	435.32	453.37	18.04	6.01
O&M Expenses for Retail Supply Business	234.40	244.12	9.72	3.24
Total Sharing to be claimed/(adjusted) in ARR				9.25

3.17.4. BEST has achieved actual distribution loss of 4.18% and 4.12% against the normative target of 4.18% approved by the Commission for FY 2022-23 and FY 2023-24, respectively.

3.17.5. Hence BEST has calculated incentive for reduction in distribution loss for FY 2022-23 and FY 2023-24 as shown in the Table below:

Table 3-74: Incentive on reduction of Distribution Loss, as submitted by BEST (Rs. Crore)

Particulars	Units	FY 2022-23	FY 2023-24
Normative Distribution loss (target)	%	4.18%	4.18%
Energy input @ Normative Distribution Loss	MU	4,836.55	5,114.99
Energy input @ Actual Distribution Loss	MU	4,836.32	5,112.02
Reduction in Power Purchase due to actual distribution loss less than the normative target	MU	0.24	2.97
Actual Power Purchase Cost for the year	Rs. Crore	3,519.53	2,931.86
Average Power Purchase Rate	Rs. / unit	7.28	5.74
Power Purchase Cost (gain)/loss due to actual distribution loss	Rs. Crore	(0.17)	(1.70)
Amount retained by BEST (1/3 rd of (incentive)/loss)	Rs. Crore	(0.06)	(0.57)

Particulars	Units	FY 2022-23	FY 2023-24
Amount passed on to consumers by BEST (2/3 rd of above (incentive)/loss)	Rs. Crore	(0.12)	(1.13)

3.17.6. Further, BEST has also computed sharing of (gains)/losses on account of difference between normative Interest on Working Capital approved and claimed in the True up of FY 2022-23 and FY 2023-24, as shown in the Tables below:

Table 3-75: Sharing of (gain) /losses in IoWC for FY 2022-23, as submitted by BEST (Rs. Crore)

Particulars	Revised Normative	Approved Normative	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
Interest on Working Capital for Wires Business	7.69	6.09	1.60	0.53
Interest on Working Capital for Retail Supply Business	0.00	0.00	-	-
Total Sharing to be claimed/(adjusted) in ARR				0.53

Table 3-76: Sharing of (gain) /losses in IoWC for FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	Revised Normative	Approved Normative	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
Interest on Working Capital for Wires Business	10.22	6.96	3.27	1.09
Interest on Working Capital for Retail Supply Business	0.00	0.00	-	-
Total Sharing to be claimed/(adjusted) in ARR				1.09

3.17.7. BEST has therefore requested the Commission to approve the sharing of Gains/(Losses) on account of O&M expenses, Reduced Distribution Losses, and Interest on Working Capital in the truing up for FY 2022-23 and FY 2023-24, as shown in the above Tables.

Commission's Analysis and Ruling

Distribution Loss

3.17.8. The Commission has approved distribution loss of 4.18% and 4.12% for FY 2022-23 and FY 2023-24 respectively. In accordance with the MYT Regulations, 2019, the Commission has considered the distribution loss to be a controllable parameter and has accordingly computed the efficiency gain/loss as the case may against the target

of 4.18% as approved in the MTR Order dated 31 March 2023 in Case No. 212 of 2023.

- 3.17.9. 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 3-77: Incentive on reduction of Distribution Loss, approved by the Commission (Rs. Crore)

Particulars	Units	FY 2022-23	FY 2023-24
Normative Distribution loss (target)	%	4.18%	4.18%
Energy input @ Normative Distribution Loss	MU	4,836.55	5,114.99
Energy input @ Actual Distribution Loss	MU	4,836.32	5,112.02
Reduction in Power Purchase due to actual distribution loss less than the normative target	MU	0.24	2.97
Actual Power Purchase Cost for the year	Rs. Crore	3,519.53	2,931.86
Average Power Purchase Rate	Rs. / unit	7.28	5.74
Power Purchase Cost (gain)/loss due to actual distribution loss	Rs. Crore	(0.17)	(1.70)
Amount retained by BEST (1/3 rd of (incentive)/loss)	Rs. Crore	(0.06)	(0.57)
Amount passed on to consumers by BEST (2/3 rd of above (incentive)/loss)	Rs. Crore	(0.12)	(1.13)

- 3.17.10. **The Commission approves an incentive of Rs. 0.06 Crore and Rs. 0.57 Crore on account of variation in Distribution Loss for FY 2022-23 and FY 2023-24, respectively.**

O&M Expenses

- 3.17.11. As discussed in the earlier section of this Order, the Commission has considered the normative O&M Expenses for FY 2022-23 and FY 2023-24 and has computed the efficiency gain/ (loss) for O&M expenses.
- 3.17.12. Further, it has been observed that expenditure on Repairs & Maintenance falls below 20% of total O&M expenses allowed and hence to that extent such savings in Repairs & Maintenance is considered as part of O&M Expenses and accordingly, the sharing of gains / losses is calculated.

Table 3-78: Sharing of (Gains)/Losses in O&M Expenses (Combined Distribution Business) for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Base O&M Expenses	640.11	669.72
Actual O&M Expenses	674.21	697.49
Net Entitlement of O&M (A)	674.21	697.49
R&M Expenses - 20% of Actual Expenses	134.84	139.50
Actual R&M Expenses	61.33	96.25
Shortfall in R&M Expenses (B)	73.52	43.25
O&M Expenses if R&M incurred was at 20% (Actual O&M Expenses + Shortfall of R&M)	747.72	740.73
Efficiency Gain/(Loss) on Revised Actual O&M expenses - (Base Expense compared with Revised O&M Expenses)	-107.61	-71.01
Efficiency Loss to be passed on to Consumers (C)	-35.87	-23.67
O&M Expenses to be claimed in ARR - (D = A-C)	638.34	673.82

Interest on Working Capital

- 3.17.13. The Commission notes that BEST has not considered sharing of gain/(loss) in respect of IoWC even if the same is controllable parameter as per Regulation 11 of the MYT Regulations, 2019. The Commission has however computed the same as per the said Regulations.
- 3.17.14. The Commission has approved the normative IoWC as per Regulation 32 of the MYT Regulations, 2019 in earlier section. BEST has provided details of actual interest on working capital for FY 2022-23 and FY 2023-24.
- 3.17.15. Further, BEST submitted that provision in the MYT Regulations, 2019 of reducing the working capital by total amount of consumer security is resulting in the net working capital being negative for the Supply Business. Therefore, the working capital requirement based on normative principle works out to zero. However, as per the Audited Account, BEST has paid IoWC. Accordingly, BEST has requested to kindly consider allowing Interest on working capital on actual basis rather than normative basis without any sharing of gains/ losses.
- 3.17.16. However, 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 32.6 of MYT Regulations, 2019 is reproduced below:

“32.6 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 **Delayed Payment Surcharge and Interest on Delayed Payment as per books of accounts of the Generating Company or Licensee or MSLDC shall be deducted from the actual interest on working capital, before sharing of the efficiency gain or efficiency loss, as the case may be.**”*
(Emphasis Added)

3.17.17. Further, BEST has collected DPC of Rs. 14.04 Crore in FY 2022-23 and Rs. 16.07 Crore in FY 2023-24. Accordingly, the Commission has reduced actual IoWC by DPC along with interest on arrears collected by BEST during FY 2022-23 and FY 2023-24. Hence, the impact of increase in working capital has been offset by the DPC collected from the consumers and is outlined in the following table.

3.17.18. Hence, the Commission has approved the normative IoWC as per Regulation 32 of the MYT Regulations, 2019 in earlier section. BEST has provided details of actual IoWC for FY 2022-23 and FY 2023-24 and as specified in earlier paragraph; the Commission has approved ‘Nil’ actual IoWC for FY 2022-23 and FY 2023-24, respectively.

3.17.19. Accordingly, the Commission has computed the efficiency Gain/ (Loss) for IoWC as shown in the following Table:

Table 3-79: Sharing of (gain) /losses in IoWC for FY 2022-23, as approved by the Commission (Rs. Crore)

Particulars	Revised Normative	Actual	Net Entitlement to be passed through in the ARR
Interest on Working Capital for Wires Business	2.91	0.00	0.97
Interest on Working Capital for Retail Supply Business	0.00	0.00	-
Total Sharing to be claimed/(adjusted) in ARR			0.97

Table 3-80: Sharing of (gain) /losses in IoWC for FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Revised Normative	Actual	Net Entitlement to be passed through in the ARR
Interest on Working Capital for Wires Business	2.41	0.00	0.80
Interest on Working Capital for Retail Supply Business	0.00	0.00	-
Total Sharing to be claimed/(adjusted) in ARR			0.80

3.17.20. The Commission approves net entitlement after sharing of efficiency gain of Rs. 0.97 Crore and Rs. 0.80 Crore on account of IoWC, with BEST for FY 2022-23 and FY 2023-24, respectively.

3.18. Non-Tariff Income

BEST's Submission

3.18.1. BEST has submitted that, it has earned the Non-Tariff Income of Rs. 57.52 Crore during FY 2022-23 and Rs. 47.30 Crore during FY 2023-24. The summary of the Non-Tariff Income claimed by BEST under various heads for FY 2022-23 and FY 2023-24 is provided in the Table below:

Table 3-81: Details of Non-Tariff Income (Combined Business) for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Non-Tariff Income	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Rents of land or buildings		1.93		1.85
Sale of Scrap		5.14		2.40
Interest on advances to suppliers/contractors		4.73		5.51
Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission		0.63		0.36
Income from recovery against theft and/or pilferage of electricity		10.82		7.49
Income from advertisements		2.38		7.29
Income from sale of tender documents		0.25		0.17
Others		1.24		
Share of General Administration		33.46		21.37
Total	39.60	60.58	60.36	46.44

3.18.2. BEST therefore requested the Commission to approve the actual Non-Tariff Income for FY 2022-23 and FY 2023-24, respectively.

Commission's Analysis and Ruling

3.18.3. The Commission has noted the submissions of BEST and has also verified the details of the Non-Tariff Income from the Audited Accounts and reconciliation statement submitted by BEST in response to the data gaps sought by the Commission. Accordingly, the commission has considered the Non-Tariff Income of for FY 2022-23 and FY 2023-24 as summarised in the following Table:

Table 3-82: Non-Tariff Income for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Wires Business			Supply Business			Distribution Business		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
FY 2022-23									
Non-Tariff Income	3.96	6.06	6.06	35.64	54.52	54.52	39.60	60.58	60.58
FY 2023-24									
Non-Tariff Income	6.04	4.64	4.64	54.32	41.80	41.80	60.36	46.44	46.44

3.18.4. Accordingly, the Commission approves the Non-Tariff Income of Rs. 60.58 Crore and Rs. 46.44 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.19. Revenue for FY 2022-23 and FY 2023-24

BEST's Submission

3.19.1. BEST has submitted that, the Commission has approved the category-wise tariff applicable for BEST for FY 2022-23 vide its MYT Order dated 30 March 2020 in Case No. 324 of 2019. Further, the Commission had approved the category-wise tariff applicable for FY 2023-24 vide its MTR Order dated 31 March 2023 in Case No. 212 of 2022.

3.19.2. BEST has considered the actual revenue from sale of electricity for FY 2022-23 and FY 2023-24 as per the Audited Accounts. The category-wise break-up of revenue from Fixed Charges, Demand Charges, Energy Charges, etc., for FY 2022-23 and FY 2023-24 are submitted along with the Petition.

3.19.3. The summary of revenue from sale of electricity for FY 2022-23 and FY 2023-24 submitted by BEST in the present Petition is shown in the following Table:

Table 3-83: Revenue from Sale of Power for FY 2022-23 and FY 2023-24, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Revenue from Sale of Electricity	3,667.98	3,527.48	3,537.03	4,188.88

3.19.4. BEST further submitted that the revenue claimed in this Petition as stated in the above Table is after excluding revenue from sale of surplus energy. The revenue from sale of surplus power has been adjusted in the power purchase cost claimed in this Petition. Furthermore, it is important to note that the adjustment for excess energy purchased under the rooftop solar net metering program is credited to consumers in their electricity bills, and is already reflected in the net revenue recorded. Hence, the same is not shown separately under power purchase cost.

3.19.5. Accordingly, BEST requested the Commission to approve the actual Revenue from sale of electricity in the truing up for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

Commission's Analysis and Ruling

3.19.6. The Commission has verified the actual revenue realised by BEST during FY 2022-23 and FY 2023-24 based on the detailed revenue sheets submitted by BEST. The Commission also sought the revenue reconciliation with the Audited Accounts of the respective years as part of the data gaps. BEST in response to the same has submitted the reconciliation statement of its Revenue claimed for the respective years.

3.19.7. The Commission also notes that, the revenue from the sale of surplus power has already been adjusted in the Power Purchase Cost of the respective years as discussed under para. 3.4.48 above. Further, the Commission has also verified that, the excess energy purchased by BEST under the rooftop solar net metering program is reflected in the net revenue recorded for the respective years.

3.19.8. Based on the above submissions, the Commission approves the revenue from Sale of power for FY 2022-23 and FY 2023-24, as summarised in the Table below:

Table 3-84: Revenue from Sale of Power for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Revenue from Sale of Electricity	3667.98	3527.48	3527.48	3537.03	4188.88	4188.88

3.19.9. Accordingly, the Commission approves the Revenue from Sale of Power of Rs. 3,527.48 Crore and Rs. 4,188.88 Crore for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.20. True-up of Aggregate Revenue Requirement for FY 2022-23 and FY 2023-24

BEST's Submission

3.20.1. The summary of the ARR claimed by BEST towards the Distribution Wires Business for FY 2022-23 and FY 2023-24 is as shown in the Tables below:

Table 3-85: True-up of ARR for FY 2022-23 (Wires Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		
	MTR Order	MTR Petition	True-up Requirement
O&M Expenses	412.96	416.07	3.11
Depreciation	97.60	97.44	(0.16)
Interest on Loan Capital	-	3.81	3.81
Interest on Working Capital	6.09	1.21	(4.88)
Interest on CSD	1.85	1.58	(0.27)
Provision for bad and doubtful debts	0.80	0.57	(0.23)
Contribution to Contingency Reserves	-	6.78	6.78
Total Revenue Expenditure	519.30	527.46	8.16
Add: Return on Equity capital	123.87	134.07	10.20
Add: Return on Internal Fund	4.75	4.75	-
Add: Sharing of Gains/Losses on O&M expenses & IoWC		7.92	
Aggregate Revenue Requirement	647.93	674.20	26.27
Less: Non-Tariff Income	3.96	6.06	2.10
Less: Income from Other Businesses	-	-	-
Aggregate Revenue Requirement from Distribution Wires	643.97	668.14	24.18
Revenue from existing/approved tariff	601.21	592.70	(8.51)
Revenue Gap/(Surplus) of Licensed Business	42.76	75.44	32.69

Table 3-86: True-up of ARR for FY 2023-24 (Wires Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2023-24		
	MTR Order	MTR Petition	True-up Requirement
O&M Expenses	430.39	435.32	4.94
Depreciation	101.37	101.10	(0.27)
Interest on Loan Capital	-	3.98	3.98
Interest on Working Capital	6.96	1.50	(5.45)
Interest on CSD	2.68	3.26	0.58
Provision for bad and doubtful debts	0.80	0.66	(0.14)
Contribution to Contingency Reserves	-	7.15	7.15
Total Revenue Expenditure	542.19	552.98	10.79
Add: Return on Equity capital	128.06	139.28	11.21
Add: Return on Internal Fund	4.75	4.75	-
Add: Sharing of Gains/Losses on O&M expenses & IoWC		7.10	
Aggregate Revenue Requirement	675.01	704.11	29.10
Less: Non-Tariff Income	6.04	4.64	(1.39)
Less: Income from other businesses		-	-
Aggregate Revenue Requirement from Distribution Wires	668.97	699.47	30.50
Revenue from existing/approved tariff		746.53	
Revenue Gap/(Surplus) of Licensed Business		(47.06)	

3.20.2. The summary of the ARR claimed by BEST towards the Retail Supply Business for FY 2022-23 and FY 2023-24 is as shown in the Tables below:

Table 3-87: True-up of ARR for FY 2022-23 (Retail Supply Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		
	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,421.68	3,519.53	97.86
Operation & Maintenance Expenses	222.36	224.04	1.68
Depreciation	10.84	10.83	(0.02)
Interest on Loan Capital	-	0.01	0.01
Interest on Working Capital	-	10.90	10.90
Interest on Consumer Security Deposit	16.68	14.22	(2.46)
Write-off of Provision for bad and doubtful debts	7.18	5.09	(2.09)
Contribution to contingency reserves	-	0.75	0.75
Intra-State Transmission Charges	256.72	254.20	(2.52)

Particulars	FY 2022-23		
	MTR Order	MYT Petition	True-up Requirement
MSLDC Fees & Charges	1.27	1.26	(0.01)
Other Expenses	24.19	34.97	10.78
Total Revenue Expenditure	3,960.93	4,075.79	114.87
Add: Return on Equity Capital	15.24	16.37	1.13
Add: Return on Internal Fund	0.53	0.53	-
Add: Sharing of Gain/(Loss) on Distribution Loss		0.06	
Add: Sharing of Gains/Losses on O&M expenses & IoWC		3.98	
Aggregate Revenue Requirement	3,976.69	4,096.73	120.03
Less: Non-Tariff Income	35.64	54.52	18.88
Less: Income from Other Business			-
Aggregate Revenue Requirement from Retail Supply	3,941.05	4,042.20	101.15
Revenue from existing tariff	3,066.77	2,934.78	(131.99)
Revenue Gap/(Surplus) of Licensed Business	874.28	1,107.42	233.14

Table 3-88: True-up of ARR for FY 2023-24 (Retail Supply Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2023-24		
	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,207.05	2,931.86	(275.20)
Operation & Maintenance Expenses	231.75	234.40	2.66
Depreciation	11.26	11.23	(0.03)
Interest on Loan Capital	-	0.01	0.01
Interest on Working Capital	-	13.54	13.54
Interest on Consumer Security Deposit	24.14	29.32	5.18
Write-off of Provision for bad and doubtful debts	7.18	5.94	(1.24)
Contribution to contingency reserves	-	0.79	0.79
Intra-State Transmission Charges	232.10	233.64	1.54
MSLDC Fees & Charges	0.93	0.92	(0.01)
Other Expenses	24.19	42.23	18.03
Total Revenue Expenditure	3,738.60	3,503.87	(234.73)
Add: Return on Equity Capital	15.75	17.69	1.94
Add: Return on Internal Fund	0.53	0.53	-
Add: Sharing of Gain/(Loss) on Distribution Loss		0.57	
Add: Sharing of Gains/Losses on O&M expenses & IoWC		3.24	
Aggregate Revenue Requirement	3,754.88	3,525.90	(228.99)

Particulars	FY 2023-24		
	MTR Order	MYT Petition	True-up Requirement
Less: Non-Tariff Income	54.32	41.80	(12.53)
Less: Income from Other Business			-
Aggregate Revenue Requirement from Retail Supply	3,700.56	3,484.10	(216.46)
Revenue from existing tariff		3,442.35	
Revenue Gap/(Surplus) of Licensed Business		41.76	

3.20.3. The summary of the ARR claimed by BEST towards the Combined Wires and Retail Supply Business for FY 2022-23 and FY 2023-24 is as shown in the Tables below:

Table 3-89: True-up of ARR for FY 2022-23 (Combined Distribution Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23		
	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,421.68	3,519.53	97.86
Operation & Maintenance Expenses	635.33	640.11	4.79
Depreciation	108.45	108.27	(0.18)
Interest on Loan Capital	-	3.82	3.82
Interest on Working Capital	6.09	12.11	6.03
Interest on Consumer Security Deposit	18.54	15.80	(2.74)
Write-off of Provision for bad and doubtful debts	7.97	5.65	(2.32)
Contribution to contingency reserves	-	7.53	7.53
Intra-State Transmission Charges	256.72	254.20	(2.52)
MSLDC Fees & Charges	1.27	1.26	(0.01)
Other Expenses	24.19	34.97	10.78
Total Revenue Expenditure	4,480.23	4,603.25	123.02
Add: Return on Equity Capital	139.11	150.44	11.32
Add: Return on Internal Fund	5.28	5.28	-
Add: Sharing of Gain/(Loss) on Distribution Loss	-	0.06	
Add: Sharing of Gains/Losses on O&M expenses & IoWC	-	11.90	
Aggregate Revenue Requirement	4,624.62	4,770.93	146.31
Less: Non-Tariff Income	39.60	60.58	20.98
Less: Income from Other Business	-	-	-
ARR of Combined Distribution Business	4,585.02	4,710.35	125.33
Past Period Revenue Gap/(Surplus)	(206.65)	(206.65)	-
Net ARR of Combined Distribution Business	4,378.37	4,503.70	125.33

Particulars	FY 2022-23		
	MTR Order	MYT Petition	True-up Requirement
Revenue from existing tariff	3,667.98	3,527.48	(140.50)
Revenue Gap/(Surplus) of Licensed Business	710.39	976.21	265.83

Table 3-90: True-up of ARR for FY 2023-24 (Combined Distribution Business), as submitted by BEST (Rs. Crore)

Particulars	FY 2023-24		
	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,207.05	2,931.86	(275.20)
Operation & Maintenance Expenses	662.13	669.72	7.59
Depreciation	112.63	112.34	(0.30)
Interest on Loan Capital	-	3.99	3.99
Interest on Working Capital	6.96	15.04	8.09
Interest on Consumer Security Deposit	26.82	32.57	5.75
Write-off of Provision for bad and doubtful debts	7.97	6.60	(1.37)
Contribution to contingency reserves	-	7.94	7.94
Intra-State Transmission Charges	232.10	233.64	1.54
MSLDC Fees & Charges	0.93	0.92	(0.01)
Other Expenses	24.19	42.23	18.03
Total Revenue Expenditure	4,280.79	4,056.85	(223.95)
Add: Return on Equity Capital	143.82	156.97	13.15
Add: Return on Internal Fund	5.28	5.28	-
Add: Sharing of Gain/(Loss) on Distribution Loss	-	0.57	
Add: Sharing of Gains/Losses on O&M expenses & IoWC	-	10.34	
Aggregate Revenue Requirement	4,429.89	4,230.01	(199.88)
Less: Non-Tariff Income	60.36	46.44	(13.92)
Less: Income from Other Business	-	-	-
ARR of Combined Distribution Business	4,369.53	4,183.57	(185.96)
Revenue from existing tariff		4,188.88	
Revenue Gap/(Surplus) of Licensed Business		(5.31)	

3.20.4. BEST has therefore requested the Commission to approve the ARR claimed under Wires Business, Retail Supply Business and Combined Distribution Business for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up.

3.20.5. BEST further submitted that, the Revenue Gap/(Surplus) after Truing-up for Wires Business and Retail Supply Business for FY 2022-23 and FY 2023-24, has been adjusted along with the projected Revenue Requirement for the MYT 5th Control Period from FY 2025-26 to FY 2029-30, along with the associated Carrying/(Holding) Cost. The treatment of the same has been discussed in the subsequent Section and Tariff Philosophy.

Commission's Analysis and Ruling

3.20.6. Based on the ARR components approved by the Commission in the preceding paragraphs of this Order and considering the net revenue from Retail Tariff, the Commission approves the ARR for the Wires Business, Retail Supply Business and Combined Distribution Business for FY 2022-23 and FY 2023-24, respectively, for the purpose of Truing-up. The summary of the ARR approved by the Commission is provided in the Tables below:

Table 3-91: True-up of ARR of Wires Business for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Operation & Maintenance Expenses	412.96	416.07	416.07	430.39	435.32	435.32
Depreciation	97.60	97.44	97.14	101.37	101.10	100.51
Interest on Loan Capital	0.00	3.81	3.67	0.00	3.98	3.84
Interest on Working Capital	6.09	1.21	2.91	6.96	1.50	2.41
Interest on deposit from Consumers and Distribution System Users	1.85	1.58	1.58	2.68	3.26	3.26
Provision for bad and doubtful debts	0.80	0.57	0.57	0.80	0.66	0.66
Contribution to contingency reserves	0.00	6.78	6.78	0.00	7.15	7.14
Total Revenue Expenditure	519.30	527.46	528.71	542.19	552.98	553.14
Add: Return on Equity Capital	123.87	134.07	133.67	128.06	139.28	138.78
Add: Return on Internal Fund	4.75	4.75	4.75	4.75	4.75	4.75
Add: Sharing of Gains/Losses on O&M expenses & IoWC	0.00	7.92	-3.09	0.00	7.10	1.05
Aggregate Revenue Requirement	647.93	674.20	664.05	675.01	704.11	697.72
Less: Non-Tariff Income	3.96	6.06	6.06	6.04	4.64	4.64
Aggregate Revenue Requirement from Distribution Wires	643.97	-	657.99	668.97	-	693.08
Total ARR after adding past period Gap/(Surplus)	643.97	668.14	657.99	668.97	699.47	693.08

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Revenue from existing/approved tariff	601.21	592.70	592.70	0.00	746.53	746.53
Revenue Gap/(Surplus) of Licensed Business	42.76	75.44	65.29	0.00	(47.06)	-53.45

Table 3-92: True-up of ARR of Retail Supply Business for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses	3421.68	3,519.53	3519.53	3207.05	2,931.86	2931.86
Operation & Maintenance Expenses	222.36	224.04	224.04	231.75	234.40	234.40
Depreciation	10.84	10.83	10.79	11.26	11.23	11.17
Interest on Loan Capital	0.00	0.01	0.00	0.00	0.01	0.00
Interest on Working Capital	0.00	10.90	0.00	0.00	13.54	0.00
Interest on Consumer Security Deposit	16.68	14.22	14.22	24.14	29.32	29.32
Write-off of Provision for bad and doubtful debts	7.18	5.09	5.09	7.18	5.94	5.94
Contribution to contingency reserves	0.00	0.75	0.75	0.00	0.79	0.75
Intra-State Transmission Charges	256.72	254.20	254.20	232.10	233.64	233.64
MSLDC Fees & Charges	1.27	1.26	1.26	0.93	0.92	0.92
Other Expenses	24.19	34.97	34.97	24.19	42.23	42.23
Total Revenue Expenditure	3960.93	4,075.79	4064.85	3738.60	3,503.87	3490.22
Add: Return on Equity Capital	15.24	16.37	15.97	15.75	17.69	15.92
Add: Return on Internal Fund	0.53	0.53	0.53	0.53	0.53	0.53
Add: Sharing of Gain/(Loss) on Distribution Loss	0.00	0.06	0.06	0.00	0.57	0.57
Add: Sharing of Gains/Losses on O&M expenses & IoWC	0.00	3.98	-0.62	0.00	3.24	1.43
Aggregate Revenue Requirement	3976.69	4,096.73	4080.78	3754.88	3,525.90	3508.67
Less: Non-Tariff Income	35.64	54.52	54.52	54.32	41.80	41.80
Aggregate Revenue Requirement from Retail Supply	3941.05		4026.26	3700.56		3466.87
Total ARR after adding past period Gap/(Surplus)	3941.05	4,042.20	4026.26	3700.56	3,484.10	3466.87
Revenue from existing tariff	3066.77	2,934.78	2934.78	0.00	3,442.35	3442.35
Revenue Gap/(Surplus) of Licensed Business	874.28	1,107.42	1091.48	0.00	41.76	24.52

Table 3-93: True-up of ARR of Combined Distribution Business for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses	3421.68	3519.53	3519.53	3207.05	2931.86	2931.86
Operation & Maintenance Expenses	635.33	640.11	640.11	662.13	669.72	669.72
Depreciation	108.45	108.27	107.94	112.63	112.34	111.68
Interest on Loan Capital	0.00	3.82	3.67	0.00	3.99	3.84
Interest on Working Capital	6.09	12.11	2.91	6.96	15.04	2.41
Interest on Consumer Security Deposit	18.54	15.80	15.80	26.82	32.57	32.57
Write-off of Provision for bad and doubtful debts	7.97	5.65	5.65	7.97	6.60	6.60
Contribution to contingency reserves	0.00	7.53	7.53	0.00	7.94	7.89
Intra-State Transmission Charges	256.72	254.20	254.20	232.10	233.64	233.64
MSLDC Fees & Charges	1.27	1.26	1.26	0.93	0.92	0.92
Other Expenses	24.19	34.97	34.97	24.19	42.23	42.23
Total Revenue Expenditure	4480.23	4603.25	4593.57	4280.79	4056.84	4043.36
Add: Return on Equity Capital	139.11	150.44	149.64	143.82	156.97	154.70
Add: Return on Internal Fund	5.28	5.28	5.28	5.28	5.28	5.28
Add: Sharing of Gain/(Loss) on Distribution Loss	0.00	0.06	0.06	0.00	0.57	0.57
Add: Sharing of Gains/Losses on O&M expenses & IoWC	0.00	11.90	-3.71	0.00	4.67	2.49
Aggregate Revenue Requirement	4624.62	4770.93	4744.83	4429.89	4224.33	4206.39
Less: Non-Tariff Income	39.60	60.58	60.58	60.36	46.44	46.44
Combined Aggregate Revenue Requirement	4585.02	4710.35	4684.25	4369.53	4177.89	4159.95
Past Period Revenue Gap/(Surplus)/deferment	-206.65	-206.65	-206.65			
Total ARR after adding past period Gap/(Surplus)	4378.37	4503.70	4477.60	4369.53	4177.89	4159.95
Revenue from existing tariff	3667.98	3527.48	3527.48		4188.88	4188.88
Revenue Gap/(Surplus) of Licensed Business	710.39	976.21	950.12		-10.99	-28.93

3.20.7. The treatment of Revenue Gap/(Surplus) for FY 2022-23 and FY 2023-24 is discussed along with the Cumulative Revenue Gap/(Surplus) under Section 6 of this Order.

4. PROVISIONAL TRUE-UP OF FY 2024-25

4.1. Background

- 4.1.1. BEST has proposed the Provisional True-up of FY 2024-25 in accordance with Regulation 5.1 (b) (ii) of the MYT Regulations, 2019 along with the Multi Year Tariff Petition for the 5th Control Period from FY 2025-26 to FY 2029-30.
- 4.1.2. BEST has considered the latest available actual figures for the H1 of FY 2024-25 and estimated the value for H2 of the FY 2024-25, since FY 2024-25 is yet to be completed.
- 4.1.3. The estimated numbers are therefore compared with the numbers approved in the MTR Order for Provisional Truing-up of ARR for FY 2024-25.
- 4.1.4. The analysis underlying the Provisional True-up of the ARR for FY 2024-25 is set out as under.

4.2. Energy Sales

BEST's Submission

- 4.2.1. The Commission, in the MTR Order in Case No. 212 of 2022, approved the energy sales of 5038.14 MU for FY 2024-25. As against this, the estimated energy sales for FY 2024-25 are 4781.20 MU. The actual sales in H1 of FY 2024-25 were 2563.15 MU. For estimating the energy sales for the six-month period from October 2024 to March 2025, BEST has projected monthly sales on the basis of past trend in sales during this period, as compared to overall sales during the year.
- 4.2.2. BEST has submitted the month-wise and category-wise energy sales for each year in kWh and kVAh terms, as the category-wise tariffs have been levied in kVAh terms for HT category, but the energy balance and power purchase have been considered in kWh terms.

Table 4-1: Tariff Category-wise energy consumption for FY 2024-25, as submitted by BEST (MU- HT in kVAh & LT in kWh)

Consumer Category	FY 2024-25	
	MTR Order	MYT Petition (Estimated)
HT Category		
HT - I Industry	203.91	180.05
HT - II Commercial	290.25	224.59

Consumer Category	FY 2024-25	
	MTR Order	MYT Petition (Estimated)
HT - III Group Housing	32.12	37.12
HT IV- Railways, Metro, Monorail	2.57	3.10
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	27.78	31.87
HT V-(B) Public services (Others)	199.14	212.99
HT – VI Electric Vehicle (EV) Charging Stations	-	3.35
Sub-total	755.77	693.09
LT Category		
LT-I (A) Residential (BPL)	0.04	0.04
LT - I(B) Residential	2,231.87	2,167.16
LT - II (a) Commercial<20 kW	1,000.05	876.36
LT - II (b) Commercial >20 & <=50 kW	188.26	184.98
LT - II (c) Commercial >50	372.71	395.16
LT - III (A) Industry (up to 20 kW)	118.81	107.07
LT-III (b) Industrial above 20 kW	87.99	79.08
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	61.40	64.62
LT - IV (B) Public Services -others	197.15	179.38
LT - IV (B) Public Lighting		16.68
LT-V (A) Agriculture- Pump sets		-
LT-V (B) Agriculture- Others	0.05	0.16
LT VI Electric Vehicle (EV) Charging Stations	24.03	31.41
Sub-total	4,283.37	4,102.10
Total (HT in MkVAh and LT in MU)	5,038.14	4795.81

Table 4-2: Tariff Category-wise energy consumption for FY 2024-25, as submitted by BEST (MU)

Consumer Category	FY 2024-25
	Estimated
HT Category	
HT - I Industry	177.22
HT - II Commercial	220.66
HT - III Group Housing	36.27
HT IV- Railways, Metro, Monorail	2.69
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	31.19
HT V-(B) Public services (Others)	207.76
HT – VI Electric Vehicle (EV)Charging Stations	3.33
Sub-total	679.10
LT Category	
LT-I (A) Residential (BPL)	0.04
LT - I(B) Residential	2,167.16

Consumer Category	FY 2024-25
	Estimated
LT - II (a) Commercial <20 kW	876.36
LT - II (b) Commercial >20 & <=50 kW	184.98
LT - II (c) Commercial >50	395.16
LT - III (A) Industry (up to 20 kW)	107.07
LT-III (b) Industrial above 20 kW	79.08
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	64.62
LT - IV (B) Public Services -others	179.38
LT - IV (B) Public Lighting	16.68
LT-V (A) Agriculture- Pump sets	-
LT-V (B) Agriculture- Others	0.16
LT VI Electric Vehicle (EV) Charging Stations	31.41
Sub-total	4,102.10
Total	4781.20

- 4.2.3. The estimated energy sales of FY 2024-25 are lower than the energy sales approved by the Commission in the MTR Order. Accordingly, BEST has requested the Commission to consider the revised estimated energy sales for FY 2024-25 as submitted above.

Commission's Analysis and Ruling

- 4.2.4. The Commission notes that the Sales estimated by BEST for FY 2024-25 is ~5% lower than the approved energy sales in the MTR Order dated 31 March 2023 in Case No. 212 of 2022.
- 4.2.5. Further, the Commission as part of the data gaps sought the latest sales available with BEST for FY 2024-25. BEST in response to the same submitted the actual Sales recorded upto January 2025 and estimated the energy Sales of February, 2025 to March 2025. Accordingly, the revised Sales for FY 2024-25 as submitted by BEST is 4,858.49 MU as compared to previous estimated sales of 4,781.20 MU.
- 4.2.6. The Commission also observed that, the Sales estimates pertaining to HT Industry have been reduced to 144 MU as compared to previous estimates of 177 MU during FY 2024-25. The same is also lower than the Sales estimated by Commission of 203.91 MU in the MTR Order dated 31 March 2023 in Case No. 212 of 2022.
- 4.2.7. Since, energy sales being an uncontrollable factor as per Regulation 9 of the MYT Regulations, 2019, the Commission provisionally approves the revised estimated Sales of 4,858.49 MU for FY 2024-25 as submitted by BEST.

Table 4-3: Energy Sales Tariff Category Wise for FY 2024-25, as approved by the Commission (MU)

Consumer Category	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
HT Category			
HT - I Industry	203.91	177.22	144.62
HT - II Commercial	290.25	220.66	220.32
HT - III Group Housing	32.12	36.27	35.72
HT IV- Railways, Metro, Monorail	2.57	2.69	2.47
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	27.78	31.19	32.16
HT V-(B) Public services (Others)	199.14	207.76	202.46
HT - VI Electric Vehicle (EV)	-	3.33	2.29
Sub-total	755.77	679.10	640.03
LT Category			
LT-I (A) Residential (BPL)	0.04	0.02	0.02
LT - I(B) Residential	2,231.87	2221.84	2221.84
LT - II (a) Commercial <20 kW	1,000.05	876.36	899.67
LT - II (b) Commercial >20 & <=50 kW	188.26	184.98	188.88
LT - II (c) Commercial >50	372.71	395.16	411.00
LT - III (A) Industry (up to 20 kW)	118.81	107.07	108.34
LT-III (b) Industrial above 20 kW	87.99	79.08	77.71
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	61.4	64.62	66.16
LT - IV (B) Public Services -others	197.15	179.38	182.58
LT - IV (B) Public Lighting		16.68	17.67
LT-V (A) Agriculture- Pump sets		0.00	0.00
LT-V (B) Agriculture- Others	0.05	0.16	0.14
LT VI Electric Vehicle (EV) Charging Stations	24.03	31.41	44.44
Sub-total	4,283.37	4102.10	4218.46
Total (MU)	5,038.14	4781.20	4858.49

4.3. Distribution Losses and Energy Balance

BEST's Submission

- 4.3.1. BEST has submitted that its losses have been hovering around 4-5% for the past few years and are almost near to the technical minimum of the network, which has been made possible by taking various initiatives such as continuous vigilance activities, raids, and consumer awareness on theft and energy conservation, legal actions against theft incidences and replacement of faulty meters. Further, the distribution losses are

impacted by various technical, commercial and other parameters such as sales mix, weather variations, vintage of the network and equipment, line loading, etc.

4.3.2. The estimated Distribution Loss for FY 2024-25 is shown in the Table below:

Table 4-4: Distribution Loss for FY 2024-25, as submitted by BEST

Particulars	FY 2024-25	
	MTR Order	MYT Petition
Distribution Loss (%)	4.18	4.18

4.3.3. BEST further submitted that, the Commission in its MTR Order has ruled that the Distribution Losses approved in the previous MYT Order shall continue and shall not be restated in the MTR Order. Hence, BEST has requested the Commission to approve the Distribution Losses of 4.18% as approved in the previous MYT/ MTR Order and claimed by BEST for provisional true-up for FY 2024-25.

4.3.4. With regards to Energy Balance, BEST has submitted that, it has considered the Energy Balance for FY 2024-25 after considering the estimated energy sales and Distribution Loss, to determine the energy purchase requirement. Further, BEST has considered the InSTS loss of 3.18% as approved by the Commission for FY 2024-25 in the MTR Order. The estimated Energy Balance for FY 2024-25 is shown in the following Table:

Table 4-5: Energy Balance for FY 2024-25, as submitted by BEST

Particulars	MTR Order	Estimated
Energy Sales (MU)	5023.20	4781.20
Distribution Loss (%)	4.18%	4.18%
Energy Requirement at T-D interface (MU)	5242.33	4989.77
Intra-State Transmission Loss (%)	3.18%	3.18%
Energy Requirement at G-T interface (MU)	5414.52	5153.66
Impact of Rooftop Solar		(3.82)
Net Energy Requirement at G-T interface (MU)		5149.84

4.3.5. BEST has therefore requested the Commission to approve the Energy Balance in the provisional truing up for FY 2024-25 as submitted above.

Commission Analysis and Ruling

- 4.3.6. The Commission noted the submission of BEST. For the computation of Energy Balance and energy requirement for FY 2024-25, the Commission has considered the revised estimated sales as approved in this Order.
- 4.3.7. In MTR Order, the Commission has approved Distribution loss target of 4.18% for FY 2024-25. The Commission notes BEST has sought Distribution loss target of 4.18% for FY 2024-25, which is marginally higher than the actual loss of 4.12% claimed in FY 2023-24. Further, BEST has not been able to conclusively justify its claim and the same is very generic in nature. To maintain consistency in its approach, the Commission has decided to continue with the loss trajectory as approved in the MTR Order and thus during provisional Truing-up for FY 2024-25, the Commission maintains Distribution loss target of 4.18% same as approved in MTR Order. However, going ahead BEST shall strive to further reduce its Distribution Loss levels, since, it has proposed many of the Capital Expenditure, which would BEST to further reduce its Distribution Loss levels.
- 4.3.8. Accordingly, the Commission has considered the T < > D input of 5,070.43 MU for FY 2024-25. The InSTS Loss has been considered as 3.28% based on the latest loss levels available with MSLDC for FY 2024-25.
- 4.3.9. In view of the above, the Distribution Loss and Energy Balance as provisionally approved by the Commission for FY 2024-25 is summarised in the Table below:

Table 4-6: Distribution Loss and Energy Balance for FY 2024-25, as approved by the Commission

Particulars	MTR Order	MYT Petition	Approved in this Order
Sales (MU)	5023.20	4781.20	4858.49
Distribution Loss (%)	4.18%	4.18%	4.18%
Energy Requirement at T < > D Interface (MU)	5242.33	4989.77	5070.43
Intra-state Transmission Loss (%)	3.18%	3.18%	3.28%
Energy Requirement at G < > T Interface (MU)	5414.52	5153.66	5242.38
Impact of Rooftop Solar		-3.82	-3.82
Net Energy Requirement at G < > T interface (MU)		5149.84	5238.56

- 4.3.10. Accordingly, the Commission approves energy requirement at G < > T interface of 5,238.56 MU for FY 2024-25, for the purpose of Provisional True-up.

4.4. **Power Purchase Expenses**

BEST's Submission

4.4.1. BEST has considered the actual power purchase for H1 of FY 2024-25 and projected power purchase for H2. BEST has considered the following assumptions for the projection of power purchase for H2 of FY 2024-25:

- **TPC-G:** For estimating the power purchase cost of H2, BEST has considered the fixed charges after proportionately deducting the Capacity Charges of Unit-5 for 3 months as the Unit is under forced outage for 3 months starting from October, 2024 and actual variable charges in H1 of FY 2024-25.
- **Walwhan Solar Energy Maharashtra:** BEST has considered quantum and cost as per PPA.
- **Manikaran Power Ltd.:** BEST has considered quantum and cost as per PPA.
- **RE Solar Power from IEX:** BEST has projected procurement of 400.18 MU of RE Solar power from Power Exchange. The per unit cost has been considered same as actual rate in H1 of FY 2024-25.

TPC-G

4.4.2. The summary of estimated power purchase from TPC-G for FY 2024-25 is as under:

Table 4-7: Summary of estimated Power Purchase Expenses from TPC-G for FY 2024-25, as submitted by BEST

TPC-G	Unit	MTR Order	MYT Petition (Estimated)
Power Purchase Quantum	MU	3178.80	3196.30
Fixed/Capacity Charges	Rs. Crore	423.83	381.31
Total Variable Charges	Rs. Crore	1877.00	1449.62
Variable Charge Rate	Rs/kWh	5.90	4.54
Incentive	Rs. Crore	-	5.82
Other Charges, if any	Rs. Crore	-	-
Total Power Purchase Cost	Rs. Crore	2300.83	1836.75
TPC-G Credit Bill	Rs. Crore	-	(15.26)
Net Power Purchase Cost	Rs. Crore	2300.83	1821.49
Average Cost of Power Purchase	Rs./kWh	7.24	5.70

- 4.4.3. As can be seen from the above Table, for FY 2024-25, the estimated quantum of purchase is higher than approved and Fixed Cost of purchase from TPC-G is lower than that approved because of the forced outage of Unit-5 for 3 months starting from October, 2024. The estimated cost of power purchase from TPC-G is significantly less than approved, on account of decrease in the energy charge rate from Rs. 5.90/kWh to Rs. 4.54/kWh. The effective rate of purchase from TPC-G is estimated as Rs. 5.70/kWh as against rate of Rs. 7.24/kWh approved in the MTR Order, after adjusting TPC-G credit bill of Rs. 15.26 Crore in H1 of FY 2024-25. The break-up of actual power purchase in H1 of FY 2024-25 and estimated power purchase for H2 of FY 2024-25, is shown in the table below:

Table 4-8: Summary of estimated Power Purchase Expenses from TPC-G for FY 2024-25, as submitted by BEST

TPC-G	Unit	FY 2024-25	
		Actual Apr-Sept	Estimated Oct-Mar
Power Purchase Quantum	MU	1893.92	1302.39
Fixed/Capacity Charges	Rs. Crore	211.79	169.51
Total Variable Charges	Rs. Crore	858.95	590.67
Variable Charge Rate	Rs/kWh	4.54	4.54
Incentive	Rs. Crore	5.82	-
Other Charges, if any	Rs. Crore	-	-
Total Power Purchase Cost	Rs. Crore	1076.57	760.19
TPC-G Credit Bill	Rs. Crore	-15.26	-
Net Power Purchase Cost	Rs. Crore	1061.31	760.19
Average Cost of Power Purchase	Rs./kWh	5.60	5.84

Manikaran Power Limited (MPL)

- 4.4.4. M/s. Manikaran has started supplying power from March, 2020 as per approval of the Commission vide its Order dated 02 January, 2019 in Case No. 249 of 2018. BEST has considered the quantum and cost for FY 2024-25 as per the PPA.
- 4.4.5. The comparison of the estimated quantum and cost of power purchase from Manikaran vis-à-vis the quantum and cost of power purchase from Manikaran approved by the Commission for FY 2024-25 in the MTR Order is given in the Table below:

Table 4-9: Power Procurement from M/s. Manikaran Pvt. Ltd. For FY 2024-25, as submitted by BEST

Manikaran Power Ltd.	MTR Order	MYT Petition
Energy Quantum (MU)	744.60	760.56

Manikaran Power Ltd.	MTR Order	MYT Petition
Total Power Purchase Cost (Rs. Crore)	330.05	333.99
Average Power Purchase Rate (Rs./kWh)	4.43	4.39

4.4.6. BEST has estimated to procure power from M/s Manikaran Power Ltd. at an average rate of Rs. 4.39/kWh as against the approved rate of Rs. 4.43/kWh, for FY 2024-25. The summary of actual power purchase from M/s Manikaran Power Ltd. for H1 of FY 2024-25 and estimated power purchase for H2 of FY 2024-25 is shown in the Table below:

Table 4-10: Summary of estimated Power Procurement from M/s. Manikaran Pvt. Ltd. for FY 2024-25, as submitted by BEST

Manikaran Power Ltd.	Energy Quantum	Fixed Charges	Energy Charges	Energy Charge Rate	Other Charges	Total Power Purchase Cost	Avg. Power Purchase Rate
	(MU)	(Rs. Crore)	(Rs. Crore)	(Rs./ kWh)	(Rs. Crore)	(Rs. Crore)	(Rs./kWh)
Apr - Sept.	423.73	78.02	96.19	2.27	5.29	179.50	4.24
Oct - Mar	336.82	78.02	76.46	2.27	-	154.48	4.59

M/s. Sai Wardha Power Generation Private Ltd. (SWPGPL)

- 4.4.7. On July 2023, BEST initiated the competitive bidding process under Section 63 of the Electricity Act, 2003, and MoP Guidelines for procurement of medium term power, in particular - 350 MW RTC power for 7 (Seven) years (Project-1) and 100 MW Peak Hour power (07:00 to 24:00 Hrs) for 5 (five) years (Project-2) at Maharashtra Periphery, through e-Reverse Auction on DEEP portal.
- 4.4.8. BEST adopted a two-stage bidding process as per MoP Guidelines by issuing Request For Qualification, Request For Proposal and draft PPA without any deviations in the Standard Bidding Documents under the MoP Guidelines.
- 4.4.9. After detailed technical evaluation and scrutiny of the applications, three bidders were found qualified for Project 1 and qualified for e-Reverse Auction, and no Bidder qualified for Project 2.
- 4.4.10. Financial bids of the said three Bidders were opened as per schedule and e-Reverse Auction was conducted on 27 September, 2023. Subsequently, M/s. SWPGPL emerged as the L1 in the e-Reverse Auction for Project 1 with bidding quantum of 125 MW with tariff of Rs. 5.87/kWh, followed by M/s. JITPL offering 100 MW at Rs. 6.67/kWh and M/s. OPGPL offering 150 MW at Rs. 8.26/kWh.

- 4.4.11. After further process and negotiations, M/s SWPGPL vide letter dated 6 June 2024 submitted final revised offer of Rs.5.56/kWh, with FY 2024-25 as the base year, which will be fixed for first 5 years. Thereafter, the tariff will be escalated according to the PPA provisions for the 6th and 7th year, using the 5th year as the base year.
- 4.4.12. As per the Commission's Order in Case No. 135 of 2024, BEST Undertaking has signed Agreement for Procurement of Power with M/s. SWPGPL for 125 MW RTC Power for 7 years on 15 October 2024. After coordination with STU / SLDC for consent and revising BPTA amendment agreement for FY 2024-25, Power from SWPGPL shall be available tentatively from March, 2025. Accordingly, BEST intends to procure 51.15 MU from SWPGPL for FY 2024-25. Details of power procurement from SWPGPL for FY 2024-25 is shown in the Table below:

Table 4-11: Summary of estimated Power Procurement from SWPGPL for FY 2024-25, as submitted by BEST

SWPGPL	Energy Quantum	Fixed Charges	Energy Charges	Energy Charge Rate	Other Charges	Total Power Purchase Cost	Avg. Power Purchase Rate
	(MU)	(Rs. Crore)	(Rs. Crore)	(Rs./ kWh)	(Rs. Crore)	(Rs. Crore)	(Rs./kWh)
Oct - Mar	51.15	14.22	14.22	2.78	-	28.44	5.56

Renewable Power Purchase

- 4.4.13. BEST intended to procure 657.15 MU of RE power through short-term and long-term PPA in FY 2024-25. The comparison of the estimated quantum and cost of RE power purchase vis-à-vis the quantum and cost of RE power purchase approved by the Commission for FY 2024-25 in the MTR Order is given in the Table below:

Table 4-12: Estimated RE Power Purchase for FY 2024-25, as submitted by BEST

Particulars	Source	MTR Order	MYT Petition (Estimated)
Power Purchase Quantum (MU)	Walwhan Solar Energy	31.48	31.50
	RPS - Solar - IEX	485.11	574.85
	RPS - Non-Solar - IEX	489.76	45.17
	RPS - Hydro - IEX	-	5.62
	REC		
Power Purchase Cost (Rs. Crore)	Walwhan Solar Energy	26.95	26.69*
	RPS - Solar - IEX	237.70	215.67
	RPS - Non-Solar - IEX	239.98	16.45
	RPS - Hydro - IEX	-	2.03
	REC		29.82
Power Purchase Rate (Rs./kWh)	Walwhan Solar Energy	8.56	8.47
	RPS - Solar - IEX	4.90	3.75
	RPS - Non-Solar - IEX	4.90	3.64
	RPS - Hydro - IEX	-	3.62
	REC		

* After reducing RPS rebate of Rs. 0.27 Crore

- 4.4.14. As can be seen from the above Table, in FY 2024-25, BEST intended to procure 574.85 MU of RE-Solar Power and 45.17 MU of RE-Non-Solar Power from Power Exchange (IEX) at an average rate of Rs. 3.75/kWh and Rs. 3.64/kWh, respectively, which is significantly lower than the rate of Rs. 4.90/kWh approved by the Commission in the MTR Order. Further, BEST has procured 5.62 MU of RE-Hydro Power from IEX at an average rate of Rs. 3.62/kWh.
- 4.4.15. The solar power purchase from Walwhan Solar was also in accordance with the rate approved by the Commission in the MTR Order.
- 4.4.16. BEST has purchased total RECs of 2095.20 MU from Power Exchanges in H1 of FY 2024-25, with total cost of Rs. 29.82 crore at the average rate of Rs. 0.14 per unit only (including GST) to fulfil the cumulative RPO shortfall of 1976.25 MU up to FY 2023-24 and standalone RPO shortfall of H1 of FY 2024-25 (118.95 MU).
- 4.4.17. The summary of RE power procurement from various sources in H1 of FY 2024-25 is provided in the Table below:

Table 4-13: Actual RE Power Purchase in H1 of FY 2024-25, as submitted by BEST

Particulars	Energy Quantum	Energy Charges	Energy Charge Rate	RPS Rebate	Prior Period RPS	Total Cost	Avg. Power Purchase Rate
	(MU)	(Rs. Crore)	(Rs./kWh)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs./kWh)
Walwhan Solar Energy	14.21	12.16	8.56	(0.12)	-	12.04	8.47
RPS – Solar-IEX	130.33	48.90	3.75	-	-	48.90	3.75
RPS – Non-Solar-IEX	45.17	16.45	3.64	-	-	16.45	3.64
RPS - Hydro - IEX	5.62	2.03	3.62	-	-	2.03	3.62
REC						29.82	
Total	195.33	79.54	4.07	(0.12)	-	109.24	4.07

4.4.18. The summary of RE power procurement from various sources in H2 of FY 2024-25 is provided in the Table below:

Table 4-14: Estimated RE Power Purchase in H2 of FY 2024-25, as submitted by BEST

Particulars	Energy Quantum	Energy Charges	Energy Charge Rate	RPS Rebate	Prior Period RPS	Total Cost	Avg. Power Purchase Rate
	(MU)	(Rs. Crore)	(Rs./kWh)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs./kWh)
Walwhan Solar Energy	17.29	14.80	8.56	(0.15)	-	14.65	8.47
RPS – Solar-IEX	444.52	166.77	3.75	-	-	166.77	3.75
RPS – Non-Solar- IEX	-	-	-	-	-	-	-
RPS - Hydro - IEX	-	-	-	-	-	-	-
Total	461.82	181.58	3.93	(0.15)	-	181.43	3.93

RPO Compliance for FY 2024-25

4.4.19. BEST submitted that considering the fact that the power from SECI will not be available, the Commission has considered that RE power will be procured from GDAM/GTAM or through a competitive bidding process for FY 2024-25. The Commission has considered the quantum of RE purchase such that BEST meets its standalone RPO for FY 2024-25. The Commission has considered the rates discovered on the GDAM Market on IEX, which are reflective of the market rates for RE purchase

at that time. Accordingly, the Commission has considered the average rate of July 2022 to December, 2022, i.e., Rs. 4.90/kWh, discovered on the IEX - GDAM market for both the years. Accordingly, the Commission has approved the cost of power purchase from RE sources (both Solar as well as Non-Solar) of Rs. 546.59 Crore for FY 2024-25. For FY 2024-25, the Commission has approved the RPO compliance as shown in the Table below:

Table 4-15: RPO Shortfall for FY 2024-25 as approved by the Commission

RPO Targets & Achievement	FY 2024-25
Total Energy Requirement	5,414.52
Less: Hydro	751.59
Net Energy Requirement	4,662.92
Solar RPO target	13.50%
Solar RPO target	629.49
Solar RPO Achievement	685.76
Op. Balance of Solar RPO	292.67
Solar RPO Shortfall/(Surplus)during the year	(56.26)
Cl. Balance of Solar RPO	236.41
Non-Solar RPO target	11.50%
Non-Solar RPO target	536.24
Non-Solar RPO Achievement	536.24
Opening Balance of Non-Solar RPO	713.51
Non-Solar RPO Shortfall/(Surplus) during the year	-
Cl. Balance of Non-Solar RPO	713.51
Total Shortfall allowed to be carried forward	949.92

4.4.20. MoP vide its Notification dated 20 October 2023 has specified minimum share of consumption of Renewable Energy by Discoms as a percentage of total share of energy consumption. For FY 2024-25, the RPO target set by MoP is shown in the Table below:

Table 4-16: Details of RPO Compliance set by MoP for FY 2024-25

Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%

4.4.21. BEST submitted that, in line with the MoP's Notification dated 20 October 2023, the Commission has notified the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024 on 23 February, 2024 and as per the Regulation 7.5 (A), the revised the RPO target for FY 2024-25 is 29.91%.

- 4.4.22. BEST submitted that the Cumulative RPO shortfall up to March, 2024 is 1976.25 MU and as per Regulation 7.5(A), the revised standalone RPO target of BEST for FY 2024-25 is 1539.80 MU.
- 4.4.23. BEST is fulfilling its RPO for FY 2024-25 by procuring solar energy from Welspun Energy Maharashtra Ltd., Hydro energy from TPC-G Hydro plant, Solar, Non-solar and Hydro energy through GDAM. BEST has purchased RE power through the GDAM Market to meet the shortfall of daily power requirement and optimize the power purchase cost. As directed by the Commission, BEST has purchased Solar, Non-Solar and Hydro energy through GDAM/GTAM market below the approved rate of Rs. 4.90 per unit so as to fulfil Other RE RPO of BEST for FY 2024-25. However, procurement of Solar, Non-Solar and Hydro energy through the GDAM market is not sufficient to meet the RPO of FY 2024-25.
- 4.4.24. As per communication received from SECI, tied-up power will not be available in FY 2023-24 and FY 2024-25, therefore, BEST has floated short-term tenders four times in August 2022, January, 2023, March, 2023 and January, 2024 for procurement of solar and wind power to fulfil cumulative RPO up to FY 2023-24. However, no bidders have participated in all above four tenders.
- 4.4.25. BEST has taken various efforts to fulfil cumulative RPO including procurement of Renewable Energy from Power Exchange, inviting short-term tenders and long-term tie-up with SECI. The only option left with BEST to fulfil cumulative RPO is the procurement of Renewable Energy certificate (REC) from Power Exchange for the following reasons:
- The existing tie-up of BEST with RE developers (only 20 MW Solar power) is not sufficient to fulfil the RPO.
 - RE power from both the projects of SECI (400 MW Solar Wind Hybrid project and 234 MW Solar project) on a long-term basis will not be available till April, 2025.
 - Developers of RE power/traders are not responding to the tenders floated by BEST for the procurement of RE power on a short-term basis.
 - The procurement of RE power from Power Exchange at rates approved by the Commission is not sufficient to meet the cumulative RPO of BEST up to March, 2025.

- REC rates on IEX and PXIL platforms are drastically reduced and RECs are available at the rate of 14 paise per unit to 20 paise per unit including the exchange fees and GST.

4.4.26. Therefore, BEST has purchased total RECs of 2095.20 MU on Power Exchanges in H1 of FY 2024-25, with total cost of Rs. 29.82 crores at the average rate of Rs. 0.14 per unit only (including GST) to fulfil the cumulative RPO shortfall of 1976.25 MU up to FY 2023-24 and standalone RPO shortfall of H1 of FY 2024-25 (118.95 MU). The balance RPO shortfall up to FY 2024-25 may be met by BEST by procuring RE power through GDAM or RECs.

4.4.27. The details of compliance RPO for FY 2024-25 are shown in the Table below:

Table 4-17: Details of RPO Shortfall for FY 2024-25, as submitted by BEST

Particulars	FY 2024-25		
	Apr-Sep Actual	Oct-Mar Estimated	Apr-Mar Estimated
Energy Requirement at G-T Interface	2762.83	2387.01	5149.84
Target			
Wind RPO %	0.67%	0.67%	0.67%
HPO %	0.38%	0.38%	0.38%
Distributed RE %	1.50%	1.50%	1.50%
Other RE RPO %	27.35%	27.35%	27.35%
Total RPO Target in %	29.91%	29.91%	29.91%
Wind RPO in MU	18.51	15.99	34.50
HPO in MU	10.50	9.07	19.57
Distributed RE in MU	41.44	35.81	77.25
Other RE RPO in MU	755.63	652.85	1408.48
Total RPO Target in MU	826.09	713.72	1539.80
Wind energy from 400 MW Wind Solar Hybrid project	0	0	0
Hydro energy to fulfil HPO	0	0	0
Distributed RE (Solar energy from Net Metering Consumers)	7.12	7.88	15
Other RE RPO			
Walwhan Solar Energy Maharashtra Ltd.	14.21	17.29	31.50
Hydro energy from TPC-G Hydro plant	481.79	332.71	814.50
Solar energy from 400 MW Wind Solar Hybrid project	0	0	0

Particulars	FY 2024-25		
	Apr-Sep Actual	Oct-Mar Estimated	Apr-Mar Estimated
Solar energy from 234 MW Solar project	0	0	0
Solar and wind energy through GDAM upto Sept 2024	181.12	444.52	625.65
REC	118.95		118.95
Total availability for fulfilment of other RE RPO	796.07	794.52	1590.59
Total Availability to meet RPO	803.19	802.40	1605.60
RPO Fulfilment			
Wind RPO Fulfilment in %	0.00%	0.00%	0.00%
HPO Fulfilment in %	0.00%	0.00%	0.00%
Distributed RE Fulfilment in %	0.26%	0.33%	0.29%
Other RE RPO Fulfilment in %	28.81%	30.76%	27.31%
Total RPO Fulfilment in %	29.07%	31.08%	30.01%
Standalone Shortfall/(surplus)			
Wind RPO	18.51	15.99	34.50
HPO	10.50	9.07	19.57
Distributed RE	34.32	27.93	62.59
other RPO	-40.44	-141.67	-182.12
Total RPO shortfall	22.90	-88.68	-65.80

Short Term Power

4.4.28. After considering the procurement from long-term sources and RE sources, BEST has met its balance power requirement through purchase of power from short-term sources. The Commission has approved certain quantum of purchase from short-term sources for FY 2024-25 in the MTR Order.

4.4.29. The comparison of the estimated quantum and cost of short-term power purchase vis-à-vis the quantum and cost of short-term power purchase approved by the Commission for FY 2024-25 in the MTR Order is given in the Table below:

Table 4-18: Summary of estimated short-term Power Procurement for FY 2024-25, as submitted by BEST

Source	FY 2024-25	
	MTR Order	MYT Petition
Quantum (MU)	315.59	518.67
Total Cost (Rs. Crore)	161.90	225.01
Average Rate (Rs./kWh)	5.13	4.34

- 4.4.30. BEST submitted that it has contracted capacity of approximately 768 MW. However, in order to meet anticipated increase in peak demand, BEST has purchased short-term power.
- 4.4.31. BEST submitted that the estimated average rate of short-term power procurement was Rs. 4.34/kWh for FY 2024-25, which is lower than the approved Average Power Purchase Cost of Rs. 5.13/kWh for FY 2024-25. Hence, short-term power purchase planned by BEST in FY 2024-25 will contribute to reduction in overall power purchase cost, thereby reducing the burden on the consumers.
- 4.4.32. The details of short-term power procurement by BEST from various sources in FY 2024-25 is given in the Tables below:

Table 4-19: Actual Short-term Power Procurement for H1 of for FY 2024-25, as submitted by BEST

Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
IEX Purchase	289.09	126.53	4.38
Inter Discom Sale (IDT)	(5.96)	(5.06)	8.49
Inter Discom Purchase (IDT)	0.71	0.75	10.49
STOA Application Processing Fee		0.01	
Total	283.84	122.23	4.31

Table 4-20: Estimated Short-term Power Procurement for H2 of for FY 2024-25, as submitted by BEST

Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
IEX Purchase	234.84	102.79	4.38
Total	234.84	102.79	4.38

Sale of Surplus Power

- 4.4.33. For FY 2024-25, BEST has considered the estimated quantum and revenue from sale of surplus power. During H1 of FY 2024-25, BEST sold 14.18 MU at an average rate of Rs. 9.43/kWh, which led to realisation of revenue of Rs. 13.37 Crore.
- 4.4.34. The revenue from sale of surplus power has been deducted from the power purchase cost in order to pass on the benefits to the consumers. BEST always endeavours to maximise the revenue from sale of surplus power, so that the benefit can be passed on to its consumers. The details of sale of surplus power (IEX) are shown in the Table below:

Table 4-21: Sale of Surplus Power (IEX) for FY 2024-25, as submitted by BEST

FY 2024-25	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
Actual (Apr - Sept.)	(14.18)	(13.37)	10.50

Prior Period Payment and Other Cost

4.4.35. BEST has paid Rs. 29.05 Crore in H1 of FY 2024-25, towards prior payment and other charges. The details of the same are provided in the below table:

Table 4-22: Summary of Prior Period Payment and other charges for FY 2024-25, as submitted by BEST

Particulars	Quantum (MU)	Actual Amount (Rs. Crore)
DSM Energy	(24.63)	(1.93)
RTDA - MSLDC (FBSM) UI Payment		0.55
Prior Period Payment of DSM Bills		30.44
Total	(24.63)	29.05

Power Purchase Quantum through MSLDC Pool Imbalance

4.4.36. BEST has computed the actual balancing quantum of Pool Imbalance as 1.03 MU for H1 of FY 2024-25. BEST has computed the quantum of actual Pool Imbalance by deducting power purchase from all the remaining sources (TPC-G, Walwhan Solar, Manikaran, RE power purchase, short-term sources, etc.) from the total power purchase at G-T interface, which is considered as actual Pool Imbalance quantum for H1 of FY 2024-25. As purchase from Imbalance Pool cannot be estimated as a source of supply, the same has not been estimated for the second half of FY 2024-25.

4.4.37. BEST submitted that the cost associated with the Pool Imbalance/DSM is not considered and shall be considered as and when bills are received and accounted for by BEST in appropriate claims/filing (MTR/FAC).

MSEDCL Standby Support

4.4.38. BEST submitted that Standby support power was utilized to the extent of 3.78 MU during H1 of FY 2024-25. In accordance with the Commission's approval in the MTR Order, BEST has remitted Fixed Standby Charges amounting to Rs. 47.01 Crore in H1 of FY 2024-25 and will remit the same amount of Rs. 47.01 Crore in H2 of FY 2024-25 amounting to a total of Rs. 94.01 Crore for FY 2024-25. The cost of actual energy drawn under Standby arrangement is Rs. 2.91 Crore in H1 of FY 2024-25.

Intra-State Transmission Charges and MSLDC Charges

- 4.4.39. BEST has doubled the actual expenses under these heads in H1 of FY 2024-25, to estimate the annual expenses under these heads. The Intra-State Transmission Charges and MSLDC Charges considered by BEST for FY 2024-25 are shown in the Table below:

Table 4-23: Summary of Transmission Charges and MSLDC for FY 2024-25, as submitted by BEST

Particulars	MTR Order	MYT Petition
Intra-State Transmission Charges	299.32	297.56
MSLDC Charges	0.99	0.98

NLDC Legacy Fees

- 4.4.40. Western Region Load Despatch Centre (WRLDC) vide letter dated 11 November, 2024, has communicated the details of recovery of 'Legacy Dues' related to Net Deviation and Ancillary Services Pool Account for the period prior to 16 September, 2024, based on the CERC approved procedure dated 15th October 2024 for recovery of the same. NLDC directed the pool participants to make the payments within 10 days of the instalment date.
- 4.4.41. Subsequently, MSLDC held an emergency meeting amongst the State entities on 18th November, 2024 and decided the method of apportionment of Legacy Dues to the State entities. The payment is to be made in 20 weekly instalments with the last instalment date as 24 March, 2025.
- 4.4.42. BEST's share of such Legacy Dues has been determined by MSLDC as Rs. 2.30 Crore. As this entire amount is payable in FY 2024-25, BEST has included this amount under the estimated power purchase cost in the provisional truing-up for FY 2024-25.

Summary of Power Purchase Expenses

- 4.4.43. The comparison of approved and estimated source-wise quantum and cost of power purchase for FY 2024-25, is shown in the Table below:

Table 4-24: Summary of Power Purchase Expenses for FY 2024-25, as submitted by BEST

Particulars	MTR Order			Actual		
	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	3178.80	2300.83	7.24	3,196.30	1,836.75	5.75
Walwhan Solar Energy Maharashtra	31.48	26.95	8.56	31.50	26.96	8.56
Manikaran Power Limited	744.60	330.05	4.43	760.56	333.99	4.39
SWPGPL	-	-	-	51.15	28.44	5.56
Short-term Sources						
Bilateral Power Purchase						
Traders	-	-	-	-	-	-
IEX - Purchase	-	-	-	523.92	229.32	4.38
IEX - Sale	-	-	-	(14.18)	(13.37)	9.43
STOA Application Processing Fees of MSLDC	-	-	-	-	0.01	-
RE-Non-Solar IEX	489.76	239.98	4.90	45.17	16.45	3.64
RE-Solar IEX	485.11	237.70	4.90	574.85	215.67	3.75
RE - Hydro IEX	-	-	-	5.62	2.03	3.62
REC Procurement from IEX & PXIL	-	-	-	-	29.82	-
SECI Hybrid - Solar (Tranche III)	122.69	30.43	2.48	-	-	-
SECI Hybrid - Wind (Tranche III)	46.47	11.53	2.48	-	-	-
DAM/Sort-term sources	315.59	161.90	5.13	-	-	-
Standby Energy from MSEDCL	-	-	-	3.78	2.91	7.69
DSM	-	-	-	(24.63)	(1.93)	-
MSLDC Pool Imbalance	-	-	-	1.03	-	-
Inter-Discom Sale (IDT)	-	-	-	-5.13	-5.06	8.49
Inter-Discom Sale - Prior Period (IDT)	-	-	-	-0.84		
Inter-Discom Purchase (IDT)	-	-	-	0.11	0.75	10.49
Inter-Discom Purchase - Prior Period (IDT)	-	-	-	0.60		
Standby Charges	-	94.01	-	-	94.01	-
NLDC Legacy Fees					2.30	
Bilateral Rebate	-	-	-	-	-	-
RPS Rebate	-	-	-	-	-0.27	-
RTDA - MSLDC (FBSM) UI Payment	-	-	-	-	0.55	-

Particulars	MTR Order			Actual		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
DSM Charges Payable (Prior Period Payment of DSM bills)	-	-	-	-	30.44	-
TPC-G Credit Bill (April 2023 to 2024)	-	-	-	-	(15.26)	-
Total	5414.52	3433.38	6.34	5149.83	2814.51	5.47

4.4.44. BEST has therefore requested the Commission to approve the estimated quantum and cost of power purchase for FY 2024-25, as given in the Table above.

Commission's Analysis and Ruling

4.4.45. **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. BEST for H2 has proposed to procure power from TPC-G as per tariff proposed by TPC-G in its MYT Petition. Accordingly, the Commission has considered the power purchase cost of TPC-G as approved in TPC-G's MYT Order. The quantum of power from TPC-G approved by the Commission is ~163.14 MU less than proposed by BEST. The same is due to lower net generation approved for TPC-G and as per the quantum as approved in MYT Order. Accordingly, the Commission approves power purchase cost of TPC-G for FY 2024-25.

4.4.46. **Manikaran Power Limited:** The Commission has provisionally approved power purchase quantum of 760.56 MU and cost of Rs 333.99 Crore as submitted by BEST as per PPA, subject to prudence check at the time of True-up.

4.4.47. **M/s. Sai Wardha Power Generation Private Ltd.:** The Commission has provisionally approved power purchase quantum of 51.15 MU and cost of Rs. 28.44 Crore as submitted by BEST as per PPA, subject to prudence check at the time of True-up.

4.4.48. **Non-Solar RE Sources:** BEST has purchased non-solar power from IEX in H1 of FY 2024-25. BEST has estimated power purchase cost of Rs. 16.45 Crore of 45.17 MU at Rs. 3.64/kWh. Accordingly, the Commission provisionally approves non-solar power purchase cost of Rs. 16.45 Crore for FY 2024-25, subject to prudence check at the time of True-up.

- 4.4.49. **Hydro RE Sources:** BEST has purchased Hydro power from IEX in H1 of FY 2024-25. BEST has estimated power purchase cost of Rs. 2.03 Crore for 5.62 MU at Rs. 3.62 per kWh. Accordingly, the Commission provisionally approves Hydro power purchase cost of Rs. 2.03 Crore for FY 2024-25, subject to prudence check at the time of True-up.
- 4.4.50. **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 2022-23, BEST has purchased 31.50 MU at PPA rate of Rs. 8.56/kWh. Therefore, power purchase cost for 31.50 MU is Rs. 26.69 Crore post adjusting the RPS rebate of Rs. 0.27 Crore. Further, BEST has also estimated 574.85 MU (H1 + H2) of solar purchase from IEX for FY 2024-25 at estimated cost of Rs 215.67 Crore as submitted by BEST. The Commission provisionally approves total solar power purchase cost of Rs. 290.67 Crore for FY 2024-25, subject to prudence check at the time of True-up.
- 4.4.51. The Commission notes that BEST has proposed REC purchase for FY 2024-25. BEST has the cumulative shortfall of 1976.25 MU and as per Regulation 7.5(A), the revised standalone RPO target of BEST for FY 2024-25 is 1539.80 MU. Considering the above RE purchase Solar, non-Solar and Hydro, BEST is still facing difficulty in meeting its RPO obligation through fixed RE contracts, as the tied - up power with SECI is further delayed in FY 2025-26. BEST has also floated Short-Term RE Tenders, however, the same was un-responsive. Accordingly, to meets its RPO Shortfall for past and current year, BEST has purchased total RECs of 2095.20 MU on Power Exchanges in H1 of FY 2024-25, with total cost of Rs. 29.82 Crore at the average rate of Rs. 0.14 per unit only (including GST) to fulfil the cumulative RPO shortfall of 1976.25 MU up to FY 2023-24 and standalone RPO shortfall of H1 of FY 2024-25 (118.95 MU). The balance RPO shortfall up to FY 2024-25 is proposed to be met by BEST by procuring RE power through GDAM or RECs. BEST has also submitted the details of the RECs purchase along with this Petition. Accordingly, the Commission approves the REC purchase of Rs. 29.82 Crore, subject to prudence check at the time of True-up and also provisionally approves the RE purchase for RPO compliance as submitted by BEST, subject to prudence check at the time of True-up.
- 4.4.52. **Power Purchase from Short Term Sources:** The Commission has observed that BEST has estimated purchase of 518.67 MU from short term sources amounting to Rs. 225.02 Crore at the average rate of Rs. 4.34/ kWh. BEST has proposed to purchase

the short-term power either on power exchange or through competitive bidding process from DEEP portal. However, since BEST has submitted its revised Sales estimates for FY 2024-25, the Commission has considered incremental power purchase requirement from short term sources and accordingly approves 632.44 MU from short term sources at the same rate of Rs. 4.34/kWh as proposed by BEST. Accordingly, the Commission provisionally approves power purchase of 632.44 MU amounting to Rs. 274.44 Crore for FY 2024-25, based on the quantum as approved from other sources, as discussed in the above section.

4.4.53. **Other Charges:** BEST has estimated other charges of Rs 109.69 Crore which mainly includes Rs 94.01 Crore towards standby charges, Rs. 29.05 Crore towards prior period payment and other cost and Rs. (-13.37) Crore towards the Sale of Surplus power. Accordingly, the Commission provisionally approves the Other Cost of Rs. 109.69 Crore for FY 2024-25, subject to prudence check at the time of True-up.

4.4.54. **Transmission Charges and MSLDC Charges:** The Commission approves actual Transmission Charges of Rs. 297.56 Crore as per InSTS Order and MSLDC Charges of Rs. 0.98 Crore as per MSLDC Order for the provisional Truing-up of FY 2024-25.

4.4.55. The summary of power purchase quantum and expenses, including other charges, Stand-by Charges and Transmission Charges for FY 2024-25, as submitted by BEST and as approved by the Commission in provisional Truing up, is given in the following Table:

Table 4-25: Power Purchase by BEST for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	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	3178.8	2300.83	7.24	3,196.30	1,836.75	5.75	3,172.10	1,806.09	5.69
Walwhan Solar Energy Maharashtra	31.48	26.95	8.56	31.5	26.96	8.56	31.5	26.96	8.56
Manikaran Power Limited	744.6	330.05	4.43	760.56	333.99	4.39	760.56	333.99	4.39
SWPGPL	-	-	-	51.15	28.44	5.56	51.15	28.44	5.56
Short-term Sources									
Bilateral Power Purchase									
Traders	-	-	-	-	-	-	-	-	-
IEX - Purchase	-	-	-	523.92	229.32	4.38	636.85	278.75	4.38

Particulars	MTR Order			MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)	Quantum (MU)	Total Cost (Rs. crore)	Rate (Rs. / kWh)
IEX - Sale	-	-	-	-14.18	-13.37	9.43	-14.18	-13.37	9.43
STOA Application Processing Fees of MSLDC	-	-	-	-	0.01	-	-	0.01	-
RE-Non-Solar IEX	489.76	239.98	4.9	45.17	16.45	3.64	45.17	16.45	3.64
RE-Solar IEX	485.11	237.7	4.9	574.85	215.67	3.75	574.85	215.67	3.75
RE - Hydro IEX	-	-	-	5.62	2.03	3.62	5.62	2.03	3.62
REC Procurement from IEX & PXIL	-	-	-	-	29.82	-	-	29.82	-
SECI Hybrid - Solar (Tranche III)	122.69	30.43	2.48	-	-	-	-	-	-
SECI Hybrid - Wind (Tranche III)	46.47	11.53	2.48	-	-	-	-	-	-
DAM/Sort-term sources	315.59	161.9	5.13	-	-	-	-	-	-
Standby Energy from MSEDCL	-	-	-	3.78	2.91	7.69	3.78	2.91	7.69
DSM	-	-	-	-24.63	-1.93	-	-24.63	-1.93	-
MSLDC Pool Imbalance	-	-	-	1.03	-	-	1.03	-	-
Inter-Discom Sale (IDT)	-	-	-	-5.13	-5.06	8.49	-5.13	-5.06	8.49
Inter-Discom Sale - Prior Period (IDT)	-	-	-	-0.84			-0.84		
Inter-Discom Purchase (IDT)	-	-	-	0.11	0.75	10.49	0.11	0.75	10.49
Inter-Discom Purchase - Prior Period (IDT)	-	-	-	0.6			0.6		
Standby Charges	-	94.01	-	-	94.01	-	-	94.01	-
NLDC Legacy Fees					2.3			2.3	
Bilateral Rebate	-	-	-	-	-	-	-	-	-
RPS Rebate	-	-	-	-	-0.27	-	-	-0.27	-
RTDA - MSLDC (FBSM) UI Payment	-	-	-	-	0.55	-	-	0.55	-
DSM Charges Payable (Prior Period Payment of DSM bills)	-	-	-	-	30.44	-	-	30.44	-
TPC-G Credit Bill (April 2023 to March, 2024)	-	-	-	-	-15.26	-	-	-15.26	-
Total	5414.52	3433.38	6.34	5149.83	2814.51	5.47	5,238.54	2,833.28	5.41

4.4.56. Accordingly, the Commission approves the total cost of power purchase of Rs. 2833.28 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.5. **Operation and Maintenance Expenses**

BEST's Submission

- 4.5.1. BEST has computed the normative O&M expenses for FY 2024-25. BEST has considered the revised normative O&M expenses calculated in the true-up of FY 2023-24 and escalated the same with WPI and CPI indices of last 5 years in the ratio of 70:30.
- 4.5.2. BEST has no Open Access consumers, on account of BEST being a Local Authority, thereby exempting it from the provisions of Open Access. The consumer growth of BEST in past years is shown in the following table:
- 4.5.3. As per the above cited Regulations, as the increase in the number of consumers is lower than 2 percent annually over the last 3 years, the efficiency factor has to be considered in proportion to the percentage growth in the number of consumers. Accordingly, BEST has calculated the efficiency factor of 0.87% FY 2024-25, as shown in the Table below:

Table 4-26: Growth in Consumers in Past Years

Year	No. of Consumers	CAGR - 3 Years
FY 2019-20	1039439	
FY 2020-21	1043871	
FY 2021-22	1046216	
FY 2022-23	1048116	0.28%
FY 2023-24	1050150	0.20%
FY 2024-25	1054251	0.26%

- 4.5.4. Based on the above-computed Efficiency Factor, the effective escalation rate to be considered for estimating the revised normative O&M expenses for FY 2024-25 and its computation is shown in the Table below:

Table 4-27: Efficiency Factor for FY 2024-25, as submitted by BEST

Year	Efficiency Factor (%)	3-Year CAGR in number of consumers (%)
FY 2024-25	0.87%	0.26%

Table 4-28: Escalation Rate for O&M Expenses, as submitted by BEST

Particulars	FY 2024-25
CPI (%)	4.80%
WPI (%)	4.95%
CPI: WPI: 70:30	4.85%
<i>Less: Efficiency Factor</i>	<i>0.87%</i>
Escalation factor	3.98%

4.5.5. Hence, the revised normative O&M expenses for FY 2023-24 have been escalated at a rate of 3.98% to arrive at the revised normative O&M expenses for FY 2024-25.

4.5.6. The computation of revised normative O&M expenses for FY 2024-25 in accordance with the MYT Regulations, 2019 is provided in the table below:

Table 4-29: Revised Normative O&M Expenses for FY 2024-25, as submitted by BEST

Particulars	MTR Order	MYT Petition
Wires Business	448.54	452.63
Retail Supply Business	241.52	243.72
Total O&M Expenses	690.07	696.36

Smart Meter Scheme

4.5.7. BEST submitted that Smart Metering scheme is being undertaken as per the Operational Guidelines for Revamped Distribution Sector Scheme (RDSS) - A Reforms-based and Results-linked Scheme issued by GOI vide dated 29 July 2021. The relevant para of the guideline pertaining to TOTEX and funding linked to the same is given below:

“2.3 Eligible Works and Activities under Part A - Metering

2.3.1 Under this part, Prepaid Smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing.

2.3.2 Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode.....”

- 4.5.8. BEST submitted that, as per Regulation 84.7 of the MYT Regulations, 2019, a Distribution License may undertake Opex schemes over and above normative O&M expenses subject to prudence check by the Commission.
- 4.5.9. BEST submitted that the Detailed Project Report (DPR) for the Smart Metering scheme was approved on 22 November, 2023, with a total approved value of Rs. 1303.16 Crore. As directed by the Commission in the MTR Order dated 31 March, 2023 in Case No.212 of 2022, BEST has submitted the Cost-Benefit Analysis (CBA) of the Smart Metering scheme.
- 4.5.10. The details of the number of meters to be installed under Smart Metering Scheme is shown in the Table below:

Table 4-30: Details of Meters to be installed under Smart metering scheme, as submitted by BEST

Meter Type	No. of meters
Single Phase Whole Current Consumer Meter	9,01,212
Three Phase Whole Current Consumer Meter	1,68,419
Three Phase LT CT Consumer Meter	6,053
Three Phase HT meter	206
Three Phase LT CT - DT Meter	3,398
Three Phase HT Feeder Meter	1,255
Three Phase CT/PT Operated ABT Meter	133
Total	10,80,676

- 4.5.11. BEST has submitted that the scheme is being implemented in strict adherence with the regulatory framework, including the RDSS guidelines, MERC Regulations, and MoP Guidelines. The scheme is being executed under Opex through an Advanced Metering Infrastructure Service Provider (AMISP), M/s. Adani Transmission Ltd., who was selected through a competitive bidding process. The break-up of awarded rate of AMISP is shown in the Table below:

Table 4-31: Detailed Breakup of Awarded Rate of Meters AMISP: Adani Transmission limited, as submitted by BEST

Sr. No.	Category	Quantity (Nos.)	Unit Price (Rs.) inclusive GST	Total Price (Rs.) inclusive of GST	PMPM Cost (Rs.)	PMPM* Cost (Rs.) excl. GST
A	B	C	D	E=(CxD)	F=(D/90)	G=(F/18%)
1	Single phase whole current Smart Meter – Consumer Meter	9,01,212	11,011.83	9,92,39,93,337.96	122.35	103.69

Sr. No.	Category	Quantity (Nos.)	Unit Price (Rs.) inclusive GST	Total Price (Rs.) inclusive of GST	PMPM Cost (Rs.)	PMPM* Cost (Rs.) excl. GST
2	Three Phase whole current Smart Meter – Consumer Meter	1,68,419	16,441.31	2,76,90,28,988.89	182.68	154.81
3	Three phase LT- CT operated Smart Meter – Consumer Meter	6,053	20,249.63	12,25,71,010.39	225.00	190.67
4	Three phase CT-PT operated HT Smart Meter – Consumer Meter	206	40,499.49	83,42,894.94	449.99	381.35
5	Three phase LT- CT operated Smart Meter – DT Meter	3,398	20,249.63	6,88,08,242.74	225.00	190.67
6	Three phase CT-PT Operated Feeder Meter	1,255	40,499.49	5,08,26,859.95	449.99	381.35
7	Three phase CT-PT Operated Boundary Meter (ABT Meter)	133	1,04,141.49	1,38,50,818.17	1157.13	980.62
Sub Total (a)		10,80,676	--	12,95,74,22,153		
8	Supply and installation of Meter Boxes for DT check meters	3,398	2,012.37	68,38,033.26	22.36	18.95
9	Supply and installation of LT Compact CTs of LT CT Meters (Set of 3 CTs)	6,053	2,515.37	1,52,25,534.61	27.95	23.69
10	Supply and installation of LT CTs for DT metering (Ring Type)	5,610	2,515.37	1,41,11,225.70	27.95	23.69
Sub Total (b)		15,061	--	3,61,74,794		
11	Manpower - Architecture Specialists	12	2,51,552.40	30,18,628.80		
12	Manpower - Security Specialists	12	2,26,394.46	27,16,733.52		
13	Manpower - Integration Specialists	12	2,26,394.46	27,16,733.52		
14	Manpower - Data Base Developer Sr.	24	1,76,084.32	42,26,023.68		
15	Manpower - Web OR Mobile Application Developer Sr.	24	1,76,084.32	42,26,023.68		
16	Manpower - Core Application Developer Sr.	24	2,01,239.56	48,29,749.44		
17	Manpower - Data Base Developer Jr.	36	1,50,929.08	54,33,446.88		
18	Manpower - Web OR Mobile Application Developer Jr.	36	1,50,929.08	54,33,446.88		
19	Manpower - Core Application Developer Jr.	36	1,50,929.08	54,33,446.88		
Sub Total (c)		216	--	3,80,34,233.28		
Total (a) + (b) + (c)				13,03,16,31,179.89		
Total (Rs. Crore)				1303.16		

*Per Meter per Month (PMPM)

- 4.5.12. It is pertinent to note that the AMISP will be paid for each meter installation in 90 instalments, starting from the date of meter installation.
- 4.5.13. BEST has submitted that significant progress has been made in the implementation of the Smart Metering scheme. As of September, 2024, 2,67,478 meters have been installed, including 2,37,397 single-phase meters, 26,215 three-phase meters, and others.
- 4.5.14. BEST submitted that Smart Metering implementation, which was originally scheduled for completion in September, 2025, is being extended by six months to March, 2026, due to unforeseen circumstances, including recent election period.
- 4.5.15. BEST submitted that it is important to note that all meters installed to date are in post-paid mode, and hence, no grants have been sanctioned till date as grant is only for prepaid metering.
- 4.5.16. BEST submitted that despite the project commencing on 2 December, 2023, the Opex is being claimed in FY 2024-25 as billing by the AMISP commenced in April, 2024, after 25,000 meters going live, as per the Guidelines.
- 4.5.17. Also, two types of meters, viz., Three-phase CT/PT operated feeder meters and Three-phase CT/PT operated ABT meters have been considered under Wires Business. Other types of meters that are being installed are considered under Retail Supply Business. Accordingly, BEST has computed the Opex expenditure under Wires Business and Retail Supply Business separately.
- 4.5.18. Further BEST submitted that the arrears of the previous Wage Revision Agreement (w.e.f. 2016) are partially paid to the officers/management cadre. The remaining Arrears will be considered as and when they are fully paid. Arrears of Rs. 80 Crore have been paid in H1 of 2024-25, out of which Rs. 69.06 Crore pertains to Distribution Business and Rs. 10.94 Crore to General Administration.
- 4.5.19. The computation of revised normative O&M expenses with Opex and arrears amount paid for FY 2024-25 in accordance with the MYT Regulations, 2019 is provided in the table below:

Table 4-32: Revised Normative O&M Expenses including Opex for Wires Business, as submitted by BEST (Rs. Crore)

Particulars	FY 2024-25	
	MTR Order	Revised Normative
Wires Business	448.54	452.63
Opex		1.18
Arrears amount paid (Wage Revision 2016-21)		52.00
Total O&M Expenses	448.54	505.81

Table 4-33: Revised Normative O&M Expenses including Opex for Retail Business, as submitted by BEST (Rs. Crore)

Particulars	FY 2024-25	
	MTR Order	Revised Normative
Retail Supply Business	241.52	243.72
Opex		47.93
Arrears amount paid (Wage Revision 2016-21)		28.00
Total O&M Expenses	241.52	319.65

- 4.5.20. BEST requested the Commission to approve the revised normative O&M Expenses, as well as the Opex amount and Arrears amount for FY 2024-25, as shown in the Tables above.
- 4.5.21. As against the above normative expenses, BEST has estimated to incur actual O&M expenses of Rs. 465.79 Crore for Distribution Wires Business and Rs. 298.10 Crore for Retail Supply Business for FY 2024-25.
- 4.5.22. The component-wise actual O&M expenses in H1 of FY 2024-25 and estimated O&M Expenses for H2 of FY 2024-25 for the Wires Business and Supply Business, are shown in the Tables below:

Table 4-34: Estimated O&M Expenses for Wires Business, as submitted by BEST (Rs. Crore)

Particulars	FY 2024-25			
	MTR Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Apr - Mar (Estimated)
Employee Expenses	448.54	170.20	170.20	340.41
R&M Expenses		26.70	26.70	53.40
A&G Expenses		35.40	35.40	70.81
Opex				1.18
Total O&M	448.54	232.31	232.31	465.79

Table 4-35: Estimated O&M Expenses for Retail Supply Business, as submitted by BEST (Rs. Crore)

Particulars	FY 2024-25			
	MTR Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Apr - Mar (Estimated)
Employee Expenses	241.52	91.65	91.65	183.30
R&M Expenses		14.38	14.38	28.75
A&G Expenses		19.06	19.06	38.13
Opex				47.93
Total O&M	241.52	125.09	125.09	298.10

4.5.23. BEST submitted that projected O&M expenses are Rs. 763.90 Crore (including Opex of Rs. 49.11 Crore). However, BEST in the present Petition is claiming the normative O&M expenses only, which would be subject to true-up at a later date based on actuals/ regulatory provisions.

Commission's Analysis and Ruling

4.5.24. As per the MYT Regulations, 2019, the normative O&M Expenses for FY 2024-25 would be determined by escalating the base O&M expenses determined and approved for FY 2023-24 at the inflation factor reduced by an efficiency factor. The Commission in earlier section of this Order, has already computed and approved the O&M expenses for FY 2023-24, which is considered as the Base expenses for calculation of normative expenses for FY 2024-25.

4.5.25. Considering the normative O&M expense of FY 2023-24 and applying escalation factor of 4.63% (5.53% same as worked out for FY 2023-24, reduced with 0.90% of efficiency factor) on the same, normative O&M expense for FY 2024-25 works out to

Rs. 700.71 Crore. The summary of the escalation factor considered by the Commission provided in the Table below:

Table 4-36: Escalation factor for FY 2024-25, as approved by the Commission

Year	FY 2023-24	
	WPI (%)	CPI (%)
Average from FY 2019-20 to FY 2023-24	5.78%	4.92%
Weights	30.00%	70.00%
Escalation Factor	5.53%	
Efficiency Factor	0.90%	
Escalation Factor Net of Efficiency Factor	4.63%	

- 4.5.26. Further, BEST under has claimed the Wage Revision Arrears of Rs. 80 Crore pending towards the Wage Revision Agreement (w.e.f. 2016). The Commission for the purpose of Provisional True-up has considered the claims of BEST towards the Wage Revision Arrears of Rs. 80 Crore. However, the Commission directs BEST to submit the documentary evidence for the such settlement duly reconciled with the Audited Accounts at the time of True-up for the purpose of prudence check.
- 4.5.27. With regards to the Smart Meter Scheme, the Commission has noted the submissions of BEST. The Commission in the MTR Order had directed BEST to submit the Cost Benefit Analysis (CBA) and detailed justification pertaining to its claims towards the Smart Meter Scheme for consideration under the TOTEX. BEST has submitted the required CBA as sought by the Commission. The Commission while analysing the claims of BEST towards the Smart Meter Scheme sought the complete DPR of the Smart Meter Scheme along with Work Plan for the target completion of the same as part of the data gaps query, since, ~2.64 Lakhs of the Smart Meters have been installed as on September, 2024 as against the complete installation of ~10.80 Lakhs of Smart Meter across the BEST's License Area. BEST in response to the same has submitted its DPR and Work Plan, where it has targeted to completion of the entire Smart Scheme by March, 2026.
- 4.5.28. With regards to the payment made by BEST to AMISP, the Commission sought the details of the monthly invoices raised by AMISP to BEST towards the Smart Meter implementation as part of the data gaps query. BEST in response to the same have submitted the details of the payment made to AMISP based on the invoices raised.
- 4.5.29. The Commission upon the perusal of the submissions made by BEST towards the Smart Meter Scheme provisionally allows the BEST's claim of Rs. 49.11 Crore, subject to the prudence check at the time of True-up.

4.5.30. The O&M Expenses approved by the Commission for FY 2024-25 is summarised in the Table below:

Particulars	MTR Order	MYT Petition	Approved in this Order
Normative O&M Expenses of Preceding Year		669.72	669.72
Escalation Factor of respective years		3.98%	4.63%
Normative O&M expenses after applying escalation factor	690.07	696.38	700.71
Wage Revision Arrears	0.00	80.00	80.00
OPEX towards Smart Meter	0.00	49.11	49.11
Total O&M Expenses	690.07	825.49	829.82

4.5.31. Accordingly, the Commission approves the O&M Expenses of Rs. 829.82 Crore for FY 2024-25, for the purpose of Provisional True-up.

4.6. Capital Expenditure and Capitalisation

BEST's Submission

- 4.6.1. BEST submitted that the DPR for implementation of various schemes under RDSS was approved by the Commission on 9 January, 2024, with a total approval value of Rs. 1711.21 Crore.
- 4.6.2. BEST expects to incur total capital expenditure of Rs. 579.61 Crore and capitalise assets of Rs. 585.83 Crore in FY 2024-25.
- 4.6.3. BEST submitted that the Commission, in the MTR Order, approved Capital Expenditure and Capitalisation of Rs. 211.04 Crore for the Wires Business for FY 2024-25. Capitalisation and Capital Expenditure of Rs. 7.70 was approved for the Retail Supply Business for FY 2024-25.
- 4.6.4. The detailed break-up of Capex and Capitalisation estimated for FY 2024-25 is shown in the table below:

Table 4-37: Proposed Capex and Capitalisation for Wires business for FY 2024-25, as submitted by BEST (Rs. Crore)

Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
FY 2024-25					
a) DPR Schemes					
(i) In-principle approved by MERC					
New RSS					

Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
BEST/FY16/01	MERC/CAPEX /FY 2016-17/00770	28.09.2016	82.23	5.00	11.22
BEST/FY21/01	MERC/CAPEX /FY 2020-21/	16.07.2020	27.40	4.00	4.00
<u>Augmentation/Replacement at Existing RSS</u>					
BEST/FY16/02	MERC/TECH_V/ CAP/DPR/ 20122013/02688	22.02.2013	36.63	0.00	0.00
BEST/FY17/02	MERC/CAPEX/2017 -18/4706	16.11.2017	64.09	0.00	0.00
BEST/FY18/02	MERC/CAPEX/2017 -18/4706	16.11.2017	58.86	0.00	0.00
BEST/FY18/02A	MERC/CAPEX/2019 -20/ 135	10.05.2019	15.58	0.00	0.00
BEST/FY20/02	MERC/CAPEX/DPR/ 2020-21/553	15.12.2021	40.60	0.00	0.00
BEST/FY21/02	MERC/CAPEX/DPR/ 2022-23/0556	14.11.2022	56.07	0.00	0.00
New DSS & Aug. & Alt. to exist. DSS					
BEST/FY21/03	MERC/CAPEX/2021 -22/552	15.12.2021	150.00	36.94	36.94
Extension of Distribution Network					
BEST/FY21/04	MERC/CAPEX/2020 -21/	22.06.2020	246.20	39.62	39.62
RDSS					
RDSS /BEST/FY 2023-2024/01(R)	MERC/CAPEX/2023 -24/0023 Dtd. 09.01.2024	RSS	504.91	250.00	250.00
		DSS	690.93	70.00	70.00
		ADMS	182.15	80.00	80.00
		ERP	235.93	50.00	50.00
		PMA	15.24	3.00	3.00
b) Non-DPR Schemes					
Revamping of RSS & other schemes(Non-DPR)	-	-		12.00	12.00
Business Process Automation (BPA)				0.05	0.05
Street Lighting (lamps & Cables)	-	-		15.00	15.00
Furniture, Office Eq., Tools, Civil Engg. Works, Motor Vehicle etc. & Share of G A	-	-		2.50	2.50
GFA				1.50	1.50
Total				569.61	575.83

Table 4-38: Proposed Capex and Capitalisation for Retail Supply Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
FY 2024-25					
a) DPR Schemes					
(i) In-principle approved by MERC					
RDSS					
RDSS /BEST/FY 2023-2024/01(R)	MERC/CAPEX/2023-24/0023 Dtd. 09.01.2024		82.05	10.00	10.00
Total				10.00	10.00

4.6.5. BEST submitted that though it intends to achieve the estimated capitalisation in FY 2024-25, for the purpose of the provisional true-up, BEST is claiming only 50% of estimated amount, i.e., capital expenditure of Rs. 294.81 Crore and asset capitalisation of Rs. 297.92 Crore. This is being done in order to consider a more realistic capex plan, and with the intention of not unnecessarily increasing the burden on its consumers based on the optimistic capex plan. In case BEST successfully achieves higher than the above estimated capitalisation of 50%, then the variation between the estimated and actual capitalisation shall be claimed at the time of true-up with the associated carrying cost.

4.6.6. The estimated capitalisation for the purpose of provisional true-up is detailed in the Table below:

Table 4-39: Details of estimated Capital Expenditure and Capitalisation for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Distribution Wires Business		
Capital Expenditure	211.04	284.81
Capitalisation	211.04	287.92
IDC	0.00	0.00
Capitalisation + IDC	211.04	287.92
Retail Supply Business		
Capital Expenditure	7.70	10.00
Capitalisation	7.70	10.00
IDC	0.00	0.00
Capitalisation + IDC	7.70	10.00

- 4.6.7. 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 to meet future demand in its area of supply and also for introducing IT/Automation to give better service and meet the Standards of Performance obligations as specified in the Regulations by the Commission.
- 4.6.8. Further, BEST has estimated to receive Grant for street lighting from MCGM of Rs. 15.00 Crore and Grant from PFC for RDSS schemes of Rs. 175 Crore for FY 2024-25. These amounts have been deducted while calculating normative loan and equity.
- 4.6.9. BEST requested the Commission to approve the capex and capitalisation for FY 2024-25 as submitted in the Table above.

Commission's Analysis and Ruling

- 4.6.10. The Commission has noted the submission of BEST. The Commission while analysing the Capital Expenditure and Capitalisation has sought the revised details of the Capitalisation proposed for FY 2024-25 as part of the data gaps query. BEST in response to the same has submitted the revised details of Capital Expenditure Scheme proposed to be capitalised during FY 2024-25. It was observed that, BEST has revised its Capitalisation during FY 2024-25 from 297.92 Crore, which is 50% of the total Capitalisation proposed of Rs. 585.83 Crore (Rs. 575.83 Crore – Wires + Rs. 10 Crore – Retail Supply) to a total Capitalisation of 263.41 Crore (Rs. 253.41 Crore -Wires and Rs. 10 Crore for Retail Supply). BEST further requested to consider the entire capitalisation of Rs. 263.41 Crore instead of its earlier proposal of 50% of the total Capitalisation proposed for Wires Business.
- 4.6.11. In addition to the above, BEST has also proposed the revised funding details, where instead of Rs. 170 Crore Grant considered under IPDS/RDSS scheme, only Rs. 55 Crore is considered during FY 2024-25, as the overall capitalisation has been significantly deferred to the ensuing years of 5th MYT Control Period.
- 4.6.12. Accordingly, the Commission post perusal of the revised CAPEX details submitted by BEST has further observed that, BEST under Non-DPR Scheme of Wires Business has claimed Rs. 1.50 Crore which has no Scheme details and has submitted no justification for the same. Hence, the Commission has not considered such Non-DPR capitalisation of Rs. 1.50 Crore under Wires Business. Further, the balance Capitalisation of Rs. 261.91 Crore has been considered by the Commission for the purpose of Provisional Truing-up, which includes the approved DPR Schemes of Rs. 232.36 Crore and Non-DPR Scheme of Rs. 29.55 Crore. The summary of the

Capitalisation approved by the Commission for FY 2024-25 is provided in the Table below:

Table 4-40: Capitalisation for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Distribution Business			
DPR-Approved	218.74	297.92	232.36
Non-DPR			29.55
Total Capitalisation	218.74	297.92	261.91
Wires Business		287.92	251.91
Supply Business		10.00	10.00

4.6.13. Accordingly, the Commission approves the Capitalisation of Rs. 261.91 Crore for FY 2024-25, for the purpose of Provisional True-up.

4.7. Funding of Capitalisation

BEST's Submission

4.7.1. The funding of capitalisation is through capital connection fee, loan, equity and grants. BEST 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.

4.7.2. The projected funding of capitalisation for FY 2024-25 is shown below:

Table 4-41: Funding for Capitalisation for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	Estimated
Distribution Wires Business	
Capital Connection Fee	0.00
Grants from IPDS/RDSS	170.00
Grants for Street Lights	15.00
Debt	72.04
Equity	30.87
Total Capitalisation including IDC	287.92
Retail Supply Business	
Grants from IPDS Scheme/RDSS Scheme	5.00
Debt	3.50
Equity	1.50
Total Capitalisation including IDC	10.00

Commission's Analysis and Ruling

- 4.7.3. The Commission has noted the submissions of BEST. The Commission has sought the revised details of Capital Expenditure and Capitalisation from BEST for FY 2024-25 as part of the data gaps query. BEST in response to the same has submitted the revised Capital Expenditure and Capitalisation Schemes along with revised funding through Grants. It is observed, that Grant from IPDS/RDSS proposed by BEST was 170.00 Crore, however, the same is now revised to 55 Crore for FY 2024-25.
- 4.7.4. In view of the above submissions, the Commission has considered the normative debt: equity ratio of 70:30 in accordance with the MYT Regulations, 2019, after deducting the consumer contribution of Rs.15.00 Crore and revised Grant of Rs. 55.00 Crore as submitted by BEST. Accordingly, the sources of capitalisation considered by the Commission for provisional Truing up of FY 2024-25 as per approved capitalisation is shown in Table below:

Table 4-42: Details of funding of Capitalisation for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MYT Petition	Approved in this Order
Distribution Wires Business		
Capital Connection Fee	0.00	0.00
Grants from IPDS Scheme/RDSS Scheme	170.00	55.00
Grants for Street Lights	15.00	15.00
Debt	72.04	127.34
Equity	30.87	54.57
Total of Capitalisation including IDC	287.92	251.91
Retail Supply Business		
Grants from IPDS Scheme/RDSS Scheme	5.00	5.00
Debt	3.50	3.50
Equity	1.50	1.50
Total of Capitalisation including IDC	10.00	10.00

4.8. Depreciation

BEST's Submission

- 4.8.1. BEST has estimated to incur depreciation expense of Rs. 118.91 Crore for FY 2024-25, towards Electric Supply division, as per the capitalisation of assets considered for FY 2024-25 for tariff purposes. For provisional truing-up, BEST has considered the average depreciation rate of 3.47% as derived for FY 2023-24.
- 4.8.2. The average depreciation rate considered as mentioned above has been applied on average of opening of regulatory GFA and closing of regulatory GFA submitted by

BEST for approval of the Commission. The closing regulatory GFA of FY 2023-24 has been considered as opening GFA for FY 2024-25. The following table summarizes the depreciation calculation for provisional truing-up for FY 2024-25:

Table 4-43: Depreciation for 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MYT Petition
Opening GFA	3310.69
Closing GFA	3608.58
Average GFA	3459.62
Average Depreciation Rate (%)	3.47%
Opening Regulated GFA	3290.71
Capitalisation with IDC	297.92
Retirement	0.00
Closing Regulated GFA	3588.63
Average Regulated GFA	3439.67
Depreciation	119.49

- 4.8.3. BEST has therefore requested the Commission to approve the depreciation as above for FY 2024-25.

Commission's Analysis and Ruling

- 4.8.4. The Commission has computed the depreciation in accordance with Regulation 28 of the MYT Regulations, 2019. The Commission has considered the closing GFA for FY 2023-24 as approved after Truing up in this Order, as the opening GFA for FY 2024-25. The Commission has considered the asset addition in FY 2024-25 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 2024-25 is approved.
- 4.8.5. The Commission has computed the depreciation on the average of approved opening and closing GFA for FY 2024-25 by applying the depreciation rate of 3.47% approved for FY 2023-24 after Truing up in this Order. The depreciation for FY 2024-25 provisionally approved by the Commission as given in the following Table:

Table 4-44: Depreciation for 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Opening GFA	3248.44	3290.71	3271.72
Capitalisation with IDC	126.51	297.92	261.91

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Retirement	19.70	0.00	0.00
Closing GFA	3355.25	3588.63	3533.63
Average GFA	3301.84	3439.67	3402.68
Depreciation Rate	3.53%	3.47%	3.47%
Depreciation	116.71	119.49	118.20

4.8.6. Accordingly, the Commission approves depreciation of Rs. 118.20 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.9. Interest on Long Term Loan

BEST's Submission

4.9.1. BEST has computed the Interest on Long-term Loan as per Regulation 30 of the MYT Regulations, 2019. The closing net normative loan considered in the truing up of FY 2023-24 has been considered as opening net normative loan for FY 2024-25. The computation of interest on Long-term loan capital has done on the basis of average normative loan in the year. The normative repayment of loan has been considered equal to the depreciation for the respective year, in accordance with the MYT Regulations, 2019. For arriving at the debt component, the debt: equity ratio of 70:30 has been considered on the capitalisation for respective year. For the purpose of provisional truing-up for FY 2024-25, interest rate has been considered as weighted average rate of interest of the actual loan basket of BEST for FY 2023-24.

4.9.2. The interest on long-term loan capital for FY 2024-25 is shown in the following Tables:

Table 4-45: Normative Interest Expenses for Wires Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening Balance of Net Normative Loan	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of asset	12.41	0.00
Addition of normative loan due to capitalisation during the year	79.70	72.04
Repayment of Normative loan during the year	67.29	72.04
Closing Balance of Net Normative Loan	-	-
Average Balance of Net Normative Loan	-	-
Weighted average Rate of Interest on actual Loans (%)	10.49%	10.34%
Interest Expenses	-	-

Particulars	MTR Order	MYT Petition
Finance Charges	-	1.06
Total Interest and Financing Expenses	-	1.06

Table 4-46: Normative Interest Expenses for Retail Supply Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening Balance of Net Normative Loan	-	-
Less: Reduction of Normative Loan due to retirement or replacement of asset	1.38	0.00
Addition of normative loan due to capitalisation during the year	8.86	3.50
Repayment of Normative loan during the year	7.48	3.50
Closing Balance of Net Normative Loan	-	-
Average Balance of Net Normative Loan	-	-
Weighted average Rate of Interest on actual Loans (%)	10.49%	10.34%
Interest Expenses	-	-
Finance Charges	-	-
Total Interest and Financing Expenses	-	-

- 4.9.3. BEST has therefore requested the Commission to approve the interest expense on normative basis for FY 2024-25 as computed in the Table above.

Commission's Analysis and Ruling

- 4.9.4. The Commission has noted the submissions of BEST. The closing normative loan for FY 2023-24 approved in this Order is considered as the opening normative loan for FY 2024-25. 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.
- 4.9.5. BEST has claimed the Finance Charges of Rs. 1.06 Crore in addition to the normative Interest on Loan. Regulation 30.8 of the MYT Regulations, 2019 provides as under:

“The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.” (Emphasis added)

- 4.9.6. Accordingly, the Commission has not allowed the BEST claim towards the Finance Charges of Rs. 1.06 Crore. The same shall be considered at the time of True-up, subject to prudence check.

- 4.9.7. As regards the interest rate to be considered, the Regulation 30.5 of the MYT Regulations, 2019 states that the rate of interest shall be the weighted average rate of interest computed based on 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 actual weighted average interest rate of 10.34% of FY 2023-24 for FY 2024-25 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. Accordingly, the Commission has approved the interest on loan capital for FY 2024-25 as shown in the following Table:

Table 4-47: Interest on Loan Capital for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Opening Balance of Normative Loan	0.00	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of Assets	13.79	0.00	0.00
Loan Drawl during the year	88.55	75.54	130.84
Loan Repayment during the year	74.76	75.54	109.88
Closing Balance of Normative Loan	0.00	0.00	20.95
Average Balance of Normative Loan	0.00	0.00	10.48
Applicable Interest Rate (%)	10.49%	10.34%	10.34%
Interest Expenses	0.00	0.00	1.08
Financing Charges	0.00	1.06	0.00
Total Interest Expenses	0.00	1.06	1.08

- 4.9.8. Accordingly, the Commission approves Interest Long Term Loan of Rs. 1.08 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.10. Interest on Working Capital

BEST's Submission

- 4.10.1. BEST has computed the normative Interest on Working Capital (IoWC) as per Regulation 32 of the MYT Regulations, 2019. The Consumer Security Deposit (CSD) has been considered same as the amount reflecting in the previous years' Audited accounts, i.e., FY 2023-24. Regulation 32.3 (b) and 34.3 (b) of the MYT Regulations, 2019 specify the rate of Interest to be taken for computing Interest on Working Capital.

Table 4-48: Normative Interest on Working Capital for Wires Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
O&M expenses for a month	37.38	42.15

Particulars	MTR Order	MYT Petition
Maintenance Spares at 1% of Opening GFA	29.93	29.62
One and half months' equivalent of the expected revenue from Wheeling Charges	57.45	106.84
Less: Amount held as Security Deposit	43.61	56.60
Total Working Capital Requirement	81.14	122.01
Computation of Working Capital Interest		
Interest Rate (%) - SBI MCLR +150 basis points	9.55%	10.50%
Interest on Working Capital	7.75	12.81

Table 4-49: Normative Interest on Working Capital for Retail Supply Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
O&M expenses for a month	20.13	26.64
Maintenance Spares at 1% of Opening GFA	3.33	3.29
One and half months' equivalent of the expected revenue from Wheeling Charges	517.01	452.99
Less: Amount held as Security Deposit	392.53	509.38
Less: one month equivalent of cost of power purchase, transmission charges and MSLDC charges	311.14	259.42
Total Working Capital Requirement	(163.21)	(285.88)
Computation of Working Capital Interest		
Interest Rate (%) - SBI MCLR +150 basis points	9.55%	10.50%
Interest on Working Capital	-	-

4.10.2. Hence, the SBI MCLR as on 15 November, 2024 have been considered, i.e., 9.00% for FY 2024-25. Accordingly, for computation of IoWC, BEST has considered the rate of interest of 10.50% for FY 2024-25, in accordance with the MYT Regulations, 2019.

4.10.3. For provisional true-up of FY 2024-25, BEST has requested the Commission to approve the interest on Working Capital on normative basis in accordance with the MYT Regulations, 2019.

Commission's Analysis and Ruling

4.10.4. BEST has estimated the IoWC on normative basis as per Regulation 32.3 & 32.4 of the MYT Regulations, 2019.

4.10.5. In response to data gaps raised by the Commission, BEST submitted that Security Deposit to be collected as per as per provisions of MERC (Electricity Supply Code and Standard of Performance of Distribution Licensees including Power Quality),

2021 during FY 2023-24 was Rs 424.82 Crore. However, BEST has only collected Rs 57.95 Crore and there is shortfall of Rs 366.87 Crore.

- 4.10.6. The Commission notes that BEST has not collected security deposit from the Consumers as per provisions of MERC (Electricity Supply Code and Standard of Performance of Distribution Licensees including Power Quality), 2021. The said provisions are included so that Distribution Licensee are adequately protected from any bad debts and also result in additional availability of working capital. The Commission directs BEST to collect the Security Deposit as per provisions of the aforesaid Regulations. However, for the purpose of the computation of Working Capital, the Commission has considered Security Deposit as two months receivables from the estimated revenue of FY 2024-25.
- 4.10.7. For provisional Truing up, the Commission approves the normative IoWC for FY 2024-25 in accordance with Regulation 32 of the MYT Regulation, 2019. The interest rate for computing IoWC is considered as per Regulation 32.3 and 32.4 of the MYT Regulations, 2019 and as per the said Regulations, weighted average SBI one-year MCLR as on 1 December, 2022 of 9.00% plus 150 basis points. Thus, the interest rate of 10.50% (9.00% + 1.50% = 10.50%) 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 4-50: Interest on Working Capital for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Wires Business			
O&M expenses for a month	37.38	42.39	42.39
Maintenance Spares at 1% of Opening GFA	29.93	29.45	29.73
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	57.45	106.84	57.24
Less: Amount held as Security Deposit from Distribution System Users	43.61	56.60	76.32
Total Working Capital Requirement	81.14	122.07	53.03
Computation of Working Capital Interest			
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	10.50%	10.50%
Interest on Working Capital	7.75	12.82	5.57
Retal Supply Business			
O&M expenses for a month	20.13	26.76	26.76
Maintenance Spares at 1% of Opening GFA	3.33	3.27	2.99
One and half month's equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	517.01	452.99	515.15

Particulars	MTR Order	MYT Petition	Approved in this Order
Less: Amount held as security deposit	392.53	509.38	686.87
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	311.14	259.42	277.97
Total Working Capital Requirement	-163.21	-285.78	-419.93
Computation of Working Capital Interest			
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	10.50%	10.50%
Interest on Working Capital	0.00	0.00	0.00

4.10.8. Accordingly, the Commission approves Normative Interest on Working Capital of Rs. 5.57 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.11. Interest on Consumer Security Deposit

BEST's Submission

4.11.1. BEST has submitted that the amount held as CSD for the year is considered the same as that in FY 2023-24. BEST has calculated the interest on CSD by applying the prevalent Bank Rate i.e., 6.50%. BEST has therefore requested the Commission to approve interest on consumer security deposit as shown in the table below:

Table 4-51: Interest on Consumer Deposit for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Interest on Security Deposit for Wires Business	2.68	3.68
Interest on Security Deposit for Retail Supply Business	24.14	33.11
Total Interest on Security Deposit	26.82	36.79

Commission's Analysis and Ruling

4.11.2. The Commission has noted the submission of BEST. The Commission has calculated the Interest on Consumer Security Deposit (CSD) applying the Bank Rate i.e., 6.50% as on 1 April, 2024 as per Regulation 30.11 of MYT Regulations, 2019 on the CSD derived for FY 2024-25 by escalating the actual CSD of Rs. 565.98 Crore of FY 2023-24 at 6.09%. Since, the energy Sales are expected to increase in the range of 6-7% year on year based on the past 3 Year CAGR trend. The Commission approves the Interest on CSD as shown in the following Table:

Particulars	MTR Order	MYT Petition	Approved in this Order
Interest on Security Deposit for Wires Business	2.68	3.68	3.90
Interest on Security Deposit for Retail Supply Business	24.14	33.11	35.13
Total Interest on Security Deposit	26.82	36.79	39.03

4.11.3. Accordingly, the Commission approves Interest on Consumer Security Deposit of Rs. 39.03 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.12. Contribution to Contingency Reserves

BEST's Submission

4.12.1. BEST has considered the Contribution to Contingency Reserves at 0.25% of Opening GFA for FY 2024-25, as shown in the following Table:

Table 4-52: Contribution to Contingency Reserve for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening GFA of Wire Business	2,992.92	2,961.64
Contribution to Contingency Reserves for Wires Business	0.00	7.40
Opening GFA of Retail Supply Business	332.55	329.07
Contribution to Contingency Reserves for Retail Supply Business	0.00	0.82

4.12.2. BEST has therefore requested the Commission to approve the Contribution to Contingency Reserves for FY 2024-25 as shown in the Table above.

Commission's Analysis and Ruling

4.12.3. The Commission has noted the submission of BEST. The Commission has worked out the Contribution to Contingency Reserves by considering 0.25% of the Opening GFA approved for FY 2024-25, which is in accordance with the Regulation 35 of the MYT Regulations, 2019.

4.12.4. The Commission therefore approves the Contribution to Contingency Reserves for FY 2024-25 as provided in the Table below:

Table 4-53: Contribution to Contingency Reserve for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Opening GFA of Wire Business	2,992.92	2,961.64	2972.54
Contribution to Contingency Reserves for Wires Business	0.00	7.40	7.43
Opening GFA of Retail Supply Business	332.55	329.07	299.18
Contribution to Contingency Reserves for Retail Supply Business	0.00	0.82	0.75

4.12.5. Accordingly, the Commission approves Contribution to Contingency Reserves of Rs. 8.18 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.13. Other Expenses

BEST's Submission

4.13.1. BEST has submitted that it has considered Other Expenses of Rs. 42.27 Crore for FY 2024-25, by escalating discount on digital payments by 1% over the actuals for FY 2023-24 and keeping the rest of the heads at the same level as the actuals for FY 2023-24.

Table 4-54: Other Expenses for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Other Expenses	24.19	42.27

4.13.2. BEST has submitted that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses and therefore requested the Commission to approve the Other Expenses as submitted in the above table.

Commission's Analysis and Ruling

4.13.3. As per Regulation 36 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 in the provisional Truing up for FY 2024-25.

4.13.4. The Commission therefore approves the Other Expenses for FY 2024-25 as provided in the Table below:

Table 4-55: Other Expenses for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Other Expenses	24.19	42.27	42.27

4.13.5. Accordingly, the Commission approves Other Expenses of Rs. 42.27 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.14. Provision of Bad and Doubtful Debts

BEST's Submission

4.14.1. BEST has submitted that it has kept provisions for Bad and Doubtful Debts at the rate of 1.5% of the amount of Trade Receivables reported in the Audited Accounts of FY 2023-24. The details of Provision for bad and doubtful debts for the purpose of provisional true-up for FY 2024-25 is shown in the Table below:

Table 4-56: Provision for Bad and doubtful Debts for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Distribution Wires Business	0.80	0.79
Retail Supply Business	7.18	5.94

4.14.2. BEST has therefore requested the Commission to approve the provision for bad and doubtful debts for FY 2024-25, as shown above.

Commission's Analysis and Ruling

4.14.3. The Commission notes the submission of BEST. The Commission has approved the provision for bad and doubtful debt at the rate of 1.5% of the Trade Receivables as per audited accounts of FY 2023-24, in accordance with Regulation 76 and Regulation 85 of MYT Regulations 2019. The same shall be reconciled at the time of final Truing-up based on the Receivables and provisions considered in the Audited Accounts. The provision for bad and doubtful debts provisionally approved by the Commission for FY 2024-25 is shown in the Table below:

Table 4-57: Provision for Bad and Doubtful Debts for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Distribution Wires Business	0.80	0.79	0.79
Retail Supply Business	7.18	5.94	5.94
Combined Distribution Business	7.97	6.73	6.73

4.14.4. **Accordingly, the Commission approves the Provision for Bad and Doubtful Debts of Rs. 6.73 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.**

4.15. **Return on Equity**

BEST's Submission

4.15.1. BEST has computed the RoE for FY 2024-25 in accordance with Regulation 29 of the MYT Regulations, 2019. BEST has considered the Closing Equity as considered in the Truing-up of FY 2023-24, as the Opening Equity for FY 2024-25. RoE has been computed on the Opening Equity for FY 2024-25 and 50% of the equity component of asset addition during the year.

4.15.2. As per Regulation 29 of the MYT Regulations, 2019, RoE is computed in two components, first as per base return and second as additional return on equity linked to actual performance. The additional Return on Equity shall be allowed at the time of truing up for respective year based on actual performance, after prudence check of the Commission. Hence, for FY 2024-25, BEST has computed only base RoE and the additional return part will be calculated and claimed at the time of final True-up.

4.15.3. For FY 2024-25, BEST has computed the Base RoE for the Wires Business at 14%. Similarly for Retail supply Business, BEST has computed the Base RoE at 15.5%. Further, as BEST is exempted from payment of Income Tax, the rate of RoE has not been grossed up by the applicable Income Tax rate.

4.15.4. The RoE claimed by BEST for FY 2024-25 for the Wires Business and Retail Supply Business is shown in the following Tables:

Table 4-58: Return on Equity for Wires Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Regulatory Equity at the beginning of the year	931.50	941.01
Capitalisation during the year	113.86	287.92
Equity portion of capitalisation during the year	34.16	30.87
Reduction in Equity Capital on account of retirement/replacement of assets	5.32	-
Regulatory Equity at the end of the year	960.33	971.88
Return on Equity Computation		
Base Rate of Return on Equity	14.00%	14.00%
Pre-tax Return on Equity after considering effective Tax rate	-	14.00%

Particulars	MTR Order	MYT Petition
Return on Regulatory Equity at the beginning of the year	130.41	131.74
Return on Regulatory Equity addition during the year	2.02	2.16
Total Return on Equity	132.43	133.90

Table 4-59: Return on Equity for Retail Supply Business for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Regulatory Equity at the beginning of the year	103.50	100.66
Capitalisation during the year	12.65	10.00
Equity portion of capitalisation during the year	3.80	1.50
Reduction in Equity Capital on account of retirement/replacement of assets	0.59	-
Regulatory Equity at the end of the year	106.70	102.16
Return on Equity Computation		
Base Rate of Return on Equity	15.50%	15.50%
Pre-tax Return on Equity after considering effective Tax rate		15.50%
Return on Regulatory Equity at the beginning of the year	16.04	15.60
Return on Regulatory Equity addition during the year	0.25	0.12
Total Return on Equity	16.29	15.72

4.15.5. BEST has therefore requested the Commission to approve the Return on Equity of as shown in table above for FY 2024-25.

Commission's Analysis and Ruling

4.15.6. In absence of non-applicability of Income Tax as BEST being Local Authority, the Commission has computed RoE at 14% and 15.5% of the equity for Wires Business and Supply Businesses, respectively, in accordance with the MYT Regulations, 2019.

4.15.7. The Commission has computed RoE in accordance with Regulation 29 of the MYT Regulations, 2019, 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.

4.15.8. To determine the equity eligible for return as per the Regulations, the Commission has considered the closing equity for FY 2023-24 approved in this Order on Truing-up, as the opening equity for FY 2024-25. 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.

4.15.9. The RoE approved upon provisional Truing up for FY 2024-25 is summarised in the Table below:

Table 4-60: Return on Equity for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MTR Petition	Approved in this Order	Wires Business	Supply Business
Regulatory Equity at the beginning of the year	1034.99	1041.67	1035.97	939.70	96.27
Equity portion of capitalisation during the year	37.95	32.37	56.07	54.57	1.50
Reduction in Equity Capital on account of retirement / replacement of assets	5.91	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	1067.04	1074.04	1092.04	994.27	97.77
Return on Regulatory Equity at the beginning of the year	146.45	147.34	146.48	131.56	14.92
Return on Regulatory Equity addition during the year	2.27	2.28	3.94	3.82	0.12
Total Return on Equity	148.72	149.62	150.42	135.38	15.04

4.15.10. Accordingly, the Commission approves Return on Equity of Rs. 150.42 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.16. Return on Internal Funds

BEST's Submission

4.16.1. BEST has submitted the Interest on Internal Funds for FY 2024-25 as under:

Table 4-61: Return on Interest on Internal Funds for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Distribution Wires Business	4.75	4.75
Retail Supply Business	0.53	0.53

4.16.2. BEST has therefore requested the Commission to approve the above Return on Internal Funds of Rs. 5.28 crore for FY 2024-25.

Commission's Analysis and Ruling

4.16.3. 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 2024-25, for the purpose of provisional Truing up.

Table 4-62: Return as Interest on Internal Funds for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Distribution Wires Business	4.75	4.75	4.75
Retail Supply Business	0.53	0.53	0.53

4.16.4. Accordingly, the Commission approves Return on Internal Funds of Rs. 5.28 Crore for the purpose of provisional Truing up of ARR for FY 2024-25.

4.17. Non-Tariff Income

BEST's Submission

4.17.1. BEST has considered Non-Tariff income of Rs. 4.64 Crore for the Wires Business and Rs. 41.80 Crore for the Retail Supply Business for FY 2024-25, at the same level as the actuals of FY 2023-24.

4.17.2. The Non-Tariff Income claimed by BEST for FY 2024-25 is shown in the following Table:

Table 4-63: Non-Tariff Income for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Non-Tariff Income	62.17	46.44

4.17.3. BEST has therefore requested the Commission to approve the Non-Tariff income as shown in the table above for FY 2024-25.

Commission's Analysis and Ruling

4.17.4. The Commission has noted the submissions of BEST. It is observed that, the actual Non-Tariff Income of Rs. 46.44 Crore claimed by BEST during FY 2023-24 is lower than the actual Non-Tariff Income of Rs. 60.58 Crore claimed during FY 2022-23. Hence, due to the negative growth trend, the Commission has considered the Non-Tariff Income at same levels of FY 2023-24 as proposed by BEST for the purpose of Provisional Truing-up of FY 2024-25. The summary of the Non-Tariff Income approved by the Commission is provided in the Table below:

Table 4-64: Non-Tariff Income for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Non-Tariff Income	62.17	46.44	46.44

4.18. Revenue from Existing Tariff

BEST's Submission

- 4.18.1. The Commission approved the category-wise tariff applicable for BEST for FY 2024-25 vide its MTR Order dated 31 March, 2023 in Case No. 212 of 2022.
- 4.18.2. BEST has considered actual tariff approved by the Commission for FY 2024-25, on the estimated sales for FY 2024-25. Further, as the actual category-wise FAC applicable in September, 2024 was Nil, no revenue has been computed from FAC for H2 of FY 2024-25.
- 4.18.3. The summary of estimated revenue from sale of electricity for FY 2024-25 submitted by BEST in the present Petition is shown in the following Table:

Table 4-65: Estimated Revenue from Sale of Electricity for FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition
Revenue from Sale of Electricity	4828.20	4478.63

Commission's Analysis and Ruling

- 4.18.4. The Commission has noted the submission of BEST. BEST has considered the tariff approved by the Commission for FY 2024-25 and estimated energy sales of FY 2024-25. However, the Commission has while estimating the Revenue at Existing Tariff has considered the revised energy Sales of FY 2024-25 as approved in this Order. The Commission therefore approves the Revenue at Existing Tariff for FY 2024-25 as summarised in the Table below:

Table 4-66: Provisional Revenue at Existing Tariff for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Revenue from Sale of Electricity	4828.20	4478.63	4579.11

4.18.5. Accordingly, the Commission approves the Revenue at Existing Tariff of Rs. 4579.11 Crore for FY 2024-25, for the purpose of Provisional Truing-up.

4.19. Provisional Truing-up of Aggregate Revenue Requirement of FY 2024-25

BEST's Submission

4.19.1. The summary of the ARR claimed by BEST in the provisional true-up for the Distribution Wires Business, Retail Supply Business and Combined Distribution Business for FY 2024-25, is as shown in the Table below:

Table 4-67: : Provisional Truing-up of Aggregate Revenue Requirement of Wires Business of FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition	True-up Requirement
O&M Expenses	448.54	505.81	57.27
Depreciation	105.04	107.54	2.50
Interest on Loan Capital	-	1.06	1.06
Interest on Working Capital	7.75	12.81	5.06
Interest on CSD	2.68	3.68	1.00
Provision for bad and doubtful debts	0.80	0.79	(0.01)
Contribution to Contingency Reserves	-	7.40	7.40
Total Revenue Expenditure	564.82	639.10	74.29
Add: Return on Equity capital	132.43	133.90	1.47
Add: Return on Internal Funds	4.75	4.75	-
Aggregate Revenue Requirement	701.99	777.76	75.76
Less: Non-Tariff Income	6.22	4.64	(1.57)
Less: Income from Other Businesses		-	-
Aggregate Revenue Requirement from Distribution Wires	695.78	773.11	77.33
Revenue from existing/approved tariff		854.72	
Revenue Gap/(Surplus) of Wires Business		(81.61)	

Table 4-68: Provisional Truing-up of Aggregate Revenue Requirement of Retail Supply Business of FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,433.38	2,814.51	(618.87)
Operation & Maintenance Expenses	241.52	319.65	78.13
Depreciation	11.67	11.95	0.28
Interest on Loan Capital	-	-	-
Interest on Working Capital	-	-	-
Interest on Consumer Security Deposit	24.14	33.11	8.97
Write-off of Provision for bad and doubtful	7.18	5.94	(1.24)

Particulars	MTR Order	MYT Petition	True-up Requirement
debts			
Contribution to contingency reserves	-	0.82	0.82
Intra-State Transmission Charges	299.32	297.56	(1.76)
MSLDC Fees & Charges	0.99	0.98	(0.01)
Other Expenses	24.19	42.27	18.08
Total Revenue Expenditure	4,042.39	3,526.79	(515.60)
Add: Return on Equity Capital	16.29	15.72	(0.57)
Add: Return on Internal Fund	0.53	0.53	-
Aggregate Revenue Requirement	4,059.21	3,543.03	(516.17)
Less: Non-Tariff Income	55.95	41.80	(14.16)
Less: Income from Other Business		-	
Aggregate Revenue Requirement from Retail Supply	4,003.26	3,501.24	(502.02)
Revenue from existing tariff		3,623.92	
Revenue Gap/(Surplus) of Supply Business		(122.68)	

Table 4-69: Provisional Truing-up of Aggregate Revenue Requirement of FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	MTR Order	MYT Petition	True-up Requirement
Power Purchase Expenses	3,433.38	2814.51	(618.87)
Operation & Maintenance Expenses	690.07	825.49	135.40
Depreciation	116.71	119.49	2.77
Interest on Loan Capital	-	1.06	1.06
Interest on Working Capital	7.75	12.79	5.06
Interest on Consumer Security Deposit	26.82	36.79	9.97
Write-off of Provision for bad and doubtful debts	7.97	6.73	(1.24)
Contribution to contingency reserves	-	8.22	8.23
Intra-State Transmission Charges	299.32	297.56	(1.76)
MSLDC Fees & Charges	0.99	0.98	(0.01)
Other Expenses	24.19	42.27	18.08
Total Revenue Expenditure	4,607.21	4,165.89	(441.32)
Add: Return on Equity Capital	148.72	149.62	0.90
Add: Return on Internal Fund	5.28	5.28	-
Aggregate Revenue Requirement	4,761.20	4,320.79	(440.41)
Less: Non-Tariff Income	62.17	46.44	(15.73)
Less: Income from Other Business			
ARR of Combined Distribution Business	4,699.03	4,274.35	(424.68)
Revenue from existing tariff		4478.63	
Revenue Gap/(Surplus) of Licensed Business		(204.29)	

Commission's Analysis and Ruling

4.19.2. 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 2024-25 as shown in the Table below:

Table 4-70: ARR and Revenue Gap of Wire Business for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Operation & Maintenance Expenses	448.54	505.81	508.64
Depreciation	105.04	107.54	106.38
Interest on Loan Capital	0.00	1.06	1.08
Interest on Working Capital	7.75	12.81	5.57
Interest on deposit from Consumers and Distribution System Users	2.68	3.68	3.90
Provision for bad and doubtful debts	0.80	0.79	0.79
Contribution to contingency reserves	0.00	7.40	7.43
Total Revenue Expenditure	564.82	639.10	633.80
Add: Return on Equity Capital	132.43	133.90	135.38
Add: Return on Internal Fund	4.75	4.75	4.75
Aggregate Revenue Requirement	701.99	777.76	773.93
Less: Non-Tariff Income	6.22	4.64	4.64
Less: Income from other business	0.00	-	0.00
Aggregate Revenue Requirement from Distribution Wires	695.78	773.11	769.29
Revenue from existing/approved tariff		854.72	874.63
Revenue Gap/(Surplus) of Licensed Business		(81.61)	-105.35

Table 4-71: ARR and Revenue Gap of Retail Supply Business for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (including Inter-State Transmission Charges)	3433.38	2814.51	2833.28
Operation & Maintenance Expenses	241.52	321.18	321.18
Depreciation	11.67	11.82	11.82
Interest on Loan Capital	0.00	0.00	0.00
Interest on Working Capital	0.00	0.00	0.00
Interest on Consumer Security Deposit	24.14	33.11	35.13
Write-off of Provision for bad and doubtful debts	7.18	5.94	5.94
Contribution to contingency reserves	0.00	0.82	0.75
Intra-State Transmission Charges	299.32	297.56	297.56
MSLDC Fees & Charges	0.99	0.98	0.98

Particulars	MTR Order	MYT Petition	Approved in this Order
Other Expenses	24.19	42.27	42.27
Total Revenue Expenditure	4042.39	3526.79	3548.89
Add: Return on Equity Capital	16.29	15.72	15.04
Add: Return on Internal Fund	0.53	0.53	0.53
Aggregate Revenue Requirement	4059.21	3543.04	3564.46
Less: Non-Tariff Income	55.95	41.80	41.80
Aggregate Revenue Requirement from Retail Supply	4003.26	3501.24	3522.66
Revenue from existing tariff		3623.92	3704.48
Revenue Gap/(Surplus) of Licensed Business		-122.67	-181.81

Table 4-72: ARR and Revenue Gap of Distribution Business for FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in this Order
Power Purchase Expenses (including Inter-State Transmission Charges)	3433.38	2814.51	2833.28
Operation & Maintenance Expenses	690.07	825.49	829.82
Depreciation	116.71	119.49	118.20
Interest on Loan Capital	0.00	1.06	1.08
Interest on Working Capital	7.75	12.79	5.57
Interest on Consumer Security Deposit	26.82	36.79	39.03
Write-off of Provision for bad and doubtful debts	7.97	6.73	6.73
Contribution to contingency reserves	0.00	8.22	8.18
Intra-State Transmission Charges	299.32	297.56	297.56
MSLDC Fees & Charges	0.99	0.98	0.98
Other Expenses	24.19	42.27	42.27
Total Revenue Expenditure	4607.21	4165.89	4182.69
Add: Return on Equity Capital	148.72	149.62	150.42
Add: Return on Internal Fund	5.28	5.28	5.28
Aggregate Revenue Requirement	4761.20	4320.79	4338.39
Less: Non-Tariff Income	62.17	46.44	46.44
Combined Aggregate Revenue Requirement	4699.03	4274.35	4291.95
Revenue from existing tariff		4478.63	4579.11
Revenue Gap/(Surplus) of Licensed Business		-204.28	-287.16

4.19.3. Accordingly, the Commission approves a stand-alone Revenue Surplus of Rs. 287.16 Crore on provisional Truing-up of ARR for FY 2024-25.

5. ARR FOR 5TH CONTROL PERIOD FOR FY 2025-26 TO FY 2029-30

5.1. Background

- 5.1.1. BEST has sought approval for the projection of ARR for the 5th Control Period FY 2025-26 to FY 2029-30 based on the MYT Regulations, 2024.
- 5.1.2. The Commission's analysis and approval of various ARR components for MYT 5th Control Period FY 2025-26 to FY 2029-30 is set out as under.

5.2. Resource Adequacy Plan

Commission's Analysis and Ruling

- 5.2.1. Under Rule 16 of Electricity (Amendment) Rules, 2022, the Ministry of Power (MoP), Government of India (GoI), in consultation with the CEA, issued the guidelines for Resource Adequacy in June 2023. As per these guidelines, the CEA is mandated to publish the National-Level Planning Resource Margin (PRM) as a guide for all the States/UTs while undertaking their RA exercises (Clause 3.1) and also to publish the capacity credits for different resource types on a regional basis (Clause 3.1).
- 5.2.2. Each Distribution licensee shall undertake a Resource Adequacy Plan (RAP) for a 10-year horizon (Long-term Distribution Licensee Resource Adequacy Plan (LT-DRAP)) to meet their peak and electrical energy requirement (Clause 3.7). The Distribution Licensees shall refer to LT-NRAP if required for inputs like PRM, capacity credits, etc. while formulating their LT-DRAP and shall submit their plans to CEA (Clause 3.7.1).
- 5.2.3. The Commission has notified the MERC (Framework for Resource Adequacy) Regulations, 2024 (MERC RA Regulations, 2024), to enable the implementation of the Resource Adequacy (RA) Framework to reliably meet the projected demand within the State. The objective of the Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation and transmission resources for reliably meeting the projected demand in compliance with specified reliability standards for serving the load with an optimum generation mix.
- 5.2.4. These Regulations outline the development and preparation of an RA Plan for the Long-Term (LT-DRAP) for up to 10 years, Medium-term Distribution Resource Adequacy Plan (MT-DRAP) for up to 5 years and Short-Term Resource Adequacy Plan (ST-DRAP) for up to one year by Distribution Licensees. The Regulation covers

a mechanism for long term, medium term and short-term forecasting and demand assessment using scientific modelling tools, generation resource planning, procurement planning, and monitoring and compliance.

- 5.2.5. In compliance to the provisions of Regulation 5.4 of the MERC (Framework for Resource Adequacy) Regulations, 2024, BEST had submitted its RA Plan on 30 September 2024. The Commission scrutinized the proposal submitted by BEST and noted certain data discrepancies in demand forecasting and shortcomings in compliance to the provisions of the MERC RA Regulations 2024.
- 5.2.6. Further, the Commission had noted that, as per the MoP guidelines for RA, the CEA is mandated to publish a Long-term National Resource Adequacy Plan (LT-NRAP), which shall determine the optimal Planning Reserve Margin (PRM) requirement at the All-India level conforming to the reliable supply targets. The LT-NRAP shall allocate the share in the national peak for each State, and in States where there are multiple distribution licensees, the respective STU / SLDC shall allocate each distribution licensee's share in the national peak within 15 days of the publication of LT-NRAP.
- 5.2.7. Further, these guidelines also require NLDC to annually publish a one-year look-ahead Short-term National Resource Adequacy Plan (ST-NRAP). The Commission had also noted that, the CEA/NLDC are yet to publish the LT-NRAP and ST-NRAP results, including reliability indices (LOLP/NENS) and, PRM, CC factors, as per its Guidelines. Hence, allocation factors for the contribution of States to National CPD are not readily available for assessment. Meanwhile, the CEA had published a Discussion Paper dated 18 October 2024 for a methodology for demand contribution and CC factor assessment and invited comments.
- 5.2.8. In view of above developments at the national level on RA planning, and considering the forthcoming MYT proceedings as per the MYT Regulations 2024, the Commission directed BEST to submit the RA plan in light of the methodology specified by the CEA in the discussion paper published by CEA dated 18 October 2024 for computation of Capacity Credit of Generation Resources & Coincident Peak Requirement of Utilities under RA Framework.
- 5.2.9. As per the Regulation No. 12.13 of MERC RA Regulations, 2024, for planning RA requirement, the distribution licensee is required to duly factor in the allocation of RA requirement to the distribution licensee as may be suggested by the STU/SLDC, as the case may be, based on average of share in state coincident peak demand (CPD) and share in state non-coincident peak demand (NCPD) for MT-RA and ST-RA.

- 5.2.10. Further, as per Regulation No. 16.3 of MERC RA Regulations, 2024, while approving the RA plans of distribution licensees, the Commission is required to seek inputs from STU/SLDC to ensure consistency with the state-level aggregation carried out by STU/SLDC.
- 5.2.11. In view of the above directions of the Commission, BEST has submitted its revised RA planning as a part of its MYT Tariff Petition for the 5th Control Period.

5.3. Scrutiny of the RA Plan as per the provisions of the MERC RA Regulations, 2024

BEST's Submission

A. Demand Assessment and Forecasting

- 5.3.1. BEST has projected sales for the Control Period based on the Short-term and Medium-term Distribution Resource Adequacy Plans (ST-DRAP and MT-DRAP) submitted to the Commission on 30 September, 2024. The RA Plan outlines a framework to ensure reliable power supply for consumers for the 5th Control Period (FY 2025-26 to FY 2029-30).
- 5.3.2. The RA plan provides analysis of BEST's demand forecast, generation resources, capacity credits, and strategies to meet Resource Adequacy Requirement (RAR) over the short-term and medium-term horizons, including integration of RE sources and compliance with Renewable Purchase Obligations (RPO).
- 5.3.3. As per the provisions of the Regulation 6.4 of the MERC RA Regulations, 2024, the demand forecasting carried out by utilizing the category wise consumption data for various categories. The category-wise demand has been projected Mean Absolute Percentage Error (MAPE) and Multi Liner Regression (MLR) Model.
- 5.3.4. The RA plan has envisaged BEST's overall consumption to grow at 0.6%

Commission's Analysis and Ruling

- 5.3.5. With notification of Resource Adequacy Regulations, there has been remarkable shift in the planning approach to demand forecasting particularly, in terms of following aspects:
- a) Hourly/Sub-hourly profiling:** Focus on hourly/sub-hourly demand assessment (MW) than merely energy projections (MWh) (*Ref. Reg 6.1, 6.2 and 7.1, 7.2*)

- b) Planning Horizon:** Demand forecasts to cover across planning horizons Long term (10 year), Medium term (5 year) and Short term (upto 1 year) (*Ref. Reg 6 and 7*)
- c) Best fit Methodologies:** Methodology for demand/energy forecast to include combination of various statistical methodologies, tools and econometric modelling approaches rather than CAGR based method and adopt best fit approach (*Ref. Reg 6.5, 6.7 and 7.3, 7.4*)
- d) Scenario Planning:** Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) rather than deterministic scenario. EPS projections could be one of the scenario with due reference to influence of other factors (*Ref. Reg. 6.6 and 6.15*)
- e) Integral approach to Demand side measures:** Demand and energy forecast to include energy efficiency, energy conservation and demand side measures their impacts as integral part of demand assessment in terms of change in load shape, load curve, variation in peak/off-peak hours, seasonal variations etc. (*Ref. Reg. 6.9, 6.10 and 7.6*)
- f) Influence of State/National Policy measures:** Adoption of several state/national policy measures such as PM-Surya Ghar, PM-KUSUM/ MSKVY2.0, penetration of LED /BLED fan, EV policy, Green Hydrogen, Data Centre policy, captive policy, open access/ green energy open access policy etc. to be factored in the LT/MT/ST demand forecasts and energy forecasts (*Ref. Reg. 6.9 and 6.10*)

5.3.6. The Commission has scrutinized the Petitioner's submission as regards Demand / Energy forecasts with reference to provisions under MERC RA Regulations.

Table 5-1: Scrutiny of Demand Forecast

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
Demand Forecast and baseline for demand forecast and basis for projections	<ul style="list-style-type: none"> ST: hourly/sub-hourly MT: hourly LT: monthly peak/off-peak load assessment and forecasts along with category-wise energy forecasts (Reg 6.1) 	<ul style="list-style-type: none"> Submitted the ST (FY 2025-26), MT (2025-30) and LT (2025-35) demand forecasts. Submitted Hourly forecasted data for ST and LT. 	Compliant to Reg 6.1 of MERC RA Regulations for demand forecasting
Forecast Scenarios	<ul style="list-style-type: none"> Most probable, Business as usual, Aggressive (Reg 6.15) 	<ul style="list-style-type: none"> Considered all Scenario 	Compliant to Reg 6.15 of MERC RA Regulations.
Category-Wise Demand Forecast	<ul style="list-style-type: none"> DLs is responsible for providing the category wise consumption data for consumer categories to various agencies for purpose of state level demand forecasts (Reg 6.3) DL needs to do the demand forecast for all category of Consumers for which the Commission has determined separate Retail Tariff. (Reg 6.4) 	<ul style="list-style-type: none"> Category wise energy consumption data and load forecast for three scenarios. Annual energy requirement of 5030 MUs for FY26 to 5534 MUs for FY 35 with an average CAGR of 1.04% Hourly Peak demand of 954 MW for FY 26 and 1032 MW for FY35 with an average CAGR of 0.88%. YoY category wise energy consumption has been increased at the average CAGR of 1.07 % over 10 Years. 	<ul style="list-style-type: none"> Compliant to Reg 6.3 and 6.4 of MERC RA Regulations. However, the Commission has approved Energy Sales of 5,038 MU for FY 2024-25 in its MTR order. BEST has submitted that, it had tied up capacity of 808.69 MW through long-term, & medium-term PPA. While BEST has peak load of 957.90 MW and base load of 392.96 MW only for FY 2023-24 in its MTR Order.
Forecast methodology	<ul style="list-style-type: none"> Comprehensive historical data and data profiles requirement Premise for consumer category-wise factors policies and drivers, and Use of scientific and mathematical modelling tools (Reg 6.5) 	<ul style="list-style-type: none"> Used Mean Absolute Percentage Error (MAPE) methodology to check the performance of the tested models. Multi Linear Regression (MLR) model outperformed all other forecast models in accuracy and hence was used to forecast category wise consumption. 	Compliant to Reg 6.5 of MERC RA Regulations

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
Use of Statistical methods & tools	<ul style="list-style-type: none"> DLs to conduct statistical analysis and select the method for which standard deviation is lowest and R-square is highest. (Reg 6.7) 	<ul style="list-style-type: none"> Utilizes the Multi Linear Regression (MLR) model and ARIMA for predicting independent variables like temperature and humidity. 	<ul style="list-style-type: none"> Compliant to Reg 6.7 of MERC RA Regulations Standard deviation and R-square is not mentioned
Factors influencing Demand forecasts	<ul style="list-style-type: none"> EV Impact Rooftop Solar DSM & Energy Efficiency Measures GoM schemes like MSKVY 2.0 and other schemes Agricultural Load Shift Open Access /GEOA (Reg 6.9 and 6.10) 	<ul style="list-style-type: none"> RTS installation is expected to grow at the same CAGR (0.9%) as the model forecast for demand from FY26. RTS CUF = 18% BEST has also determined the demand profile of energy consumed by EV chargers pertaining to different EV categories 	<ul style="list-style-type: none"> Compliant to Reg 6.9 of MERC RA Regulations. Not considered impact of any Demand side management program
Load Research analysis	<ul style="list-style-type: none"> ST: Load research analysis to be conducted with inputs from SLDC and detailed explanation for refinement. MT: MT forecast may be revised with a detailed explanation of refinement. (Reg 6.11) 	<ul style="list-style-type: none"> No such information about Load research, load survey and category-wise contribution to load curve has been submitted 	<ul style="list-style-type: none"> Not in line with requirement under Regulation 6.11. This information is necessary, particularly when DL has proposed revision in ToD slabs and ToD charges for various consumer categories.
Assessment of Peak Demand	<ul style="list-style-type: none"> Determination of Peak Demand considering, average load factor, load diversity factor, seasonal variation factors for last three years and load forecasts (in MWh) (Reg 6.14) 	<ul style="list-style-type: none"> Not specified the factors for determination of peak demand 	<ul style="list-style-type: none"> Not complied with Regulation 6.14 of the MERC RA Regulations.

- 5.3.7. The Commission observes that for sales projections under MYT petition the BEST has extensively relied on consumer-category-wise energy forecasts (MWh) using MAPE and MLR approach for Short/medium forecasts. The forecast of demand (MW) and shift in hourly/sub-hourly Demand forecasts (MW) is equally important particularly in light of adoption of other policies measures such as GEOA, Rooftop PV, Demand side and EE/EC measures etc. It is important to understand the influence of all such factors on Hourly/Sub-hourly Demand, which is not known.
- 5.3.8. The consistent approach for energy and demand projections would be necessary. The Commission expects that the annual RA rolling plan would ensure consistency in the approach for demand/energy forecasting exercise. The Commission directs that during the annual rolling plan exercise, the Petitioner should clarify the significant variation in forecasts for each consumer category with reasons and adopt corrective measures in its forecasting approach.
- 5.3.9. The Commission would encourage the Petitioner to explore use of various methodologies and statistical tools and use best fit approach for demand forecasting.
- 5.3.10. In view of above, the Commission has modified the demand/sales forecasts, which is discussed in the subsequent sections of the MYT Order. BEST is directed to use the methodology and assessment of its demand/sales forecasts as per the MERC RA Regulations and undertake scenario analysis (business as usual, aggressive and most probable scenario), while submitting its RA plan for next year. BEST should also factor in adjustment in sales forecasts on account of EV, adoption of solar rooftop PV and other energy efficiency measure etc. The comparison of sales forecasts proposed by BEST and approved by the Commission for 5th Control Period is summarized in subsequent Section.

B. Generation Resource Planning

BEST's Submission

- 5.3.11. For the generation resource planning, BEST has submitted its Generation Resource Plan for Short and Medium Term considering the Solar, Wind-Solar Hybrid, Hydro, BESS and Thermal based generating sources over the 5th Control Period. However, the share of RE based generation source is significantly lower and procurement of maximum power from Thermal based generation is proposed during the 5th Control Period.

- 5.3.12. BEST has also proposed to continue with the existing ToD slab instead of the new ToD Slabs as provided under MYT Regulations, 2024.

Commission's Analysis and Ruling

- 5.3.13. With notification of Resource Adequacy Regulations, there has been remarkable shift in the planning approach to Generation Resource Planning, particularly, in terms of following aspects:

- a. Capacity Crediting of Generation Resources and its contribution to Solar/Non-Solar hours:** Focus on assessing the contribution of generation resource to meet the demand at various hours particularly, variable renewable generation resources such as wind/ solar, storage resources (*Ref. Reg 9.1, 9.3 and 10*)
- b. Gestation period of various Generation Resource technologies and contracting arrangements:** Different technologies (such as wind, solar, PSP, BESS, nuclear, coal etc) have different gestation periods. Further, variety of contracting arrangements (e.g. RE-RTC, FDRE, Hybrid) are emerging and would have variety of characteristic generation profile and associated costs. (*Ref. Reg 9.1, 9.2, 9.4 and 10*)
- c. Planning Reserve Margin:** Need to include PRM factor to comply with reliability indices (such as LOLP, NENS) notified by CEA and PRM to be evaluated thru iterative process to meet with reliability standards (*Ref. Reg 9.5, and 11*)
- d. Assessment of Resource Adequacy Requirement (Shortfall/Surplus):** Identification of RA requirement and resource gap/surplus (both quantum and duration) is crucial. Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) for RA Gap/ Surplus assessment in LT/MT/ST rather than deterministic scenario. (*Ref. Reg. 12*)
- e. Integrated approach guided by CEA/STU/SLDC for control area and distribution licensee:** In order to optimal planning of resources inputs from LT-NRAP and ST-NRAP to be published by CEA as also allocation of RA requirement to concerned Distribution Licensee by STU/SLDC RA. (*Ref. Reg. 6.9 and 6.10*)

- 5.3.14. The Commission has scrutinized the Petitioner's submission as regards **Assessment of Generation Resources and its proposed mix** with reference to provisions under MERC RA Regulations.

Table 5-2: Scrutiny of Generation Resource and Proposed Mix

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
Capacity Credit	<ul style="list-style-type: none"> Net Load based approach. RE CC = Sum of RE Generation for top 250 Hrs/Sum of RE IC for top 250 Hrs. CC factor is computed for each year of duration of past five-years and the resultant CC is the average of CC values of past 5 years. Thermal CC: computed based on coal /gas availability, forced and planned outages Hydro CC: computed based on water availability Storage CC: Net Load Based Approach (Reg 10.2) 	<ul style="list-style-type: none"> Calculation of CC for Contracted Generation using Net load Based Approach. The contribution of the renewable energy source to meeting peak 250 demand hours is determined and expressed as a percentage of its installed capacity. For the upcoming RE resources, since the historical generation is not available, the capacity credits are calculated using the expected generation in the future and the respective demand forecast. For thermal and Hydro, CC is computed based on availability and historical outage data 	<ul style="list-style-type: none"> Compliance with the provisions of the Regulations.
Planning Reserve Margin	<ul style="list-style-type: none"> PRM factor is computed based on the reliability Indices in terms of LoLP (0.2%) and NENS (0.05%) as specified by Authority or Commission (Reg 11.2) Capacity planning by DLs /STU /MSLDC shall factor PRM while developing state-level Resource Plan (Reg 11.3) 	<ul style="list-style-type: none"> BEST has considered the base value of PRM at 15% and incrementally increasing the same, it has observed that target NENS of 0.05% is being met for all the PRMs but the target LoLP of 0.2% is being met for PRM values of 15% 	<ul style="list-style-type: none"> CEA has not specified any PRM numbers, however, it has specified Loss of Load Probability (LOLP) as 0.2% and Normalized Energy Not Served (NENS) at 0.05% in the RA guidelines. BEST has considered the same while computing the PRM to meet the LOLP and NENS requirement by generating different scenarios using stochastic simulations

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
RA Requirement and Allocation	<ul style="list-style-type: none"> DLs RA plan is based on the sum of adjusted contracted generation capacities, calculated with CC factors over time intervals (15 minutes to one hour) as specified by the Commission. (Reg 12.1) 	<ul style="list-style-type: none"> BEST has then applied calculated PRM of 15% on the coincident demand to arrive at provisional RAR. RAR = 994 MW for FY 25 and RAR= 1035 MW for FY30. 	<ul style="list-style-type: none"> Complying the provision of the Regulation Assessment is done only for ST DRAP and it is suggested to consider the MT DRAP assessment at the time of MYT Petitions.
Resource Gap or Resource Surplus	<ul style="list-style-type: none"> Identify the resource gap by subtracting the RA plan from the demand forecast, addressing RA compliance for long-term, medium-term, and short-term as per the regulations. (Reg 12.2) Submits the Resource Gap in 3 scenarios (Most Probable, Business as usual and Aggressive). (Reg 12.3) 	<ul style="list-style-type: none"> Submitted the Resource surplus for ST DRAP and MT DRAP in three scenarios. <p>For FY 2025-26</p> <ul style="list-style-type: none"> Most Probable: -97 MW (surplus) Business as Usual: -96 MW (surplus) Aggressive: -81 MW (surplus) 	<ul style="list-style-type: none"> Compliant to Reg 12.2 of MERC RA Regulations

- 5.3.15. The Commission would highlight that one of the important objectives of RA Regulations is resource planning with optimal resource mix to optimize overall cost of power for the utility and its end consumers while reliably meeting the forecasting load requirements. The relevant extract of objective of MERC RA Regulations, 2024 is provided as under:

*“2.1 The objective of these Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation and transmission resources for **reliably meeting the projected demand** in compliance with **specified reliability standards** for serving the load with an **optimum generation mix**.*

Provided that the planning of transmission resources shall be consistent with “MERC (State Grid Code) Regulations, 2020” and amendments thereof.”
(emphasis added)

- 5.3.16. Further, having contracted surplus capacity over and above its RA requirement then it is essential that the same is utilized or dispatched in optimal manner.
- 5.3.17. In order to optimize the cost of power procurement during evening peak/ non-solar hours, BEST should evaluate and explore Storage (incl. BESS) solutions (2hr/4hr) to store surplus solar generation to be utilized during non-solar (evening peak) hours rather than procuring expensive power from market during non-solar (evening peak) hours. BEST should explore and evaluate development of distributed storage solutions and its procurement plan through competitive route at early date.
- 5.3.18. Specific schemes of Demand side management measures could act as optimal resource and the BEST should develop DSM schemes for various consumer categories as such effective load management tool. It should also encourage and facilitate consumers who wish to invest in energy storage and support the grid during Non-solar (evening peak) hours provided it is viable business opportunity. Specific schemes under Demand Side Management framework can be designed and submitted for further regulatory scrutiny and approval.

C. Power Procurement Planning

BEST's Submission

- 5.3.19. BEST has considered the MoD based principle for its power purchase planning, where it has envisaged to tie up more Renewable based generation contracts such as Wind-

Solar Hybrid, Standalone Solar, Hydro and Thermal based generation. BEST has also envisaged to discontinue its procurement from TPC-G's Unit 5 from FY 2029-30 onwards, where firm RE contracts would be added to compensate for the same.

Commission's Analysis and Ruling

- 5.3.20. The Commission has scrutinized the BEST's submission as regards **Power Procurement Planning and its proposed mix** with reference to provisions under MERC RA Regulations.

Table 5-3: Power Procurement and Planning Mix

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
Composition of LT, MT and ST along with details of procurement of existing and planned capacity	<ul style="list-style-type: none"> Percentage Shares of LT, MT and ST are as follows: LT = 70%, MT = 20% and ST = 10% (Remaining of LT and MT) (Reg 12.10) Submission of the list of all existing generating stations (Conventional + RE) along with RA plan. (Reg 17.4) 	<ul style="list-style-type: none"> As of now, out of total 797 MW capacity contracted by BEST 678 MW are medium term and their contract would be expiring after FY 2028-29. It would not be possible for BEST to replace the medium-term contract before their expiration as it would be in contravention of contracting conditions which have also been duly approved by the Hon'ble Commission. Hence BEST requests Hon'ble Commission to provide BEST a waiver the condition of meeting 70% of RAR through long-term sources (to the extent upto which the same is not being met) till FY 2028-29 as a special case. 	<ul style="list-style-type: none"> Complied with provisions 12.10 of the Regulations. In order to assess the judicious mix of sources with optimal tenure, the MSLDC should also establish trading arrangement for short term, medium term optimally manage its contracted capacity and reduced burden of fixed cost of power through tied up through long term thermal sources
Firm Capacity	Demonstration of 100% tie-up for the first year and a minimum 90% tie-up for the second year to meet the requirement of their contribution towards meeting state peak. (Reg 15.6)	BEST has considered Firm Capacity of 1050.03 MW	<ul style="list-style-type: none"> Compliant to Reg 15.6 of MERC RA Regulations Assessment of Firm capacity is linked to contracted capacity, technology / type of resource and its Capacity credit factor. CEA is yet to publish its CC factors under LT-NRAP for various resources across regions. However, it has indicated CC factors in its Discussion Paper published and also provided CC factors separately for Wind and Solar technologies during Solar and Non-Solar hours

Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
			<p>separately.</p> <ul style="list-style-type: none"> Summary of assessment of Firm Capacity, RA Requirement, Resource Gap/Surplus is provided in the following paragraphs. Upon publication of the LT-NRAP study by CEA and CC factors thereof, DL should undertake comprehensive exercise for assessment of Firm Capacity, and RA Gap/Surplus during Annual RA Rolling plan exercise.
Details of all existing PPAs	Reg 17.4) <ul style="list-style-type: none"> Submission of the list of all existing generating stations (Conventional + RE) along with RA plan. 	Submitted the list of existing generating stations.	<ul style="list-style-type: none"> Compliant to Reg 17.4 of MERC RA Regulations

- 5.3.21. The Commission has undertaken detailed evaluation of load profile of demand, generation profile of non-firm generating sources (such as wind, solar, hydro, hybrid, storage) and estimated Net Load requirement to be met through contracted (existing and planned) thermal generating resources. The dispatch simulations considering merit order dispatch principles as outlined under MERC State Grid Code are required to be followed by distribution licensee during actual operations during 5th Control period.
- 5.3.22. Further, the Commission has ensured that the power procurement planning based on merit order and hourly dispatch also factors in the renewable energy purchase obligation targets (RPO) as specified under MERC RPO Regulations. Further, the hourly shortfall/ surplus is expected to be traded in the optimal manner and cost/revenue implications of the same have also been factored in while projecting the power purchase planning for the 5th Control Period.
- 5.3.23. A detailed estimation of the source-wise projected quantum and cost along with basis for cost assumptions thereof, has been covered extensively under this Order.
- 5.3.24. The Commission upon the perusal of the RA Plan submitted by BEST, observed that, the overall the Sales estimated based on the Demand Forecasting are understated, when compared with the simple CAGR method, where the overall Sales growth ranges between 6% to 7% in case 3 Years CAGR is considered. Therefore, BEST is required to revisit its assumptions used to forecast its Demand for the ensuing years.
- 5.3.25. To optimize the cost of power procurement during evening peak/ non-solar hours, BEST should evaluate and explore Storage (incl. BESS) solutions (2hr/4hr) to store surplus solar generation to be utilized during non-solar (evening peak) hours rather than procuring expensive power from market during non-solar (evening peak) hours. Specific schemes of Demand Side Management (DSM) measures could act as optimal resource and the BEST should develop DSM schemes for various consumer categories as such effective load management tool. It should also encourage and facilitate consumers who wish to invest in energy storage and support the grid during Non-solar (evening peak) hours provided it is viable business opportunity. Specific schemes under DSM framework can be designed and submitted for further regulatory scrutiny and approval.
- 5.3.26. In pursuance of foregoing and in accordance with the provisions under MERC RA Regulations, 2024, the Commission hereby directs the BEST to revisit its assumptions and the provisions set out under the MERC (Framework of Resource Adequacy) Regulations, 2024 and shall submit its Resource Adequacy Plan as per the Annual

Rolling plan during each year of the Control Period strictly in accordance with the provisions outlined under MERC RA Regulations, 2024 and CEA's Guidelines for Resource Adequacy in the matter. BEST should provide its detailed model assumptions and computations to STU/SLDC in timely manner to enable them undertake state level assessment of RA compliance as well as reserve planning at the State level.

5.3.27. Some of the specific actions that are required to be followed by Petitioner are outlined below:

- a. BEST should undertake realistic estimation of hourly demand and energy forecast upon verifying/validating the base year consumption and growth factor assumptions thereof.
- b. BEST should undertake load survey for various consumer categories and assess the impact in change in load shape due to load side measures, adoption of new ToD tariff regime, agriculture load shift to day-time hours, demand side measures, proliferation of EV, RTPV, GEOA, industrial load growth, growth in data centres etc.
- c. BEST should explore advancing the procurement of storage resources (2 hr / 4 hr) to meet Non-solar (evening peak) requirement and such procurement through competitive route as well as distributed storage facilities.
- d. BEST should encourage and facilitate consumers who intend to invest in storage facilities and support grid during non-solar (evening peak) hours and design and develop DSM schemes to facilitate the same.
- e. BEST should explore advance tie up / contracting arrangement with generating stations and other distribution licensees for trade of surplus power to optimize and reduce the burden of the fixed cost of contracted thermal generating stations.

5.3.28. In addition, following actions in line with requirements of Annual RA Rolling plan exercise shall be adhered to by the Petitioner:

- a) BEST shall submit demand forecasts to MSLDC by 30th April of each year for the ensuing year(s).
- b) BEST shall perform MT-DRAP and ST-DRAP exercise by 31st August of each year for the ensuing year(s).

- c) The monthly/weekly/day-ahead/intraday power procurements/sale by the Petitioner and generator schedule shall be made available on its websites.
- d) BEST shall establish a planning cell for Resource Adequacy as per Regulation 23.1 of MERC RA Regulations, 2024.
- e) Round the clock dedicated cell shall also be constituted by the BEST for power purchase/sell in real-time, and also undertake intra-day, day ahead, week ahead power procurement through Power Exchanges or any other means as per Regulation 23.2 of MERC RA Regulations, 2024.

5.4. Energy Sales

BEST's Submission

- 5.4.1. BEST's energy demand predominantly comprises sales to residential and commercial category consumers.
- 5.4.2. BEST submitted the Resource Adequacy Plan to the Commission in accordance with the MERC (Framework for Resource Adequacy) Regulations, 2024, which includes the demand forecast also. The Commission, vide its letter No. MERC/RA/2024-25/0691 dated 18 November, 2024 stated that it has examined the Resource Adequacy (RA) Plan submitted by BEST, and directed BEST to revisit its ST-DRAP and MT-DRAP planning along with proposed power procurement and file the revised RA plan along with MYT filing, to address the observations in the above-said Letter.
- 5.4.3. As regards the Commission's observations on the RA Plan filed by BEST, BEST notes that it is compliant with all the provisions of the MERC RA Regulations, 2024. Additionally, in the said letter, the Commission directed BEST to revisit the RA Plan as per methodology specified by CEA in its Discussion Paper "Discussion Paper on Methodology for Capacity Credit of Generation Sources and Coincident peak requirement of utilities under Resource Adequacy Framework" dated 18 October 2024. BEST submitted that these methodologies as specified in the Discussion Paper are currently at the discussion stage. The CEA has sought feedback and comments from stakeholders across the sector, including Utilities, Generators, Regulators, and other concerned entities. As these methodologies are still under evaluation, they are not part of any existing regulatory framework.
- 5.4.4. BEST submitted that in its RA Plan (as submitted on 30th September 2024), it has considered Capacity Credit (CC) as per net load-based approach/methodology

specified in Regulation 10.2 of MERC RA Regulations, 2024, which is quite elaborate and also applicable for determination of CC factors for wind, solar, and wind-solar hybrid generation resources. Further, Regulations 10.4, 10.5 and 10.6 of the MERC RA Regulations, 2024 have been considered as required. BEST submitted that as MERC RA Regulations, 2024 has been notified, the same should prevail over methodology suggested in the Discussion Paper, which is still not notified and subject to change based on comments by stakeholders.

- 5.4.5. Further, the methodologies specified in MERC RA Regulations 2024 and Guidelines issued by CEA differ from those in the Discussion Paper. BEST requested the Commission that until methodologies specified in the Discussion Paper are finalized and incorporated into the regulatory framework, the RA Plan submitted by BEST considered as it is in alignment with the prevailing Regulations and Guidelines, ensuring consistency and adherence to established procedures.
- 5.4.6. In the RA Plan submitted earlier, BEST had projected the sales till FY 2034-35, in accordance with the provisions of the MYT Regulations, 2024. However, as directed by the Commission during the Technical Validation Session (TVS), BEST has modified the RA Plan to incorporate the actual sales in H1 of FY 2024-25. The Revised RA Plan submitted within two weeks of submission of the revised MYT Petition. BEST requested the Commission to condone the delay in submission of the revised RA Plan. However, the revised sales and power purchase projections have been considered in the MYT Petition, as per the projections in the revised RA Plan.
- 5.4.7. The RA Plan includes demand estimation and projected category-wise energy sales till FY 2034-35. While preparing the Plan, BEST has analysed its historic values of category-wise consumption. Specifically, BEST has not considered consumption data of FY 2020-21 and FY 2021-22 as these years were impacted by COVID lockdown. Different machine learning models were trained and tested on the data set. Mean Absolute Percentage Error (MAPE) methodology was used to check the performance of the tested models. Multi Linear Regression (MLR) model outperformed all other forecast models in accuracy and was hence, used to forecast category-wise consumption. BEST has additionally considered impact of policy interventions including promotion of Electric Vehicles (EVs) as well as Roof Top Solar (RTS) on demand forecasted for future years as per statistical model. BEST has projected category-wise energy sales for the 5th Control Period in line with the submitted RA Plan under 'most probable scenario'. The category-wise and year-wise growth rate considered for sales projections is given in the Table below:

Table 5-4: Category-wise growth rate considered for projection of Sales from FY 2025-26 to FY 2029-30, as submitted by BEST

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	0.06%	0.06%	0.05%	0.05%	0.04%
HT - II Commercial	0.06%	0.06%	0.05%	0.05%	0.04%
HT - III Group Housing	0.06%	0.06%	0.05%	0.05%	0.04%
HT - IV Railways, Metro, Monorail	0.06%	0.06%	0.05%	0.05%	0.04%
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	0.06%	0.06%	0.05%	0.05%	0.04%
HT - V (B) Public Services (Others)	0.06%	0.06%	0.05%	0.05%	0.04%
HT - VI Electrical Vehicle Charging	20.49%	23.42%	25.18%	28.84%	29.65%
LT Category					
LT - I (A) Residential (BPL)	0.71%	0.70%	0.69%	0.68%	0.67%
LT - I (B) Residential	0.71%	0.70%	0.69%	0.68%	0.67%
LT - II (a) Commercial <20kW	0.71%	0.70%	0.69%	0.68%	0.67%
LT - II (b) Commercial >20 kW & ≤50 kW	0.71%	0.70%	0.69%	0.68%	0.67%
LT - II (c) Commercial >50 kW	0.71%	0.70%	0.69%	0.68%	0.67%
LT - III (A) Industry (upto 20 kW)	0.71%	0.70%	0.69%	0.68%	0.67%
LT - III (B) Industrial (above 20 kW)	0.71%	0.70%	0.69%	0.68%	0.67%
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	0.71%	0.70%	0.69%	0.68%	0.67%
LT - IV (B) Public Services (Others)	0.71%	0.70%	0.69%	0.68%	0.67%
LT - IV (B) Public Ltg.	0.71%	0.70%	0.69%	0.68%	0.67%
LT - V (A) Agriculture-Pumpsets					
LT - V (B) Agriculture-Others	0.71%	0.70%	0.69%	0.68%	0.67%
LT - VI Electrical Vehicle Charging	20.49%	23.42%	25.18%	28.84%	29.65%

5.4.8. As can be seen from the above Table, BEST has considered growth rate ranging from 0.04% for all HT categories except EV Charging Stations, and growth rate ranging from 0.67% to 0.71% for all LT categories except EV Charging Stations. It may be noted that for FY 2022-23, FY 2023-24, and FY 2024-25, the actual/estimated sales are lower than the sales approved by the Commission in the MTR Order. BEST submitted that it is necessary to project sales more realistically, as there is not much scope for increase in sales in BEST's licensee area, given the boundary limits and very low scope for expansion.

5.4.9. Hence, BEST believes that these growth rates are most realistic and requested the Commission to accept the growth rates proposed by BEST. In case of EV Charging

Stations, higher growth rates have been considered over the Control Period, based on expected growth as well as the low existing base.

5.4.10. BEST has projected its category-wise sales using the above growth rates and accordingly, the projected sales in MU (HT in MkVAh and LT in MU) are shown in the Table below:

Table 5-5: Projected Category-wise energy sales in (HT in MkVAh and LT in MU) from FY 2025-26 to FY 2029-30, as submitted by BEST

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	179.35	179.44	179.54	179.62	179.69
HT - II Commercial	224.92	225.05	225.16	225.26	225.35
HT - III Group Housing	37.12	37.14	37.16	37.18	37.19
HT - IV Railways, Metro, Monorail	3.14	3.14	3.14	3.14	3.15
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	31.81	31.83	31.84	31.86	31.87
HT - V (B) Public Services (Others)	211.58	211.70	211.81	211.90	211.98
HT - VI Electrical Vehicle Charging	4.04	4.99	6.24	8.05	10.43
Sub-total	691.96	693.29	694.90	697.01	699.66
LT Category					
LT - I (A) Residential (BPL)	0.04	0.04	0.04	0.04	0.04
LT - I (B) Residential	2,182.53	2,197.82	2,213.03	2,228.06	2,242.93
0-100 units	784.98	790.48	795.95	801.35	806.70
101-300 units	747.33	752.57	757.77	762.92	768.01
301-500 units	238.80	240.48	242.14	243.79	245.41
>500 units	411.41	414.30	417.16	420.00	422.80
LT - II (a) Commercial <20kW	882.58	888.76	894.91	900.99	907.00
LT - II (b) Commercial >20 kW & <=50 kW	186.29	187.60	188.90	190.18	191.45
LT - II (c) Commercial >50 kW	397.96	400.75	403.52	406.26	408.98
LT - III (A) Industry (upto 20 kW)	107.83	108.58	109.33	110.08	110.81
LT - III (B) Industrial (above 20 kW)	79.64	80.20	80.76	81.31	81.85
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	65.08	65.53	65.99	66.44	66.88
LT - IV (B) Public Services (Others)	180.65	181.91	183.17	184.42	185.65
LT - IV (B) Public Ltg.	16.80	16.92	17.03	17.15	17.26
LT - V (A) Agriculture-Pumpsets	-	-	-	-	-
LT - V (B) Agriculture-Others	0.16	0.16	0.17	0.17	0.17

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT - VI Electrical Vehicle Charging	37.85	46.71	58.47	75.34	97.68
Sub-total	4,137.42	4,175.00	4,215.32	4,260.42	4,310.69
Total	4,829.37	4,868.29	4,910.22	4,957.43	5,010.35

5.4.11. Though the HT category-wise sales have been shown in the above Table in terms of MkVAh, the energy balance and power purchase requirement has been considered on MU basis. Hence, the projected category-wise sales in MU are shown in the table below:

Table 5-6: Projected Category-wise energy sales in MU from FY 2025-26 to FY 2029-30, as submitted by BEST

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	177.32	177.42	177.51	177.59	177.66
HT - II Commercial	220.79	220.91	221.03	221.13	221.21
HT - III Group Housing	36.29	36.31	36.33	36.34	36.36
HT - IV Railways, Metro, Monorail	2.69	2.69	2.69	2.69	2.69
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	31.21	31.22	31.24	31.25	31.27
HT - V (B) Public Services (Others)	207.88	207.99	208.10	208.20	208.28
HT - VI Electrical Vehicle Charging	4.01	4.94	6.19	7.97	10.34
Sub-total	680.18	681.50	683.09	685.18	687.81
LT Category					
LT - I (A) Residential (BPL)	0.04	0.04	0.04	0.04	0.04
LT - I (B) Residential	2,182.53	2,197.82	2,213.03	2,228.06	2,242.93
0-100 units	784.98	790.48	795.95	801.35	806.70
101-300 units	747.33	752.57	757.77	762.92	768.01
301-500 units	238.80	240.48	242.14	243.79	245.41
>500 units	411.41	414.30	417.16	420.00	422.80
LT - II (a) Commercial <20kW	882.58	888.76	894.91	900.99	907.00
LT - II (b) Commercial >20 kW & <=50 kW	186.29	187.60	188.90	190.18	191.45
LT - II (c) Commercial >50 kW	397.96	400.75	403.52	406.26	408.98
LT - III (A) Industry (upto 20 kW)	107.83	108.58	109.33	110.08	110.81
LT - III (B) Industrial (above 20 kW)	79.64	80.20	80.76	81.31	81.85
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	65.08	65.53	65.99	66.44	66.88

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT - IV (B) Public Services (Others)	180.65	181.91	183.17	184.42	185.65
LT - IV (B) Public Ltg.	16.80	16.92	17.03	17.15	17.26
LT - V (A) Agriculture-Pumpsets	-	-	-	-	-
LT - V (B) Agriculture-Others	0.16	0.16	0.17	0.17	0.17
LT - VI Electrical Vehicle Charging	37.85	46.71	58.47	75.34	97.68
Sub-total	4,137.42	4,175.00	4,215.32	4,260.42	4,310.69
Total	4,817.60	4,856.50	4,898.41	4,945.60	4,998.50

5.4.12. As per past experience, historical trend and internal study, BEST has projected increase in number of consumers in two categories, i.e., LT – I (B) Residential, LT – II (a) Commercial < 20 kW.

5.4.13. The annual increase in number of consumers from FY 2025-26 to FY 2029-30 has been considered as 0.75% with base year as FY 2024-25. The projected growth in number of consumers over the 5th Control Period is shown in the Table below:

Table 5-7: Category-wise consumer growth from FY 2025-26 to FY 2029-30, as submitted by BEST

Consumer Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category						
HT - I Industry	36	36	36	36	36	36
HT - II Commercial	90	90	90	90	90	90
HT - III Group Housing	12	12	12	12	12	12
HT - IV Railways, Metro, Monorail	3	3	3	3	3	3
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	4	4	4	4	4	4
HT - V (B) Public Services (Others)	50	50	50	50	50	50
HT - VI Electrical Vehicle Charging	1	1	1	1	1	1
Sub Total	196	196	196	196	196	196
LT Category						
LT - I (A) Residential (BPL)	46	46	46	46	46	46
LT - I (B) Residential	773989	776672	779375	782099	784843	787608
LT - II (a) Commercial <20kW	253322	255222	257136	259064	2,61,007	262965
LT - II (b) Commercial >20	5926	5926	5926	5926	5,926	5926

Consumer Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
kW & <=50 kW						
LT - II (c) Commercial >50 kW	3183	3183	3183	3183	3,183	3183
LT - III (A) Industry (up to 20 kW)	7963	7963	7963	7963	7,963	7963
LT - III (B) Industrial (above 20 kW)	960	960	960	960	960	960
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	677	677	677	677	677	677
LT - IV (B) Public Services (Others)	6807	6807	6807	6807	6,807	6807
LT - IV (B) Public Ltg.	496	496	496	496	496	496
LT - V (A) Agriculture-Pump sets			0	0	0	0
LT - V (B) Agriculture-Others	2	2	2	2	2	2
LT - VI Electrical Vehicle Charging	687	687	687	687	687	687
Sub Total	10,54,055	10,58,639	10,63,256	10,67,909	10,72,596	10,77,318
Total	10,54,251	10,58,834	10,63,452	10,68,104	10,72,791	10,77,514

Commission's Analysis and Ruling

- 5.4.14. The Commission has noted the submissions of BEST. BEST has proposed its energy Sales for the MYT 5th Control Period based on the Resource Adequacy Plan submitted to the Commission along with its MYT Petition. It is observed that, BEST has proposed very marginal increase in the Sales growth over the MYT 5th Control Period, which further reduces over the Control Period. The Commission to further analyse the Sales growth over the past year through CAGR method observed that, there is an overall annual increase in the energy sales in the range of 6% to 7%, which is completely differing from the Sales growth proposed by BEST in the RA Plan
- 5.4.15. Thus, to understand the Sales growth based on the CAGR method, the Commission as part of the data gaps query sought the energy sales for the 5th Control Period based on the CAGR based method separately from BEST. BEST in response to the same submitted the following:

Table 5-8: Energy Sales Growth based on CAGR Method, as submitted by BEST

Consumer Category & Consumption Slab	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	5-year CAGR (%)	4-year CAGR (%)	3-year CAGR (%)	2-year CAGR (%)	YoY Growth Rate (%)
HT Category											
HT - I Industry	178.86	143.87	146.25	165.58	172.20	144.62	-4.16%	0.13%	-0.37%	-6.54%	-16.02%
HT - II Commercial	246.64	158.07	189.38	219.93	214.45	220.32	-2.23%	8.65%	5.17%	0.09%	2.73%
HT - III Group Housing	30.03	28.49	25.87	32.40	35.07	35.72	3.53%	5.82%	11.34%	4.99%	1.83%
HT - IV Railways, Metro, Monorail	2.22	1.62	2.07	2.11	2.32	2.47	2.20%	11.25%	6.16%	8.20%	6.73%
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	25.84	23.31	25.73	27.76	30.24	32.16	4.47%	8.38%	7.72%	7.63%	6.34%
HT - V (B) Public Services (Others)	197.20	180.44	182.78	188.73	201.53	202.46	0.53%	2.92%	3.47%	3.57%	0.46%
HT - VI Electrical Vehicle Charging	-	-	-	-	-	2.29					
Sub-total	680.80	535.80	572.08	636.52	655.82	640.03	-1.23%	4.54%	3.81%	0.28%	-2.41%
						-					
LT Category						-					
LT - I (A) Residential (BPL)	0.03	0.02	0.01	0.03	0.04	0.02	-9.05%	-0.14%	33.89%	-19.12%	-46.12%
LT - I (B) Residential	2,036.33	1,898.06	1,987.73	2,041.47	2,160.05	2,221.84	1.76%	4.02%	3.78%	4.32%	2.86%
0-100 units	750.10	723.83	729.87	748.22	762.10	751.92					
101-300 units	699.57	637.57	680.51	696.11	742.72	763.83					
301-500 units	218.90	188.65	216.88	218.59	241.40	260.53					
>500 units	367.76	348.00	360.46	378.55	413.82	445.56					
LT - II (a) Commercial<20kW	897.92	540.02	676.08	820.09	873.49	899.67	0.04%	13.61%	9.99%	4.74%	3.00%
LT - II (b) Commercial >20 kW & <=50 kW	209.25	164.01	144.39	172.67	184.37	188.88	-2.03%	3.59%	9.37%	4.59%	2.44%

Consumer Category & Consumption Slab	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	5-year CAGR (%)	4-year CAGR (%)	3-year CAGR (%)	2-year CAGR (%)	YoY Growth Rate (%)
LT - II (c) Commercial >50 kW	369.41	305.17	290.96	365.79	393.86	411.00	2.16%	7.73%	12.20%	6.00%	4.35%
LT - III (A) Industry (upto 20 kW)	46.88	71.58	93.72	103.11	106.72	108.34	18.24%	10.92%	4.95%	2.50%	1.52%
LT - III (B) Industrial (above 20 kW)	84.49	76.89	77.18	79.53	78.82	77.71	-1.66%	0.27%	0.23%	-1.15%	-1.41%
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	56.79	66.51	54.39	61.03	64.41	66.16	3.10%	-0.13%	6.75%	4.12%	2.73%
LT - IV (B) Public Services (Others)	170.84	153.06	145.92	169.04	178.79	182.58	1.34%	4.51%	7.76%	3.93%	2.12%
LT - IV (B) Public Ltg.	15.98	15.92	15.23	15.49	16.62	17.67	2.02%	2.64%	5.06%	6.81%	6.27%
LT - V (A) Agriculture-Pumpsets						-					
LT - V (B) Agriculture-Others	-	-	0.02	0.05	0.16	0.14			85.80%	64.13%	-12.47%
LT - VI Electrical Vehicle Charging	0.62	2.77	11.25	18.49	27.00	44.44	134.99%	100.18%	58.05%	55.03%	64.58%
Sub-total	3,888.54	3,294.02	3,496.89	3,846.80	4,084.34	4,218.46	0.98%	6.38%	6.45%	4.72%	3.28%
						-					
Total	4,569.34	3,829.81	4,068.97	4,483.32	4,740.15	4,858.49	1.23%	6.13%	6.09%	4.10%	2.50%

- 5.4.16. Based on above table, there is a ~6% Sales growth considering 3 Years CAGR. The 5 Years CAGR would depict the unrealistic growth in view of Covid years. Further, growth rate in energy sales of ~6% is evident across the other Distribution Licensees operating in Mumbai. Accordingly, the Commission upon the perusal of the submissions of the BEST, has decided to consider CAGR based escalation method, where 3 Year CAGR is considered for projecting the energy Sales for 5th MYT Control Period. The Commission however directs BEST to revisit its Resource Adequacy Plan and shall identify the reason for such understated Sales proposed over the 5th Control Period and shall accordingly file its next RA plan on Annual Roll over basis in lines with the MERC (Framework for Resource Adequacy) Regulations, 2024.
- 5.4.17. Further, since, there is negative growth seen for the HT -Industrial Consumer category, the Commission has considered 0.00% sales growth over the entire 5th Control Period.
- 5.4.18. Based on the above, the Commission has approved the Category wise Sales for the 5th MYT Control Period, which is summarised in the Table below:

Table 5-9: Category wise Sales for FY 2025-26 to FY 2029-30, as approved by the Commission (MkVAh for HT, LT above 20kW and MkWh for LT below 20 kW)

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	146.27	146.27	146.27	146.27	146.27
HT - II Commercial	236.05	248.26	261.10	274.61	288.81
HT - III Group Housing	40.68	45.30	50.44	56.16	62.53
HT - IV Railways, Metro, Monorail	3.07	3.26	3.46	3.67	3.90
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	35.31	38.04	40.98	44.14	47.55
HT - V (B) Public Services (Others)	213.20	220.60	228.24	236.16	244.35
HT - VI Electrical Vehicle Charging	2.90	3.64	4.57	5.73	7.20
Sub-total (MkVAh)	677.48	705.36	735.05	766.74	800.60
LT Category					
LT - I (A) Residential (BPL)	0.03	0.04	0.05	0.06	0.09
LT - I (B) Residential	2305.85	2393.04	2483.53	2577.44	2674.89
0-100 units	829.34	860.69	893.24	927.01	962.07
101-300 units	789.56	819.42	850.40	882.55	915.93
301-500 units	252.30	261.84	271.74	282.01	292.68
>500 units	434.66	451.10	468.15	485.85	504.23
LT - II (a) Commercial<20kW	989.57	1088.45	1197.20	1316.83	1448.41
LT - II (b) Commercial >20 kW & ≤50 kW*	214.92	235.05	257.07	281.14	307.47
LT - II (c) Commercial >50 kW*	479.81	538.36	604.05	677.76	760.47
LT - III (A) Industry (upto 20 kW)	113.70	119.33	125.24	131.44	137.95

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT - III (B) Industrial (above 20 kW)*	80.54	80.72	80.91	81.09	81.28
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)*	73.35	78.31	83.59	89.24	95.26
LT - IV (B) Public Services (Others)*	204.33	220.18	237.26	255.67	275.50
LT - IV (B) Public Ltg.*	19.28	20.25	21.28	22.36	23.49
LT - V (A) Agriculture-Pumpsets	-	-	-	-	-
LT - V (B) Agriculture-Others	0.26	0.49	0.91	1.68	3.13
LT - VI Electrical Vehicle Charging*	58.10	72.93	91.54	114.90	144.22
Sub-total (MkVAh/MkWh)	4539.75	4847.15	5182.62	5549.61	5952.16
Total	5217.23	5552.51	5917.67	6316.35	6752.76

*Sales in MkVAh for LT Consumers having load above 20 kW

Table 5-10: Category wise Sales for FY 2025-26 to FY 2029-30, as approved by the Commission (MU)

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	144.62	144.62	144.62	144.62	144.62
HT - II Commercial	231.71	243.70	256.31	269.56	283.51
HT - III Group Housing	39.77	44.28	49.30	54.90	61.12
HT - IV Railways, Metro, Monorail	2.63	2.79	2.96	3.14	3.34
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	34.64	37.32	40.20	43.31	46.65
HT - V (B) Public Services (Others)	209.48	216.74	224.25	232.03	240.08
HT - VI Electrical Vehicle Charging	2.87	3.61	4.53	5.68	7.13
Sub-total (MU)	665.72	693.05	722.17	753.24	786.45
LT Category					
LT - I (A) Residential (BPL)	0.03	0.04	0.05	0.06	0.09
LT - I (B) Residential	2,305.85	2,393.04	2,483.53	2,577.44	2,674.89
0-100 units	829.34	860.69	893.24	927.01	962.07
101-300 units	789.56	819.42	850.40	882.55	915.93
301-500 units	252.30	261.84	271.74	282.01	292.68
>500 units	434.66	451.10	468.15	485.85	504.23
LT - II (a) Commercial <20kW	989.57	1,088.45	1,197.20	1,316.83	1,448.41
LT - II (b) Commercial >20 kW & ≤50 kW	206.57	225.92	247.08	270.21	295.52
LT - II (c) Commercial >50 kW	461.16	517.43	580.57	651.42	730.91

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT - III (A) Industry (upto 20 kW)	113.70	119.33	125.24	131.44	137.95
LT - III (B) Industrial (above 20 kW)	77.89	78.07	78.25	78.43	78.61
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	70.63	75.40	80.49	85.92	91.72
LT - IV (B) Public Services (Others)	196.74	212.00	228.45	246.17	265.27
LT - IV (B) Public Ltg.	18.56	19.50	20.49	21.53	22.62
LT - V (A) Agriculture-Pumpsets	-	-	-	-	-
LT - V (B) Agriculture-Others	0.26	0.49	0.91	1.68	3.13
LT - VI Electrical Vehicle Charging	55.78	70.01	87.88	110.30	138.45
Sub-total (MU)	4,496.74	4,799.68	5,130.13	5,491.44	5,887.56
Total (MU)	5,162.46	5,492.73	5,852.30	6,244.68	6,674.01

5.4.19. With regards to the annual growth in the Number of Consumers, the Commission has considered BEST's proposal and has accordingly approves the Number of Consumers projected for the 5th MYT Control Period, which is summarised in the Table below:

Table 5-11: Number of Consumers for FY 2025-26 to FY 2029-30, as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Number of Consumers (HT)	196	196	196	196	196
Number of Consumers (LT)	10,58,639	10,63,256	10,67,909	10,72,596	10,77,318
Total Number of Consumers	1058835	1063452	1068105	1072792	1077514

5.5. Distribution Losses and Energy Balance

BEST's Submission

5.5.1. BEST has been taking various initiatives such as continuous vigilance activities, raids, consumer awareness on theft and energy conservation, legal actions against theft incidences, and replacement of faulty meters. Through these initiatives, BEST has been able to consistently maintain its distribution losses in the range of 4% to 5% over the present Control Period, which are almost near to the technical minimum of the network. The present distribution losses are one of the lowest in the country, and the lowest in Maharashtra, with the exception of TPC-D, which is not strictly comparable as it is having predominantly HT network and most of the LT consumers are served through the change-over mechanism by utilising the distribution network of the

parallel licensee. It is appreciable that reducing losses at higher loss levels are far 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 a highly difficult proposition.

- 5.5.2. BEST has achieved distribution loss level of 4.18% and 4.12% for FY 2022-23 and FY 2023-24, respectively.
- 5.5.3. Further, it may be noted that the purchase units are recorded on 1st of every month, i.e., the purchase quantum is considered for 365 days. BEST has a total of 24 billing cycles of 30 days billing period for its around 10.75 lakh consumers, with each cycle having different meter reading date spread throughout the month. Sometimes, there is possibility of this period getting reduced or increased by a day or two due to holidays, etc. Hence, in some years the billing period can vary from 363 days to 367 days. BEST has daily average sale of around 12.5 MU. 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.
- 5.5.4. As stated earlier, the present distribution losses are one of the lowest in the country and any further reduction will not be possible. In case the Commission approved distribution loss targets for the MYT Control Period lower than 4.18%, BEST may get penalised for not achieving the loss target fixed by the Commission even though it is operating at the most efficient level. Even though BEST is committed to continue making efforts for maintaining and keeping the losses lower, the Commission is requested to consider BEST's loss target proposal and leave room for performing at efficient levels.
- 5.5.5. The Commission has approved distribution losses as 4.18 % for the MYT Control Period from FY 2020-21 to FY 2024-25, and BEST's actual performance is also at the same level. Hence, BEST has proposed to keep the distribution loss as the same level, i.e., 4.18% for the MYT Control Period from FY 2025-26 to FY 2029-30.
- 5.5.6. Further, in accordance with Regulation 7.1 of the MYT Regulations, 2024, BEST has projected the specified performance parameters based on past performance, as shown in the Table below:

Table 5-12: Historical Performance, as submitted by BEST

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
SAIDI in minutes	71.86	62.99	70.56	67.71	61.17
SAIFI	2.88	2.63	2.75	2.32	2.17

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Collection Efficiency in %	97.99%	94.13%	101.25%	100.46%	100.46%
Billing Efficiency in %	95.35%	96.07%	95.37%	95.82%	95.88%
AT&C Losses in %	6.57%	9.57%	3.44%	3.74%	3.68%
*Payment Efficiency %	100%	100%	100%	100%	100%

Table 5-13: Proposed Performance Trajectory, as submitted by BEST

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
SAIDI in minutes	66.86	66.86	66.86	66.86	66.86	66.86
SAIFI	2.55	2.55	2.55	2.55	2.55	2.55
Collection Efficiency in %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Billing Efficiency in %	95.82%	95.82%	95.82%	95.82%	95.82%	95.82%
AT&C Losses in %	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%
Payment Efficiency %	100%	100%	100%	100%	100%	100%

5.5.7. BEST has considered the InSTS losses in line with the STU Petition admitted by the Commission for estimating the Energy Balance for the Control Period from FY 2025-26 to FY 2029-30. The Commission is requested to consider the InSTS losses to be approved in the Petition filed by STU for the next Control Period from FY 2025-26 to FY 2029-30, and rework the Energy Balance accordingly for BEST for the Control Period from FY 2025-26 to FY 2029-30.

5.5.8. BEST submitted that it has worked out the Power Purchase requirement at G◇T Periphery after accounting for the quantum available from Rooftop Solar.

5.5.9. Based on the target distribution loss of 4.18% proposed by BEST and InSTS losses as projected by the STU, BEST has estimated the energy requirement for the Control Period from FY 2025-26 to FY 2029-30 is given in the table below:

Table 5-14: Energy balance for FY 2025-26 to FY 2029-30, as submitted by BEST (MU)

Particulars	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Sales (MU)	MU	4,817.60	4,856.50	4,898.41	4,945.60	4,998.50
Distribution Loss (%)	%	4.18	4.18	4.18	4.18	4.18
Distribution Loss	MU	210.16	211.86	213.69	215.74	218.05
Energy Requirement at T-D interface (MU)	MU	5,027.76	5,068.35	5,112.09	5,161.34	5,216.55
Intra-State Transmission Loss (%)	%	3.28%	3.26%	3.24%	3.21%	3.16%
Transmission Loss	MU	170.50	170.80	171.18	171.17	170.22
Energy Requirement at G-T interface (MU)	MU	5,198.26	5,239.15	5,283.27	5,332.52	5,386.77
Impact of Rooftop Solar	MU	4.15	4.46	4.79	5.10	5.43

Particulars	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Net Energy Requirement at G-T interface (MU)	%	5,194.11	5,234.70	5,278.49	5,327.41	5,381.34

Commission's Analysis and Ruling

- 5.5.10. The Commission has noted the submissions of BEST. BEST has proposed the Distribution losses level as 4.18 % for the entire 5th MYT Control Period, which is same as approved for FY 2024-25.
- 5.5.11. The Commission observes that BEST has always achieved the Distribution loss targets set by the Commission. BEST has achieved an actual Distribution loss level of 4.18% during FY 2022-23 and marginally lower Distribution loss at 4.12% during FY 2023-24 as against approved Distribution loss of 4.18% for the respective years. However, the submissions made by BEST of retaining the loss levels at 4.18% across the entire 5th MYT Control without any improvement cannot be accepted.
- 5.5.12. It is also observed that; BEST is presently implementing its RDSS Scheme Phase I and planning to also execute RDSS Phase II Scheme during the MYT 5th Control Period. In addition to it, the Smart Meter implementation programmer across the consumer categories is also being implemented and is expected to be completed by March, 2026. Thus, with such huge investment in the revamping of the distribution network with state of the art Smart Metering Programme, there is a good scope for BEST to further reduce its loss levels.
- 5.5.13. The Commission is not inclined to accept BEST's proposal of maintaining the Distribution loss levels at 4.18% over the entire 5th Control Period. Accordingly, the Commission has proposed reduction of Distribution loss levels over the 5th Control Period by 0.02% each year as compared to the distribution loss of 4.18% for FY 2024-25. The summary of the Distribution Loss approved by the Commission for the 5th Control Period is provided in the Table below:

Table 5-15: Distribution Loss for FY 2025-26 to FY 2029-30, as approved by the Commission (%)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss (%)	4.16%	4.14%	4.12%	4.10%	4.08%

- 5.5.14. Further, the Regulation 110.2 of the MYT Regulation, 2024 provides as under:

“110.2 The Distribution Licensee as a part of its MYT Petition shall submit the AT&C Loss trajectory agreed by the State Governments and approved by the Central Government under any National Scheme or Programme, or otherwise:

Provided that the Commission may stipulate trajectory for AT&C losses in its Order on the MYT Petition filed by Distribution Licensee.”

5.5.15. BEST has proposed its AT&C losses at 4.18% across the entire 5th Control Period considering Collection Efficiency at 100% and Billing Efficiency at 95.82% same over the entire 5th Control Period. The Commission for the purpose of estimating the AT&C loss trajectory for the 5th Control Period has considered the following formula

$$\text{AT\&C Losses (\%)} = \{1 - (\text{Billing Efficiency} \times \text{Collection Efficiency})\} \times 100$$

5.5.16. Accordingly, the Commission has approved the AT&C loss trajectory for the 5th Control Period, which is summarised in the Table below:

Table 5-16: AT&C Loss Trajectory for FY 2025-26 to FY 2029-30, as approved by the Commission (%)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Collection Efficiency (%)	100.00%	100.00%	100.00%	100.00%	100.00%
Billing Efficiency (%)	95.84%	95.86%	95.88%	95.90%	95.92%
AT&C Loss (%)	4.16%	4.14%	4.12%	4.10%	4.08%

5.5.17. With regards to the Energy Balance, the Commission has considered the energy Sales approved for 5th MYT Control in this Order and the InSTS loss levels as approved in the InSTS MYT Order for 5th Control Period. The summary of the Energy Balance approved by the Commission for the 5th MYT Control Period is provided in the Table below:

Table 5-17: Energy Balance for FY 2025-26 to FY 2029-30, as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Sales (MU)	5162.46	5492.73	5852.30	6244.68	6674.01
Distribution Loss (%)	4.16%	4.14%	4.12%	4.10%	4.08%
Energy Requirement at T <> D Interface (MU)	5386.55	5729.95	6103.78	6511.66	6957.89
InSTS Loss (%)	3.28%	3.26%	3.24%	3.22%	3.20%
Energy Requirement at G <> T Interface (MU)	5569.22	5923.04	6308.16	6728.31	7187.91
Net Adjustment of the Rooftop Solar (MU)	4.15	4.45	4.78	5.10	5.43
Net Energy Requirement at G<>T Periphery (MU)	5565.07	5918.59	6303.38	6723.21	7182.48

5.5.18. **Accordingly, the Commission approves the Energy requirement of 5565.07 MU for FY 2025-26, 5918.59 for FY 2026-27, 6303.38 MU for FY 2027-28, 6723.21 for FY 2028-29 and 7182.48 MU for FY 2029-30, for the purpose of projections of 5th MYT Control Period.**

5.6. Power Purchase Expenses

BEST's Submission

5.6.1. Based on the projected Energy Balance as given in the above Table, BEST has estimated the energy requirement for the MYT Control Period from FY 2025-26 to FY 2029-30. BEST has proposed to meet its power purchase requirement from various sources, as under:

- a) Power Purchase from TPC-G;
- b) Walwhan Solar Energy Maharashtra (Erstwhile Welspun);
- c) SECI Hybrid - Solar;
- d) SECI Standalone Solar
- e) SECI Hybrid – Wind
- f) M/s Sai Wardha Power Generation Private Ltd. (SWPGPL)
- g) Power Purchase from external sources (Energy Exchange);
- h) Transmission Charges, MSLDC charges.
- i) Others

Power Purchase from TPC-G

5.6.2. BEST Undertaking requested to discontinue the PPA with TPC-G for thermal capacities upon its expiration, as energy charge for such Units were high and reached up to Rs. 8/kWh to Rs. 11/kWh in recent past. However, the Commission, vide its Order dated 15 March, 2023 in Case No. 240 of 2022, directed BEST to extend the existing PPA with TPC-G by one more year, i.e., till March, 2025 considering the prevailing transmission constraints. While directing to extend the existing PPA with TPC-G for one more year, the Commission also granted liberty to BEST to contract

other cheaper long-term/medium-term sources and get them dispatched under Short-Term Open Access after undertaking cost benefit analysis of the same.

- 5.6.3. However, later on the Commission, in its Order dated 28 November, 2023 in Case No. 39 of 2023, directed TPC-D and BEST to execute PPA with TPC-G for an extended period of 5 years, i.e., up to 31 March, 2029, in view of the Commission's considered view on the need for embedded generation for reliable supply of electricity in Mumbai. Hence, any termination or non-continuation of PPA could be considered after the expiry of PPA, i.e., after 31 March, 2029. Accordingly, as per MERC Orders in Case No. 39 of 2023 and Case No. 189 of 2023, BEST Undertaking has signed extension of unit wise power purchase agreement with Tata Power Company Limited – Generation Business TPC(G) for total 676.69 MW Power on 06 March, 2024 for 5 years from 1 April, 2024 to 31 March, 2029.
- 5.6.4. BEST has proposed power purchase quantum from TPC-G Unit-5, Unit-7 and Unit-8 as per optimal plan, with the objective of optimising the power purchase cost, considering the technical minimum constraints, etc. The rate of purchase from different Units has been considered as proposed by TPC-G in its MYT Petition. However, BEST has proposed to discontinue power procurement from Unit 5 from FY 2029-30 onwards due to high variable cost, i.e., BEST will procure power from TPC-G Unit 5 till FY 2028-29 only. The quantum of hydro power purchase from TPC-G is restricted to that proposed by TPC-G in its MYT Petition.
- 5.6.5. The allocation in the net-generation to BEST has been considered based on the percentage allocation of capacity to BEST from each of the Units as per the PPA.
- 5.6.6. For the purpose of estimating the power purchase cost for the 5th MYT Control Period, BEST has considered the variable and fixed charges as proposed by TPC-G in its MYT Petition, as shown in the Table below:

Table 5-18: Power Purchase from TPC-G from FY 2025-26 to FY 2029-30, as submitted by BEST

Financial year	Unit/Power project	Quantum (MU)	Variable Charge (Rs./kWh)	Variable Cost (Rs. Crore)	Total Fixed Cost (Rs. Crore)	Total Cost (Variable + Fixed) (Rs. Crore)	Avg. Rate (Rs./kWh)
FY 2025-26	Unit 5	1,388.99	5.84	811.72	192.17	1,003.90	7.23
	Unit 8	660.83	5.71	377.20	86.94	464.14	7.02
	Bhira	456.93	0.97	44.46	36.67	81.13	1.78
	Bhivpuri	152.51	2.17	33.06	21.18	54.24	3.56
	Khopoli	131.20	3.85	50.53	34.01	84.54	6.44
	Unit 7	570.86	5.25	299.70	111.53	411.23	7.20
	Total	3361.31	4.81	1616.68	482.50	2099.18	6.25
FY 2026-27	Unit 5	1,108.55	6.02	667.34	195.35	862.69	7.78
	Unit 8	537.69	5.88	316.11	87.45	403.55	7.51
	Bhira	454.46	1.00	45.49	37.74	83.23	1.83
	Bhivpuri	151.68	2.23	33.87	21.81	55.68	3.67
	Khopoli	130.50	3.98	51.95	35.16	87.11	6.68
	Unit 7	623.33	5.41	337.04	114.88	451.92	7.25
	Total	3006.21	4.83	1451.80	492.39	1944.19	6.47
FY 2027-28	Unit 5	1,177.77	6.20	730.22	201.66	931.88	7.91
	Unit 8	522.80	6.06	316.55	88.84	405.40	7.75
	Bhira	456.93	1.03	47.11	38.86	85.97	1.88
	Bhivpuri	152.51	2.30	35.09	22.48	57.57	3.77
	Khopoli	131.20	4.12	54.03	36.37	90.40	6.89
	Unit 7	625.07	5.57	348.10	118.31	466.41	7.46
	Total	3066.28	4.99	1531.10	506.52	2037.63	6.65
FY 2028-29	Unit 5	1,123.77	6.39	717.64	207.84	925.48	8.24
	Unit 8	568.04	6.24	354.29	91.09	445.38	7.84
	Bhira	460.75	1.06	48.93	40.05	88.98	1.93
	Bhivpuri	153.78	2.37	36.49	23.19	59.68	3.88
	Khopoli	132.30	4.26	56.39	37.64	94.02	7.11
	Unit 7	623.33	5.74	357.61	121.93	479.53	7.69
	Total	3061.98	5.13	1571.34	521.72	2093.07	6.84
FY 2029-30	Unit 5	-	6.58	-	-	-	-
	Unit 8	702.83	6.42	451.50	94.15	545.65	7.76
	Bhira	523.10	1.10	57.28	41.29	98.57	1.88
	Bhivpuri	174.59	2.45	42.76	23.92	66.68	3.82
	Khopoli	150.21	4.41	66.29	38.98	105.26	7.01
	Unit 7	614.63	5.91	363.18	125.71	488.90	7.95
	Total	2165.36	4.53	981.00	324.06	1305.06	6.03

Power Purchase from Sai Wardha Power Generation Private Ltd. (SWPGPL)

- 5.6.7. In order to ensure seamless transition and uninterrupted power supply for its consumers post expiration of the PPA with Manikaran, BEST Undertaking on 11 July 2023 initiated the competitive bidding process under Section 63 of the Electricity Act, 2003 and MoP Guidelines for procurement of medium-term power, in particular - 350 MW RTC power for 7 (Seven) years (Project-1) and 100 MW Peak Hour power (07:00 to 24:00 Hrs) for 5 (five) years (Project-2) at Maharashtra Periphery, through e-Reverse Auction on DEEP portal.
- 5.6.8. BEST adopted a two-stage bidding process as per MoP Guidelines by issuing Request For Qualification, Request For Proposal and draft PPA without any deviations in the Standard Bidding Documents under the MoP Guidelines. After detailed technical evaluation and scrutiny of the applications, the following three bidders were found qualified for Project 1 and qualified for e-Reverse Auction, and no Bidder qualified for Project 2:

Table 5-19: Bidders Details

Bidder Name	Project
M/s Jindal India Thermal Power Limited	Project 1
M/s OPG Power Generation Pvt. Ltd.	Project 1
M/s Sai Wardha Power Generation Pvt. Ltd.	Project 1

- 5.6.9. Financial bids of the above three Bidders were opened as per the schedule and e-Reverse Auction was conducted on 27 September 2023. Subsequently, M/s. SWPGPL emerged as the L1 in the e-Reverse Auction for Project 1 with bidding quantum of 125 MW with tariff of Rs. 5.87/kWh, followed by M/s. JITPL offering 100 MW at Rs. 6.67/kWh, and M/s. OPGPL offering 150 MW at Rs. 8.26/kWh.
- 5.6.10. After further process and negotiations, M/s SWPGPL vide letter dated 6 June 2024 submitted final revised offer of Rs.5.56/kWh, with FY 2024-25 as the base year, which will be fixed for the first 5 Years. Thereafter, the Tariff will be escalated according to the PPA provisions for the 6th and 7th year, using the 5th year as the base year. Accordingly, as per MERC Orders in Case No. 135 of 2024, BEST Undertaking has signed Agreement for Procurement Power (APP) from M/s Sai Wardha on 15 October 2024. After fulfilling the Conditions Precedent, the revised BPTA for FY 2024-25 has been signed to obtain the consent from SLDC for scheduling 125 MW RTC Power from M/s Sai Wardha.

Power Purchase from Walwhan Solar Energy Maharashtra (Erstwhile Welspun)

- 5.6.11. Further, due to the extension of the PPA with TPC-G until 31 March, 2029, the full 350 MW of RTC power requested in the tender is no longer necessary.
- 5.6.12. BEST has signed a long-term PPA with M/s. Walwhan Solar Maharashtra (Erstwhile Welspun) to procure 31.5 MU of solar power annually at tariff of Rs. 8.56 kWh. Hence, BEST has considered quantum and cost for solar purchase from Walwhan Solar for the Control Period from FY 2025-26 to FY 2029-30 as per the PPA.

RE Power Purchase from SECI

- 5.6.13. BEST has tied up with SECI under Power Supply Agreement (PSA) for procurement of RE power with four different RE developers as mentioned below:

Table 5-20: Details of RE Power – PSA with SECI

Name of Generator	Generating Plant	Scheduled COD	Capacity (MW)	Rate (Rs./kWh)
Adani Green Energy Twenty-Six A Limited	Solar Plant at Khavda RE Park, Gujarat	Jan 2026	234	2.71
ABC Renewable Energy Private Limited	Hybrid (Solar and Wind)		136.94	2.48
Adani Renewable Holding Eight Limited	Hybrid (Solar and Wind) at Khavda RE Park, Gujarat	April 2025	216.22	2.48
AMP Energy Green Private Limited	Hybrid (Solar and Wind)	April 2025	46.85	2.48

- 5.6.14. However, SECI has informed BEST that the SCOD of one of the projects, i.e., SECI Standalone Solar (Adani Green Energy Twenty Six A Limited) will be delayed due to transmission constraints, which are uncontrollable in nature. Hence, power from this source is considered for 3 months only in FY 2025-26.
- 5.6.15. Also, BEST apprised the Commission that SECI has received termination notice to one of the above RE developers, i.e., ABC Renewable Energy Private Limited. The matter is under litigation at present, and the PPA is yet to be finally terminated. Though BEST has submitted its firm communication against this termination, as a conservative approach, BEST has not considered power purchase from this source for its supply projections. If BEST considers this low cost source for its power purchase planning and the source does not materialise, then BEST shall have to procure costlier power from some other source. In future, if this project materializes, then BEST will

procure and schedule the power from this source and thus optimize the overall power purchase cost.

- 5.6.16. As a consequence of the shortfall in RE power purchase due to non-consideration of RE power from ABC Renewable Energy Private Limited, BEST is suddenly faced with a projected shortfall in meeting its RPO targets for the MYT Control Period. For the purpose of this MYT Petition, BEST has projected to meet its RPO shortfall through purchase of RE energy through GDAM or RECs, which are trading at very low rates at present. At the same time, BEST endeavour to tie-up power purchase from an alternative source, in case the PPA with ABC Renewable Energy Private Limited is finally terminated.

Battery Energy Storage System

- 5.6.17. In the RA Plan submitted to the Commission, BEST has considered tie-up with Battery Energy Storage Systems (BESS) in FY 2029-30. BEST has considered the cost of the same in this MYT Petition, as detailed below.
- 5.6.18. BEST submitted that the Commission has specified the separate RPO target for BESS for FY 2024-25 and each year of the Control Period as shown in the Table below:

Table 5-21: Details of BESS RPO Target

Year	BESS RPO Target (% of consumption)
FY 2024-25	1.50%
FY 2025-26	2.00%
FY 2026-27	2.50%
FY 2027-28	3.00%
FY 2028-29	3.50%
FY 2029-30	4.00%

- 5.6.19. In this regard, BEST submitted that the above-specified RPO targets for BESS have to be considered differently for BEST. The RPO targets for BESS have been specified with the intention to enable tie-up with RE sources to the extent possible and to manage the variability of RE generation through tie-up with adequate BESS capacity to ensure firm power supply throughout the day. However, in BEST's case, on account of the transmission congestion adversely affecting the sourcing of power from outside the State, the Commission has directed BEST to enter into PPA with TPC-G's thermal generation capacity till March, 31, 2029. As BEST has also tied-up with significant RE capacity in order to meet the RPO targets, BEST is already in a situation where it has to back down the thermal generation sources to the technical minimum, so as to

optimise its power purchase cost. Thus, BEST is not in a position where it does not have access to tied-up firm power sources.

5.6.20. Against this background, BEST has proposed to tie-up with BESS only in FY 2029-30 for the RPO target specified for FY 2029-30, which works out to 199.94 MU, and has not considered tie-up with BESS capacity to meet the BESS RPO target for the period from FY 2024-25 to FY 2028-29. BEST requested the Commission to exempt BEST from having to fulfil the BESS RPO target for the period from FY 2024-25 to FY 2028-29, using its 'Power to Relax' in accordance with Regulation 16 of the MERC RPO-REC Regulations, 2019, as amended from time to time, considering BEST's peculiar circumstances.

5.6.21. Hence, BEST has projected the energy support in MU terms from BESS, which works out to 199.94 MU for FY 2029-30. The rate for such BESS support has been considered as Rs. 6.50/kWh, based on rates discovered through recent competitive bidding exercises, as RE energy will also have to be supplied to such BESS systems. Such cost, which works out to Rs. 129.96 Crore, which has been considered as variable cost of power purchase in FY 2029-30.

Exchange / Bilateral Source

5.6.22. BEST submitted that the PPA with TPC-G is expiring on 31st March, 2029. For the purpose of MYT Petition, BEST has considered that the PPA with all the contracted Units, except Unit 5, shall be continued even for FY 2029-30. Purchase from Unit 5 of TPC-G has not been considered for FY 2029-30 on account of the high energy charges of this Unit. BEST has considered purchase from Unit-7 and Unit-8 for FY 2029-30 also. The above is subject to the prevalent transmission constraints at that point of time, availability of alternative sources of cheaper power, and direction of the Commission in this regard.

5.6.23. Further, for the purpose of this MYT Petition, BEST has considered purchase of around 650.92 MU of power from the DAM market of the Power Exchange for FY 2029-30. The rate assumed for the same is Rs. 4.68/kWh, which is the average of DAM rate observed from May to October 2024. BEST submitted that it shall endeavour to procure medium-term power through competitive bidding at lower rate, in order to have assured rate of power purchase, as compared to purchase from Power Exchanges, as the rate discovered on the Power Exchange is uncertain and subject to fluctuations due to prevalent market conditions.

5.6.24. BEST has also projected incidental surplus power in all years, which has been considered to be sold at the rate of Rs. 1.60/kWh, based on the prevalent rates in the Power Exchange, for such sale of surplus power, which will primarily arise during low demand periods on weekends.

Transmission Charges, MSLDC and STU Charges

5.6.25. BEST has considered the Intra-State Transmission Charges, MSLDC Charges, and STU Fees & Charges for the Control Period from FY 2025-26 to FY 2029-30 in line with the share of BEST as proposed in the respective Petitions by STU (for InSTS Charges and STU Charges) and SLDC, as shown in the Table below. Further, BEST has also considered the True-up gap for previous years against InSTS Charges as proposed by the STU in its Petition for approval of InSTS Charges, as shown in the Table below:

Table 5-22: Projected Transmission Charges, MSLDC and STU Charges from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
InSTS True-up Gap	28.87				
MSLDC Charges	1.15	1.59	2.33	2.83	3.19
STU Charges	0.28	0.28	0.27	0.26	0.25

Standby Charges

5.6.26. BEST had included the fixed Standby Charges payable to MSEDCL, while projecting its power purchase costs for FY 2023-24 and FY 2024-25. However, the other two main constituents of the electricity distribution business of Mumbai, viz., AEML-D and TPC-D who pay the major share of the Standby Charges to MSEDCL, did not include the fixed Standby Charges payable to MSEDCL in their respective MTR Petitions. The Commission, in the MTR Orders of AEML-D and TPC-D, included the fixed Standby Charges payable to MSEDCL, in line with the approach followed in the MYT Orders of AEML-D and TPC-D.

5.6.27. Both, AEML-D and TPC-D filed appeals before the Hon'ble Appellate Tribunal for Electricity (APTEL), which has stayed the recovery of Standby Charges by MSEDCL from AEML-D and TPC-D, and has remanded the matter to the Commission for de-novo reconsideration of the matter of relevance and share of Standby Charges to be paid by the Distribution Licensees in Mumbai.

- 5.6.28. Subsequently, this matter has been taken up by the Commission based on the APTEL remand, and the hearings in this matter are in progress. The facility of Standby Charges is not offered to BEST on a standalone basis, but was being offered by virtue of being an important constituent of the Mumbai distribution system. BEST does not wish to burden its consumers with the cost of fixed Standby Charges of around Rs. 94 Crore to Rs. 98 Crore every year, when the other two major constituents of the Mumbai distribution system, are not paying their share of fixed Standby Charges. Hence, BEST has not considered its share of fixed Standby Charges payable to MSEDCL under its power purchase cost. Once the Commission issues its Order in this matter and the matter achieves finality, BEST shall comply with the Order appropriately.

Total Power Purchase Cost

- 5.6.29. The summary of power purchase expense for the Control Period from FY 2025-26 to FY 2029-30 is shown in the table below:

Table 5-23: Summary of Power Purchase Expenses from FY 2025-26 to FY 2029-30, as submitted by BEST

Source of Power (Station wise)	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Energy (MU)	Cost (Rs Cr)	Avg. Rate (Rs./ kWh)	Energy (MU)	Cost (Rs Cr)	Avg. Rate (Rs./ kWh)	Energy (MU)	Cost (Rs Cr)	Avg. Rate (Rs./ kWh)	Energy (MU)	Cost (Rs Cr)	Avg. Rate (Rs./ kWh)	Energy (MU)	Cost (Rs Cr)	Avg. Rate (Rs./ kWh)
Long term / Medium term Sources															
TPC-G (Total)	3,361.32	2099.18	6.25	3,006.21	1944.19	6.47	3,066.28	2,037.63	6.65	3,061.98	2,093.07	6.84	2,165.36	1,305.06	6.03
Walwhan Solar Energy Maharashtra	31.50	26.96	8.56	31.50	26.96	8.56	31.59	27.04	8.56	31.50	26.96	8.56	31.50	26.96	8.56
SECI Hybrid - Solar	539.83	133.88	2.48	539.83	133.88	2.48	541.31	134.24	2.48	539.83	133.88	2.48	539.83	133.88	2.48
SECI Standalone Solar	120.34	32.61	2.71	488.04	132.26	2.71	489.38	132.62	2.71	488.04	132.26	2.71	488.04	132.26	2.71
SECI Hybrid - Wind	242.28	60.09	2.48	242.28	60.09	2.48	242.94	60.25	2.48	242.28	60.09	2.48	242.28	60.09	2.48
Sai Wardha	984.36	547.31	5.56	950.29	528.36	5.56	967.80	538.10	5.56	979.15	544.41	5.56	1,095.00	608.82	5.56
Battery Energy Storage Services													199.94	129.96	6.50
Short term Sources															
Power Exchange	1.11	0.52	4.68	1.67	0.78	4.68	1.11	0.52	4.68	1.90	0.89	4.68	650.92	304.63	4.68
Sale of Surplus Power	(86.62)	(13.86)	1.60	(25.11)	(4.02)	1.60	(61.92)	(9.91)	1.60	(17.28)	(2.76)	1.60	(31.53)	(5.04)	1.60
Total Power Purchase Cost	5194.11	2886.68	5.56	5234.70	2822.50	5.39	5278.49	2920.49	5.53	5327.41	2988.79	5.61	5381.35	2696.62	5.01
Intra-State Transmission Charges		447.82			363.51			408.17			439.73			459.13	
InSTS True-up Gap		28.87													
MSLDC Charges		1.15			1.59			2.33			2.83			3.19	

5.6.30. BEST requested the Commission to approve the power purchase quantum and cost from various sources for FY 2025-26 to FY 2029-30, as shown in the above table.

RPO Achievement projected for MYT Control Period

5.6.31. BEST has considered the quantum of energy purchase from Renewable Energy for the purpose of fulfilling the Renewable Purchase Obligation based on the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024. As per MERC RPO Regulations, the Commission has modified the RPO basket and RPO target percentage in line with the MoP's 'Renewable Purchase Obligation (RPO) and Energy Storage Obligation Trajectory till 2029-30' Order dated 22 July, 2022 and its Corrigendum on 19 September 2022, as shown in the table below:

Table 5-24: RPO Target for FY 2025-26 to FY 2029-30 as per MERC RPO Regulations, 2022, as submitted by BEST (%)

Year	Quantum of purchase (in %) from Renewable Energy sources (in terms of energy equivalent in kWh)				
	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

5.6.32. As per Regulation 10.2 of the MERC RPO Regulations, 2019, the RPO compliance excludes the power procurement from Hydro power plants. Therefore, BEST has estimated the RPO requirement excluding estimated power procurement from TPC-G Hydro.

5.6.33. Based on the total power purchase requirement and RPO targets as above, the estimated RPO of BEST for the MYT Control Period from FY 2025-26 to FY 2029-30 is shown in the table below:

Table 5-25: Details of RPO Achievement for FY 2025-26 to FY 2029-30 (MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Requirement at G-T Interface	5194.11	5234.70	5278.49	5327.41	5381.35
Wind RPO					
Wind RPO in %	1.45%	1.97%	2.45%	2.95%	3.48%

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wind RPO in MU	75.31	103.12	129.32	157.16	187.27
Wind energy availability from 400 MW Wind Solar Hybrid project	242.28	242.28	242.94	242.28	242.28
Wind RPO shortfall/(Surplus) in MU	(166.67)	(139.16)	(113.62)	(85.12)	(55.01)
Wind RPO Achievement in %	4.66%	4.63%	4.60%	4.55%	4.50%
HPO					
HPO in %	1.22%	1.34%	1.42%	1.42%	1.33%
HPO in MU	63.37	70.14	74.95	75.65	71.57
Hydro energy availability to fulfil HPO	0	0	0	0	0
HPO RPO Shortfall/(Surplus) in MU	63.37	70.14	74.95	75.65	71.57
HPO Achievement in %	0.00%	0.00%	0.00%	0.00%	0.00%
Distributed RE RPO					
Distributed RE in %	2.10%	2.70%	3.30%	3.90%	4.50%
Distributed RE in MU	109.08	141.34	174.19	207.77	242.16
Distributed RE availability (Solar energy from Net Metering Consumers)	15	17	19	21	23
Distributed RE RPO shortfall/(Surplus) in MU	94.08	124.34	155.19	186.77	219.16
Distributed RE RPO Achievement in %	0.29%	0.32%	0.36%	0.39%	0.43%
Other RE RPO					
Other RE RPO in %	28.24%	29.94%	31.64%	33.10%	34.02%
Other RE RPO in MU	1466.82	1567.27	1670.11	1763.37	1830.74
Other RE RPO Availability					
Solar Welspun Energy Maharashtra Ltd.	31.50	31.50	31.50	31.50	31.50
Hydro energy from TPC-G Hydro plant	740.64	736.64	740.64	746.84	847.9
Solar energy from 400 MW Wind Solar Hybrid project	539.83	539.83	541.31	539.83	539.83
Solar energy from 234 MW Solar project	120.34	488.04	489.38	488.04	488.04
Total availability for fulfilment of other RE RPO	1432.31	1796.01	1802.83	1806.21	1907.27
Other RE RPO shortfall/(surplus) in MU	34.51	-228.74	-132.72	-42.84	-76.53
Other RE RPO Achievement in %	27.58%	34.31%	34.15%	33.90%	35.44%
Total RPO					
Total RPO in %	33.01%	35.95%	38.81%	41.37%	43.33%
Total RPO in MU	1714.58	1881.87	2048.58	2203.95	2331.74
Total RPO Fulfilment in MU	1689.59	2055.29	2064.77	2069.49	2172.55
Total RPO shortfall/(Surplus) in MU	24.99	-173.42	-16.19	134.46	159.19
Total RPO Achievement in %	32.53%	39.26%	39.12%	38.85%	40.37%

- 5.6.34. BEST will fulfil the above mentioned RPO target through existing RE long term PPA with Walwhan Solar Energy Maharashtra (Erstwhile Welspun) and with proposed PSA (Power Supply Agreement) with SECI for 400 MW Wind Solar Hybrid project and Standalone Solar Project of 234 MW.
- 5.6.35. As per the above table, it is observed that BEST is comfortably able to fulfil the RPO target from FY 2026-27 and FY 2027-28 and there will be shortfall for FY 2025-26, FY 2028-29, and FY 2029-30. Also, as discussed in above if the proposed Wind Solar Hybrid project - ABC Renewable Energy Private Limited materializes, then even for FY 2028-29 and FY 2029-30 BEST will be able to fulfil the RPO target. However, in case the PPA with this project is terminated, then BEST is planning to meet its shortfall either by procuring RE from Exchange or REC's.

Commission's Analysis and Ruling

- 5.6.36. **TPC-G** -The Commission by its Order dated 28 November, 2023 in Case No. 39 of 2023 has extended the duration of the PPA between BEST and TPC-G for the period of 5 years from FY 2024-25 to FY 2028-29. The Commission notes that BEST has considered the same arrangement to be continued for the remaining year of the Control Period, i.e., FY 2029-30 except for TPC-G Unit No 5. For the purpose of ARR for MYT Control Period, the Commission has accepted BEST's submission in this regard and considered the procurement of power from TPC-G for each year of the Control Period accordingly. However, it is clarified that such consideration is for the purpose of this Order and it does not amount to explicit or implicit approval of the Commission for any extension of the Power Purchase Arrangement between BEST and TPC-G beyond 31 March, 2029. BEST has to approach separately to the Commission for approval of its power procurement plan for FY 2029-30 well in time, considering the prevalent situation and the process time required for procuring power through the competitive bidding process.
- 5.6.37. For the purpose of this Order, the Commission has considered the cost of power purchase from TPC-G as approved in TPC-G's MYT Order in Case No. 189 of 2024. However, the Commission has considered the quantum of purchase from TPC-G's thermal sources equal to the Minimum Technical Requirement of thermal power plant. The purchase from the hydro sources of TPC-G has been considered based on the available quantum as approved in TPC-G's MYT in Case No. 189 of 2024 for 5th MYT Control Period. Accordingly, TPC-source wise power purchase cost as approved by the Commission for FY 2025-26 to FY 2029-30 with breakup of energy charges and fixed cost is outlined in the following Table:

Table 5-26: Unit Wise Power Purchase Cost from TPC-G for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Financial year	Unit/Power project	Quantum (MU)	Variable Charge (Rs. /kWh)	Variable Cost (Rs. Crore)	Total Fixed Cost (Rs. Crore)	Total Cost (Variable + Fixed) (Rs. Crore)	Avg. Rate (Rs./kWh)
FY 2025-26	Unit 5	1,158.72	5.64	653.59	163.48	817.07	7.05
	Unit 7	430.45	5.26	226.42	101.64	328.06	7.62
	Unit 8	440.85	5.51	242.89	84.59	327.49	7.43
	Bhira	464.57	0.96	44.81	36.72	81.53	1.76
	Bhivpuri	141.29	2.04	28.84	20.18	49.02	3.47
	Khopoli	149.20	3.81	56.78	34.02	90.80	6.09
	Total	2,785.08	4.50	1,253.33	440.64	1,693.98	6.08
FY 2026-27	Unit 5	1,096.88	5.81	637.27	166.94	804.22	7.33
	Unit 7	430.45	5.42	233.21	105.26	338.47	7.86
	Unit 8	440.85	5.67	250.18	85.09	335.27	7.61
	Bhira	479.77	0.99	47.70	37.86	85.56	1.78
	Bhivpuri	151.37	2.11	31.92	20.85	52.77	3.49
	Khopoli	149.20	3.94	58.72	35.18	93.90	6.29
	Total	2,748.53	4.58	1,259.00	451.18	1,710.17	6.22
FY 2027-28	Unit 5	1,166.20	5.98	697.87	172.10	869.97	7.46
	Unit 7	431.63	5.58	240.86	108.05	348.91	8.08
	Unit 8	442.05	5.85	258.39	86.48	344.87	7.80
	Bhira	485.76	1.02	49.46	38.77	88.22	1.82
	Bhivpuri	153.89	2.16	33.29	21.39	54.68	3.55
	Khopoli	148.31	4.05	59.99	36.16	96.15	6.48
	Total	2,827.85	4.74	1,339.86	462.94	1,802.80	6.38
FY 2028-29	Unit 5	1,106.36	6.16	681.92	177.06	858.99	7.76
	Unit 7	430.45	5.75	247.41	110.96	358.37	8.33
	Unit 8	440.85	6.02	265.41	88.70	354.11	8.03
	Bhira	488.32	1.04	50.94	39.72	90.65	1.86
	Bhivpuri	153.89	2.22	34.17	21.95	56.13	3.65
	Khopoli	148.31	4.16	61.69	37.18	98.87	6.67
	Total	2,768.18	4.85	1,341.54	475.57	1,817.11	6.56
FY 2029-30	Unit 5	0.00	6.35	0.00	-	0.00	-
	Unit 7	430.45	5.92	254.83	113.97643	368.81	8.57
	Unit 8	440.85	6.20	273.38	91.527966	364.91	8.28
	Bhira	488.32	1.07	52.21	40.710299	92.92	1.90
	Bhivpuri	153.89	2.28	35.09	22.544849	57.63	3.75
	Khopoli	148.31	4.28	63.46	38.244023	101.70	6.86
	Total	1,661.82	4.09	678.97	307.00	985.97	5.93

5.6.38. **Sai Wardha Power Generation Private Limited (SWPGPL)** – The Commission has noted the submissions of BEST. The Commission for the purpose of estimating the power purchase expenses has considered the power procurement from SWPGPL upto the 85% of the total available capacity of 125 MW, each year over the entire 5th

Control Period with the same PPA rate as approved by the Commission in Case No. 135 of 2024 dated 20 September, 2024.

- 5.6.39. **Walwhan Solar Energy Maharashtra** – The Commission has accepted the BEST's proposal of the considering the procurement of 31.50 MU Solar power at Rs. 8.56 Rs/kWh as per the existing PPA over the entire 5th MYT Control Period.
- 5.6.40. **RE Power Purchase from SECI** – The Commission has noted the submissions of BEST. The Commission for the purpose of estimating the power purchase for the 5th Control Period has considered the entire capacity tied up with the SECI by BEST from the three available PPA's at the approved Tariff mentioned in the respective PPA. The Commission further directs BEST to start looking for the alternative arrangements in case the SCOD further gets delayed by SECI.
- 5.6.41. **Battery Energy Storage** – The Commission notes the submission of BEST. BEST has submitted that with the tie-up of PPA with TPC-G upto 31 March, 2029 and with the existing RE power purchase contract with SECI, BEST is in a situation of backing down its thermal sources to technical minimum. As discussed, above the Commission while estimating the power purchase cost for the entire 5th Control Period has considered the procurement of power from TPC-G's thermal units at the technical minimum. Accordingly, considering the BEST's existing RE portfolio of ~500 MW, there is a huge scope for BEST to tie up BESS power of a higher quantum not just during the last year of the 5th Control Period (FY 2029-30), however from the start of the 5th Control Period. Accordingly, the Commission direct BEST to start exploring the long/medium term power procurement options from BESS or PSP immediately and shall not rely on the Short Term power procurement from power exchange. However, for the purpose of projection for the 5th MYT Control Period, the Commission has accepted the proposal of BEST of considering the BESS during FY 2029-30 at 6.50 Rs/kWh.
- 5.6.42. **Exchange/Bilateral Sources** - The Commission has considered the power purchase from TPC-G, Sai Wardha, RE sources from SECI, BESS (only during FY 2029-30) as detailed in the earlier paragraphs, and the balancing power requirement has been considered from Short-term sources. Accordingly, the Commission has considered procurement from Short-term sources at Rs. 4.03/kWh based on the average G-DAM rates prevailing on Power Exchange from April, 2024 to January, 2025. The Commission has considered the entire balancing power to be procured as short term renewable Energy for the purpose projecting the Power Purchase Cost of the 5th MYT Control Period. However, the Commission directs BEST to immediately start

exploring the fixed long/medium term RE contracts on RTC basis, since, the overall RE portfolio of BEST is significantly lower as compared to other licensees. If such procurement is not done in a timely manner, it would pose a significant burden on to the consumer due to higher power purchase cost from alternate sources. The summary of the power purchase from Exchange/Bilateral Sources as approved by the Commission is provided in the Table below:

5.6.43. **Transmission and MSLDC Charges** - The Commission has considered the Transmission Charges, MSLDC Charges and STU Charges for BEST for the 5th Control Period as approved in the InSTS Tariff Order, MSLDC Order and STU Fees and Charges Order in Case No. 208 of 2024, Case No 186 of 2024 and 183 of 2024.

5.6.44. **Standby Charges** - TPC-D has filed Case No 136 of 2024 in respect of discontinuance of Standby arrangement with MSEDCL. All Distribution Licensees in Mumbai are required to be heard in the matter. The Commission will decide the matter after hearing all the parties. The Commission in the present order has not considered Standby Charges for the 5th MYT Control Period. However, the same will be subject to outcome of Case No 136 of 2024 pending before the Commission.

5.6.45. The summary of the Total Power Purchase Cost approved by the Commission for 5th MYT Control Period is provided in the Table below:

Table 5-27: Power Purchase Cost for FY 2025-26, 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 (Total)	3361.32	2099.18	6.25	2785.08	1693.98	6.08
Walwhan Solar Energy Maharashtra	31.50	26.96	8.56	31.50	26.96	8.56
SECI Hybrid - Solar	539.83	133.88	2.48	599.66	148.72	2.48
SECI Standalone Solar	120.34	32.61	2.71	137.99	37.39	2.71
SECI Hybrid - Wind	242.28	60.09	2.48	269.13	66.74	2.48
Sai Wardha	984.36	547.31	5.56	930.75	517.50	5.56
Battery Energy Storage Services	0.00	0.00	0.00	0.00	0.00	0.00
Short-term / Medium-term Sources						
Power Exchange/ Standalone Wind Power	1.11	0.52	4.68	810.95	326.81	4.03
Sale of Surplus Power	-86.62	-13.86	1.60	-	0.00	
Total Power Purchase Cost	5194.12	2886.69	5.56	5565.07	2818.11	5.06

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)
Intra-State Transmission Charges		447.82			431.61	
InSTS True-up Gap		28.87			0.00	
MSLDC Charges		1.15			0.95	
STU Charges		-			0.27	
Total	5194.12	3364.53	6.48	5565.07	3250.94	5.84

Table 5-28: Power Purchase Cost for FY 2026-27, 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 (Total)	3006.21	1944.19	6.47	2748.53	1710.17	6.22
Walwhan Solar Energy Maharashtra	31.50	26.96	8.56	31.50	26.96	8.56
SECI Hybrid - Solar	539.83	133.88	2.48	599.47	148.67	2.48
SECI Standalone Solar	488.04	132.26	2.71	559.61	151.65	2.71
SECI Hybrid - Wind	242.28	60.09	2.48	269.13	26.82	1.00
Sai Wardha	950.29	528.36	5.56	930.75	517.50	5.56
Battery Energy Storage Services	0.00	0.00	0.00	0.00	0.00	0.00
Short-term / Medium-term Sources						
Power Exchange/ Standalone Wind Power	1.67	0.78	4.68	779.41	314.10	4.03
Sale of Surplus Power	-25.11	-4.02	1.60	0.00	0.00	
Total Power Purchase Cost	5234.71	2822.50	5.39	5918.39	2895.88	4.89
Intra-State Transmission Charges		363.51			296.85	
InSTS True-up Gap		0.00			0.00	
MSLDC Charges		1.59			0.93	
STU Charges		-			0.28	
Total	5234.71	3187.60	6.09	5918.39	3193.93	5.40

Table 5-29: Power Purchase Cost for FY 2027-28, 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 (Total)	3066.28	2037.63	6.65	2827.85	1802.80	6.38

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)
Walwhan Solar Energy Maharashtra	31.59	27.04	8.56	31.59	27.04	8.56
SECI Hybrid - Solar	541.31	134.24	2.48	601.30	149.08	2.48
SECI Standalone Solar	489.38	132.62	2.71	561.14	152.07	2.71
SECI Hybrid - Wind	242.94	60.25	2.48	269.87	66.98	2.48
Sai Wardha	967.80	538.10	5.56	933.30	518.21	5.55
Battery Energy Storage Services	0.00	0.00	0.00	0.00	0.00	0.00
Short-term / Medium-term Sources						
Power Exchange/ Standalone Wind Power	1.11	0.52	4.68	1078.32	434.56	4.03
Sale of Surplus Power	-61.92	-9.91		-	0.00	
Total Power Purchase Cost	5278.49	2920.49	5.53	6303.38	3150.73	5.00
Intra-State Transmission Charges		408.17			304.50	
InSTS True-up Gap		0.00			0.00	
MSLDC Charges		2.33			1.00	
STU Charges		0.00			0.26	
Total	5278.49	3330.99	6.31	6303.38	3456.49	5.48

Table 5-30: Power Purchase Cost for FY 2028-29, 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 (Total)	3061.98	2093.07	6.84	2768.18	1817.11	6.56
Walwhan Solar Energy Maharashtra	31.50	26.96	8.56	31.50	26.96	8.56
SECI Hybrid - Solar	539.83	133.88	2.48	599.66	148.67	2.48
SECI Standalone Solar	488.04	132.26	2.71	559.61	151.65	2.71
SECI Hybrid - Wind	242.28	60.09	2.48	269.13	66.79	2.48
Sai Wardha	979.15	544.41	5.56	930.75	517.50	5.56
Battery Energy Storage Services	0.00	0.00	0.00	0.00	0.00	0.00
Short-term / Medium-term Sources						
Power Exchange/ Standalone Wind Power	1.90	0.89	4.68	1564.38	630.44	4.03
Sale of Surplus Power	-17.28	-2.76		0.00	0.00	
Total Power Purchase Cost	5327.40	2988.80	5.61	6723.21	3359.13	5.00
Intra-State Transmission Charges		439.73			299.16	
InSTS True-up Gap		0.00			0.00	
MSLDC Charges		2.83			1.05	
STU Charges		0.00			0.24	

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)
Total	5327.40	3431.36	6.44	6723.21	3659.59	5.44

Table 5-31: Power Purchase Cost for FY 2029-30, 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 (Total)	2165.36	1305.06	6.03	1661.82	985.97	5.93
Walwhan Solar Energy Maharashtra	31.50	26.96	8.56	31.50	26.96	8.56
SECI Hybrid - Solar	539.83	133.88	2.48	599.66	148.67	2.48
SECI Standalone Solar	488.04	132.26	2.71	559.61	151.65	2.71
SECI Hybrid - Wind	242.28	60.09	2.48	269.13	66.79	2.48
Sai Wardha	1095.00	608.82	5.56	930.75	517.50	5.56
Battery Energy Storage Services	199.94	129.96	0.00	199.94	129.96	6.50
Short-term / Medium-term Sources						
Power Exchange/ Standalone Wind Power	650.92	304.63	4.68	2930.07	1180.82	4.03
Sale of Surplus Power	-31.53	-5.04		0.00	0.00	
Total Power Purchase Cost	5381.34	2696.62	5.01	7182.48	3208.32	4.47
Intra-State Transmission Charges		459.13			290.37	
InSTS True-up Gap		0.00			0.00	
MSLDC Charges		3.19			1.08	
STU Charges		0.00			0.22	
Total	5381.34	3158.94	5.87	7182.48	3499.99	4.87

5.6.46. **RPO Achievement for 5th MYT Control Period** – The Commission has noted the submissions of BEST. However, the Commission has estimated RPO Achievement estimated based on the Power Purchase quantum through different sources as approved in the table above for the entire 5th Control Period. The summary of the RPO Achievement approved by the Commission for the 5th MYT Control Period is provided in the Table below:

Table 5-32: Details of RPO Achievement for FY 2025-26 to FY 2029-30, as approved by the Commission (MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Requirement at G-T Interface	5,565.07	5,918.59	6,303.38	6,723.21	7,182.48
Wind RPO					

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wind RPO in %	1.45%	1.97%	2.45%	2.95%	3.48%
Wind RPO in MU	80.69	116.60	154.43	198.33	249.95
Wind energy availability from 400 MW Wind Solar Hybrid project	269.13	269.13	269.87	269.13	269.13
Wind RPO shortfall/Surplus in Mus	-188.44	-152.54	-115.44	-70.80	-19.18
Wind RPO Fulfilment in %	4.84%	4.55%	4.28%	4.00%	3.75%
HPO					
HPO in %	1.22%	1.34%	1.42%	1.42%	1.33%
HPO in MU	67.89	79.31	89.51	95.47	95.53
Hydro energy availability to fulfil HPO	0	0	0	0	0
HPO RPO Shortfall in Mus	67.89	79.31	89.51	95.47	95.53
HPO Fulfilment in %	0.00%	0.00%	0.00%	0.00%	0.00%
Distributed RE RPO					
Distributed RE in %	2.10%	2.70%	3.30%	3.90%	4.50%
Distributed RE in MU	116.87	159.80	208.01	262.21	323.21
Distributed RE availability (Solar energy from Net Metering Consumers)	15	17	19	21	23
Distributed RE RPO shortfall in Mus	101.87	142.80	189.01	241.21	300.21
Distributed RE RPO Fulfilment in %	0.27%	0.29%	0.30%	0.31%	0.32%
Other RE RPO					
Other RE RPO in %	28.24%	29.94%	31.64%	33.10%	34.02%
Other RE RPO in MU	1571.58	1772.03	1994.39	2225.38	2443.48
Other RE RPO Availability					
Solar Welspun Energy Maharashtra Ltd.	31.50	31.50	31.59	31.50	31.50
Hydro energy from TPC-G Hydro plant	755.06	780.34	787.96	790.52	790.52
Solar energy from 400 MW Wind Solar Hybrid project	599.66	599.66	601.30	599.66	599.66
Solar energy from 234 MW Solar project	137.99	559.61	561.14	559.61	559.61
Short Term RE Procurement (IEX)	810.95	779.41	1078.32	1564.38	2930.07
Total availability for fulfilment of other RE RPO	2335.16	2750.52	3060.32	3545.67	4911.36
Other RE RPO shortfall/surplus in Mus	-763.59	-978.49	-1065.93	-1320.29	-2467.88
Other RE RPO Fulfilment in %	41.96%	46.47%	48.55%	52.74%	68.38%
Total RPO					
Total RPO in %	33.01%	35.95%	38.81%	41.37%	43.33%
Total RPO in MU	1837.03	2127.73	2446.34	2781.39	3112.17
Total RPO Fulfilment in MU	2619.29	3036.65	3349.19	3835.80	5203.49
Total RPO shortfall /Surplus in MU	-782.26	-908.92	-902.85	-1054.41	-2091.32
Total RPO fulfilment in %	47.07%	51.31%	53.13%	57.05%	72.45%

5.7. Operation and Maintenance Expenses

BEST's Submission

- 5.7.1. BEST has submitted that O&M expense for FY 2025-26 to FY 2029-30 is projected in accordance with Regulation 93.1 and 93.2 of MYT Regulations, 2024 for Wires

Business and Regulation 103.1 and 103.2 of MYT Regulations, 2024 for Retail Supply Business.

5.7.2. For projecting O&M expenses for the MYT Control Period, the closing GFA of Wires Business as claimed in the true-up for FY 2024-25, has been considered as the opening GFA of Wires Business for FY 2025-26. The average GFA for FY 2025-26 has been calculated based on the projected addition to GFA in FY 2025-26. Similarly, the average GFA for each year of the Control Period has been computed based on opening GFA and projected GFA addition during the year. The number of consumers in each year of the Control Period have been considered as projected earlier. However, for the purpose of projection of ARR and Tariff for the MYT Control Period, BEST has considered only 50% of the projected Capitalisation (GFA) and the details are mentioned in Capital expenditure and capitalisation.

5.7.3. The computation of normative O&M expenses for the Wires and Retail Supply Business of BEST is shown in the Table below:

Table 5-33: Normative O&M Expenses for Wire Business for FY 2025-26 to FY 2029-30 as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Norms					
O&M (% of Avg. GFA)	14.43%	15.08%	15.76%	16.46%	17.20%
O&M (Rs. Lakh/'000 consumers)	4.43	4.63	4.84	5.06	5.28
Parameters					
Opening GFA	3229.76	3592.28	3910.58	4161.38	4406.01
Closing GFA	3592.28	3910.58	4161.38	4406.01	4653.01
Avg. GFA	3411.02	3751.43	4035.98	4283.70	4529.51
No. of consumers (in thousands)	1058.83	1063.45	1068.10	1072.79	1077.51
Normative O&M Expenses	539.12	614.95	687.77	759.38	835.97

Table 5-34: Normative O&M Expenses for Retail Supply Business for FY 2025-26 to FY 2029-30 as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Norms					
O&M (% of Avg. GFA)	7.77%	8.12%	8.48%	8.87%	9.26%
O&M (Rs. Lakh/'000 consumers)	21.48	22.44	23.45	24.50	25.60
Parameters					
Opening GFA	358.86	388.86	394.88	394.88	394.88
Closing GFA	388.86	394.88	394.88	394.88	394.88
Avg. GFA (Rs. Cr.)	373.86	391.87	394.88	394.88	394.88
No. of consumers (in thousands)	1058.83	1063.45	1068.10	1072.79	1077.51
Normative O&M Expenses	256.49	270.46	283.96	297.86	312.41

Smart Meter Implementation

- 5.7.4. BEST submitted that Smart Metering scheme is being undertaken as per the Operational Guidelines for Revamped Distribution Sector Scheme (RDSS) - A Reforms-based and Results-linked Scheme issued by GOI vide dated 29 July, 2021. The relevant para of the guideline pertaining to TOTEX and funding linked to the same is given below:

““2.3 Eligible Works and Activities under Part A - Metering

2.3.1 Under this part, Prepaid Smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing.

2.3.2 Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode.....”

- 5.7.5. Further, BEST submitted that, as per Regulation 93.5 of the MYT Regulations, 2024, a Distribution Licensee may undertake Opex schemes over and above normative O&M expenses subject to prudence check by the Commission.
- 5.7.6. As per Regulation 3.11 of the MERC Capex Approval Regulations, 2022, BEST has planned to execute the project of “Implementation of Smart Metering” under TOTEX model through Advanced Metering Infrastructure Service Provider (AMISP) on Design, Built, Finance, Own, Operate and Transfer (DBFOOT) basis.
- 5.7.7. The Ministry of Power has issued a Guidance Note for appointment of AMISP for Smart Prepaid Metering in India, the relevant extract of which is reproduced below:

““ ”

ix. Accounting process of AMISP payment:

- Transaction Nature: Payment to the AMISP by the DISCOM shall be considered as an Operational Expenditure on DISCOM's account*

- Regulatory Treatment: DISCOM to consider AMISP payments (AMISP service charge along with the lump sum payment per meter) as operational expenditure while filing ARR and tariff review petition to the state ERC*

..... ”

- 5.7.8. BEST submitted that the Detailed Project Report (DPR) for the Smart Metering scheme was approved by the Commission on 22 November, 2023, with a total approved value of Rs. 1303.16 Crore. BEST has also submitted the Cost-Benefit Analysis (CBA) of the Smart Metering scheme.
- 5.7.9. Further, for the implementation of Smart Meters, BEST has carried out competitive bidding for selection of AMISP. Accordingly, M/s. Adani Transmission Ltd. was appointed as AMISP for implementation of the Smart Meter scheme. BEST submitted that after issuing of LOA, the work was expected to be completed within 30 months and after 9 months of LOA, first 5% of the meters shall be covered under Go-live system.
- 5.7.10. BEST apprised the Commission that it has already started the implementation of the Smart Meters from FY 2023-24 onwards and submitted that significant progress has been made in the implementation of the Smart Metering scheme. As of September 2024, 2,67,478 meters have been installed, including 2,37,397 single-phase meters, 26,215 three-phase meters, and others.
- 5.7.11. BEST submitted that Smart Metering implementation, which was originally scheduled for completion in November, 2025, is being extended by four months to March, 2026 due to unforeseen circumstances, including the recent election period.
- 5.7.12. BEST submitted that it is important to note that all meters installed up to date are in post-paid mode, and hence, no grants have been sanctioned till date as only pre-paid meters are eligible for grant.
- 5.7.13. In the approval letter, the meter type and number of meters to be installed is clearly mentioned and accordingly BEST has started the implementation process. The following are the details of the meters to be installed:

Table 5-35: Type and quantity of Smart Meter details

Meter Type	No. of meters
Single Phase Whole Current Consumer Meter	9,01,212
Three Phase Whole Current Consumer Meter	1,68,419
Three Phase LT CT Consumer Meter	6,053
Three Phase HT meter	206
Three Phase LT CT - DT Meter	3,398
Three Phase HT Feeder Meter	1,255
Three Phase CT/PT Operated ABT Meter	133
Total	10,80,676

5.7.14. The AMISP will be paid for each meter installation in 90 instalments, starting from the date of meter installation. Hence, the payment has been considered for the MYT Control Period as per the methodology based on projected year-wise meter installation.

5.7.15. Accordingly, the payment to the AMISP towards Smart Meters installed has been considered under Opex head in the total O&M cost of Wires and Retail Supply Business. The total normative O&M expenses including Smart Meter OPEX scheme for the Wires and Retail Supply Business is given in the Table below:

Table 5-36: Total O&M Expenses for Wires Business from FY 2025-26 to 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M Expenses	539.12	614.95	687.77	759.38	835.97
Opex schemes	1.56	1.60	1.60	1.60	1.60
Total O&M Expenses	540.68	616.55	689.37	760.98	837.57

Table 5-37: Total O&M Expenses for Retail Supply Business from FY 2025-26 to 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M Expenses	256.49	270.46	283.96	297.86	312.41
Opex schemes	132.50	171.17	171.17	171.17	171.17
Total O&M Expenses	388.99	441.63	455.13	469.03	483.58

5.7.16. BEST requested the Commission to consider the Smart Meter Project expenses over and above normative O&M expenses under OPEX scheme for the Supply Business.

Commission's Analysis and Ruling

5.7.17. The Regulation 93 of the MYT Regulations, 2024 provides the norms for the projection of the normative O&M Expenses for Wires and Retail Supply Business linked with the GFA and Number of Consumers.

5.7.18. The Commission while computing the Normative O&M Expenses have considered the Average GFA based on the Opening and Closing GFA approved by the Commission in this Order for each year of the 5th MYT Control Period. Further, the Commission has also considered the Number of Consumers approved in this Order for each year of the 5th MYT Control Period.

5.7.19. Based on the above, the Commission has worked out the normative O&M Expenses for the 5th MYT Control Period, which is summarised in the Table below:

Table 5-38: Normative O&M Expenses for Wires Business FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Norms (% of Average GFA - Wires) (a) (As per Regulation 93.2)	14.43%	15.08%	15.76%	16.46%	17.20%
Average Wires GFA** (Form F5) (b)	3391.87	3730.02	4033.30	4228.00	4353.50
O&M (INR Lakhs/'000 consumers) (c)	4.43	4.63	4.84	5.06	5.28
No. of consumers (in thousands) (d)	1058.83	1063.45	1068.10	1072.79	1077.51
Normative O&M Expenses (a) x (b) + (c) x (d)	536.35	611.73	687.34	750.21	805.69

Table 5-39: Normative O&M Expenses for Retail Supply Business FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Norms (% of Average GFA - Retail Supply) (a) (As per Regulation 93.2)	7.77%	8.12%	8.48%	8.87%	9.26%
Average Retail Supply GFA** (Form F5) (b)	324.18	342.19	345.20	345.20	345.20
O&M (INR Lakhs/'000 consumers) (c)	21.48	22.44	23.45	24.50	25.60
No. of consumers (in thousands) (d)	1058.83	1063.45	1068.10	1072.79	1077.51
Normative O&M Expenses (a) x (b) + (c) x (d)	252.63	266.42	279.74	293.45	307.81

5.7.20. With regards to the Smart Meter Scheme, the Commission has noted the submissions of BEST. The Commission in the MTR Order had directed BEST to submit the Cost Benefit Analysis (CBA) and detailed justification pertaining to its claims towards the Smart Meter Scheme for consideration under the TOTEX. BEST has submitted the required CBA as sought by the Commission. The Commission while analysing the claims of BEST towards the Smart Meter Scheme sought the complete DPR of the Smart Meter Scheme along with Work Plan for the target completion of the same as part of the data gaps query, since, ~2.64 Lakhs of the Smart Meters have been installed as on September 2024 as against the complete installation of ~10.80 Lakhs of Smart Meter across the BEST's License Area. BEST in response to the same has submitted its DPR and Work Plan, where it has targeted to completion of the entire Smart Scheme by March, 2026.

5.7.21. The Commission upon the perusal of the submissions made by BEST towards the Smart Meter Scheme allows the BEST's claims towards the Smart Meter Implementation under OPEX Scheme, which will be over and above the Normative

O&M Expenses as approved above. The same is subject to the prudence check at the time of True-up.

5.7.22. Further, BEST at the time of filing MTR Petition shall demonstrate the reduction or the overall saving in the O&M expenses since, it has claimed OPEX Schemes, which would be beneficial in terms of reducing the overall O&M cost burden.

5.7.23. The summary of the Total O&M Expenses approved by the Commission for 5th MYT Control Period is provided in the Table below:

Table 5-40: O&M Expenses for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wires Business					
Normative O&M Expenses	536.35	611.73	687.34	750.21	805.69
Opex schemes	1.56	1.60	1.60	1.60	1.60
Total O&M Expenses - Wires (A)	537.91	613.33	688.94	751.81	807.29
Retail Supply Business					
Normative O&M Expenses	252.63	266.42	279.74	293.45	307.81
Opex schemes	132.50	171.17	171.17	171.17	171.17
Total O&M Expenses - Retail Supply (B)	385.13	437.59	450.91	464.62	478.98
Retail Supply Business					
Normative O&M Expenses	788.98	878.15	967.09	1043.66	1113.50
Opex schemes	134.06	172.77	172.77	172.77	172.77
Total O&M Expenses - Combined (A+B)	923.04	1050.92	1139.86	1216.43	1286.27

5.7.24. Accordingly, the Commission has approved the Total O&M Expenses of Rs. 923.04 Crore for FY 2025-26, Rs. 1050.92 Crore for FY 2026-27, Rs. 1139.86 Crore for FY 2027-28, Rs. 1216.43 Crore for FY 2028-29 and Rs. 1286.27 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.8. Capital Expenditure and Capitalisation

BEST's Submission

5.8.1. BEST endeavours to develop adequate system capacity that meets the entire requirement and build adequate reserves in the system in all its CAPEX projects so that the network is able to meet all the demand during any unforeseen outages. BEST 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.
- 5.8.2. BEST has submitted that the Undertaking distributes electricity to around 10.75 lakh esteemed consumers in the Island city area of Mumbai, which is the financial capital of India. Our esteemed consumers are Navy, BSE, Reserve Bank of India, Headquarters of various Central and State Government Bodies, Financial Institutions, as well as corporate headquarters of Indian as well as multinational corporations. BEST has been providing 24×7 uninterrupted, reliable and economical electricity supply to the consumers and strives to meet their high expectations.
- 5.8.3. BEST's distribution network comprises around 11,000 km of underground cable network, which is very old and is due for replacement. Also, the RSS equipment like 33 kV and 11 kV Switchgears, power transformers, Battery Chargers and battery sets have outlived their useful life and need to be replaced in a phased manner in the next three years. This shall enable BEST to reduce the losses and BEST shall be able to provide reliable continuous electricity supply to our esteemed consumers.
- 5.8.4. The Government of India (GoI) has come up with the Reforms-Based and Results-Linked Revamped Distribution Sector Scheme (RDSS) for supporting DISCOMs (except private DISCOMs) to undertake reforms and performance improvement in a time bound manner. The Scheme aims to carry out the works enabling improvement in the quality and reliability of power supply to consumers, by providing conditional financial assistance to DISCOMs to make the sector financially sustainable and operationally efficient. The sunset date for this scheme is 31 March, 2026.
- 5.8.5. To achieve the above goal and to utilize the opportunity provided by the Central Government in the form of 60% Grant under RDSS, an Action Plan and DPR was prepared. BEST forwarded the DPR of Rs. 3460.98 Crore and Action Plan under the RDSS Project to the Government of Maharashtra for its approval and to recommend the same to the Govt. of India. This DPR contains Distribution Infrastructure works (i.e., RSS/DSS infra works, IT applications and Infrastructure works, Advance Distribution Management System (ADMS)) and Advance Metering Infrastructure (Smart Metering). The GoM has approved BEST's DPR of Rs. 3,460.98 Crore and Action Plan on 25 August 2022 and presently BEST's proposal is under consideration of Govt. of India. The GR of GoM approval of RDSSS Plan. The Central Government would be providing grant to the extent of 60% of the total value of the RDSS package and 40% shall have to be provided through internal funds of the utility.

- 5.8.6. BEST further submitted that according to the Sanction Letter received from Power Finance Corporation (PFC) dated 21 November, 2022, PFC has approved Rs. 978.22 Crore in the 13th Monitoring Committee meeting of RDSS held under the chairmanship of Secretary (Power) on 22 August 2022. It may be noted that the actual contract values are different from the DPR value approved by PFC, which has been discovered through the competitive bidding process followed by BEST. Hence, BEST has considered 60% of the approved DPR value as grant portion of the capital expenditure proposed to be capitalized in the MYT Control Period.
- 5.8.7. BEST submitted that the DPR for implementation of various Schemes under RDSS was approved by the Commission on 9 January, 2024, with a total approval value of Rs. 1711.21 Crore.
- 5.8.8. Further, the DPR for the RDSS Modernisation (Phase II) is not yet prepared. However, the MYT Petition is to be filed for the MYT Control Period from FY 2025-26 to FY 2029-30, and BEST has to make a reasonable assessment of the Capital Expenditure and Capital Expenditure against RDSS Modernisation (Phase II) over the later years of the MYT Control Period, in order to have a realistic assessment of the costs and tariff, which can be reflected in the tariffs to be approved for the MYT Control Period.
- 5.8.9. The detailed Scheme-wise break-up of Capex and Capitalisation proposed for FY 2025-26 to FY 2029-30 as been submitted along with the Petition in the appropriate MYT Tariff Formats.
- 5.8.10. BEST has submitted that although it has envisaged and is committed to incur capital expenditure towards RDSS Schemes as envisaged above, the scale of proposed capital expenditure is significantly higher than the actual capitalisation achieved by BEST in the previous years. Although Project Management Agency (PMA) has been appointed for the planned Capex, BEST is of the view that it would not be advisable to factor in the impact of the entire projected capitalisation in the computation of ARR and tariff for the next Control Period.
- 5.8.11. Hence, for the purpose of projection of ARR and Tariff for the MYT Control Period, BEST has considered only 50% of the above projected Capitalisation. However, it is clarified that BEST is not revising its projected Capex and Capitalisation, and would strive to achieve the Capex as planned. The factor of 50% of planned Capitalisation is being applied in order to ensure a conservative approach, and to ensure that the consumers of BEST are not unduly burdened in anticipation of achievement of much higher capitalisation.

5.8.12. It may also be noted that there is constraint in manufacturing and supply chain to deliver the requisite materials on time as all over India, RDSS scheme is under execution and there are limited suppliers for the same. This is also likely to impact the timelines for implementation of RDSS Schemes.

5.8.13. The projected capital expenditure and capitalization considered for tariff purposes for the Control Period from FY 2025-26 to FY 2029-30 is shown in the table below:

Table 5-41: Capital Expenditure and Capitalization considered for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Expenditure	364.52	319.01	246.10	244.63	247.00
Capitalisation	362.52	318.31	250.80	244.63	247.00

Table 5-42: Capital Expenditure and Capitalization considered for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Expenditure	30.00	6.02	-	-	-
Capitalisation	30.00	6.02	-	-	-

5.8.14. BEST has therefore requested the Commission to approve the projected Capital Expenditure and Capitalization as submitted above and consider the reduced capitalisation as proposed by BEST for tariff purposes. Any variation between approved and actual capitalisation shall be claimed on actual basis along with associated carrying/holding cost, at the time of truing up of the respective years.

Commission's Analysis and Ruling

5.8.15. The Commission while analysing the details of Capitalisation proposed by BEST sought the revised proposal of the Capitalisation with achievable phasing of the Capitalisation over the 5th Control Period from BEST as part of the data gaps query. BEST in response to the same has submitted its revised Capital Expenditure and Capitalisation for the respective years of the 5th MYT Control Period.

5.8.16. The Commission has undertaken prudence check of the capitalisation considered against approved DPR Schemes and Non-DPR Schemes. It is observed that BEST has proposed capitalisation of Schemes which are approved by the Commission. The Commission also noted that BEST has proposed capitalisation in the Control Period against DPR Scheme (RDSS II), which is yet to be submitted before the Commission for its in-principal approval.

5.8.17. The Commission while approving the capitalisation has adopted the following approach:

- 50% of the total capitalisation against the approved DPR schemes, as proposed by BEST.
- Restricting DPR approval which are yet to be approved to average of capitalisation approved for past three years i.e., FY 2021-22 to FY 2023-24. Accordingly, the three year average of approved capitalisation is as given below:

Table 5-43: Capitalisation of the DPR Schemes approved by the Commission from FY 2021-22 to FY 2023-24 (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average
DPR Schemes Approved	84.86	121.75	109.70	105.44

- Non-DPR Scheme restricted to 30% of the cumulative capitalisation approved under DPR for the Control Period.

5.8.18. It is to be noted that mere consideration of capital expenditure/capitalisation in this Order does not mean that the same is approved. No Scheme shall be undertaken unless the same is approved by the Commission under the separate in-principle approval process or qualifies under Non-DPR scheme as provided in the MERC (Approval of Capital Investment Schemes) Regulations, 2022.

5.8.19. Further, the Commission accepts the BEST's proposal of considering 50% of the Capitalisation of the total Capitalisation proposed for the respective years, however, the Commission is not inclined to accept the proposal of BEST of seeking Carrying/(Holding) cost in case of the over achievement of the approved Capitalisation during the 5th Control Period. Since, such proposal in itself is contradicting the BEST's contention of considering such conservative approach to avoid undue burden on to the consumers and on the other hand seeking Carrying Cost in case of the over achievement of the approved capitalisation.

5.8.20. Further, in case of the Non-DPR Scheme, it was observed that BEST has claimed flat Rs. 1.50 Crore for each year of the 5th MYT Control Period, however, it has not provided any justification neither the Scheme Head under which the same is claimed. The Commission has therefore not approved such claim of Rs. 1.50 Crore towards the non-DPR scheme claimed by BEST.

- 5.8.21. BEST has claimed its Non-DPR expenses towards the Schemes, Revamping of RSS, Furniture & Civil works and Street Lighting (lamps and cables), where the overall claims under the Non-DPR scheme is within the benchmark limit of 30% as per the MYT Regulations, 2024. Accordingly, the Commission has allowed the BEST's claim towards the non-DPR scheme for the purpose of MYT projections, subject to prudence check at the time of True-up.
- 5.8.22. Based on the above approach, the Commission has approved the Capitalisation for the 5th MYT Control Period, which is summarised in the Table below:

Table 5-44: Capitalisation for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Business					
DPR-Approved	348.58	325.36	244.74	105.44	105.44
Non-DPR	16.27	22.13	20.35	18.88	21.25
Total Capitalisation	364.84	347.49	265.09	124.31	126.69
Wires Business	334.84	341.47	265.09	124.31	126.69
Supply Business	30.00	6.02	0.00	0.00	0.00

- 5.8.23. Accordingly, the Commission has approved the Capitalisation of Rs. 364.84 Crore for FY 2025-26, Rs. 347.49 Crore for FY 2026-27, Rs. 265.09 Crore for FY 2027-28, Rs. 124.31 Crore for FY 2028-29 and Rs. 126.69 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.9. Funding of Capitalisation

BEST's Submission

- 5.9.1. BEST has only considered 60% of grant on capitalization proposed for FY 2025-26 to FY 2029-30 as per Sanction Letter received from PFC dt. 21 November, 2022. Further, the balance funding of capitalization is through capital connection fee, loan, equity and grant.
- 5.9.2. BEST has submitted that it receives funding from MCGM for the capex of street lights. Further, for street lights, BEST has considered capex equal to capitalization for FY 2025-26 to FY 2029-30. Hence, the capitalisation amount of Rs. 15 Crore for street lights is considered to be funded from grants for FY 2025-26, Rs. 20 Crore for FY 2026-27, Rs. 18 Crore for FY 2027-28, Rs. 15 Crore for FY 2028-29 and Rs. 20 Crore for FY 2029-30. Apart from this, BEST has got confirmation from PFC for funding of RDSS Scheme of Rs. 972.88 Cr. for Loss Reduction Works. Under the

RDSS Scheme, BEST will receive a total grant of 60% of approved RDSS funding for Loss Reduction Works.

- 5.9.3. The following table shows the projected funding of capitalization projected for the Control Period from FY 2025-26 to FY 2029-30. BEST has considered the normative Debt: Equity ratio of 70:30 after deducting the capital connection fee and Government grants.

Table 5-45: Funding of Capitalisation for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capital Connection Fee					
Grants from IPDS Scheme/RDSS Scheme	256.03	117.19	-	-	-
Grants for Street Lights	15.00	20.00	18.00	15.00	20.00
Debt	64.04	126.78	162.96	160.74	158.90
Equity	27.45	54.33	69.84	68.89	68.10
Total of Capitalisation	362.52	318.31	250.80	244.63	247.00

Table 5-46: Funding of Capitalisation for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Grants from IPDS Scheme/RDSS Scheme	30.00	8.52	-	-	-
Grants for Street Lights	-	-	-	-	-
Debt	-	-	-	-	-
Equity	-	-	-	-	-
Total of Capitalisation	30.00	6.02	-	-	-

- 5.9.4. BEST has requested the Commission to approve the funding for the projected Capitalization.

Commission's Analysis and Ruling

- 5.9.5. The Commission has examined submissions of BEST. As discussed under Para. 4.7.3, the Commission has sought the revised Capital Expenditure and Capitalisation of the 5th Control Period as part of the data gaps queries. BEST in response to the same has submitted its revised Capital Expenditure and Capitalisation, where it is observed that, the BEST has submitted the revised allocation of Grants towards IPDS/RDSS Scheme as compared to the allocation provided as part of the MYT Petition. The Commission

upon the perusal of the revised submissions of the BEST, have considered the revised allocation of Government Grants for the respective year of the 5th Control Period as submitted by BEST. Further, the Street Lighting Grant has been considered same as proposed by BEST as part of sources for funding of capitalization. The balance funding requirement shall be met through Debt: Equity in the ratio of 70:30.

5.9.6. Based on the above, the details of funding of capitalisation for FY 2025-26 to FY 2029-30 is provided in the Table below:

Table 5-47: Details of funding of Capitalisation for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Wires Business					
Capital Connection Fee	0.00	0.00	0.00	0.00	0.00
Grants from IPDS Scheme/RDSS Scheme	200.00	194.25	137.49	270.00	270.00
Grants for Street Lights	15.00	20.00	18.00	15.00	20.00
Debt	83.89	89.05	76.72	-112.48	-114.32
Equity	35.95	38.16	32.88	-48.21	-48.99
Total of Capitalisation including IDC	334.84	341.47	265.09	124.31	126.69
Retail Supply Business					
Grants from IPDS Scheme/RDSS Scheme	30.00	8.52	0.00	0.00	0.00
Debt	0.00	0.00	0.00	0.00	0.00
Equity	0.00	0.00	0.00	0.00	0.00
Total of Capitalisation including IDC	30.00	6.02	0.00	0.00	0.00

5.10. Depreciation

BEST's Submission

- 5.10.1. BEST has computed depreciation for the MYT Control Period as specified in Regulation 28 of the MYT Regulations, 2024.
- 5.10.2. BEST submits that the depreciation for the Control Period from FY 2025-26 to FY 2029-30 has been projected in accordance with Regulation 28.1 of the MYT Regulations, 2024.
- 5.10.3. BEST has computed the depreciation for MYT Control Period in two parts, viz., depreciation for existing assets based on the rates specified in Annexure I of the MYT Regulations, 2024 and depreciation for new assets projected to be commissioned (on or after 1st April, 2025) as per the rates specified in Annexure II of the MYT Regulations, 2024.

5.10.4. BEST has calculated depreciation for existing asset using average depreciation rate of 3.47% for FY 2025-26 to FY 2029-30. The average depreciation rate has been considered same as considered for FY 2024-25, based on the actual depreciation rate for FY 2023-24. The approach adopted by BEST for the claim of depreciation is in line with previous submissions and also approval of the Commission in the previous Orders. BEST has calculated depreciation for new assets as per asset class wise depreciation rates.

5.10.5. The average depreciation rate computed above has been applied on average of opening regulatory GFA and closing regulatory GFA submitted by BEST for approval of the Commission. Closing regulatory GFA of FY 2024-25 has been considered as opening GFA for FY 2025-26 and similarly for the remaining years in the Control Period is calculated. The addition to GFA has been considered as proposed in the earlier section. The following table summarizes the depreciation calculation for the Control Period from FY 2025-26 to FY 2029-30:

Table 5-48: Depreciation for existing assets from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Regulated GFA	3,588.63	3,588.63	3,588.63	3,588.63	3,588.63
Closing Regulated GFA	3,588.63	3,588.63	3,588.63	3,588.63	3,588.63
Average Regulated GFA	3,588.63	3,588.63	3,588.63	3,588.63	3,588.63
Average Depreciation Rate (%)	3.47%	3.47%	3.47%	3.47%	3.47%
Depreciation	124.66	124.66	124.66	124.66	124.66

Table 5-49: Depreciation for new assets for Wires Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Wires Business					
Opening GFA	-	362.52	680.82	931.62	1176.25
Additions during the year	362.52	318.31	250.80	244.63	247.00
Closing GFA	362.52	680.82	931.62	1176.25	1423.25
Depreciation	19.27	34.70	49.67	60.18	70.61
Retail Supply Business					
Opening GFA	-	-	-	-	-
Additions during the year	-	-	-	-	-
Closing GFA	-	-	-	-	-
Depreciation	-	-	-	-	-
Depreciation (Wires + Supply)	19.27	34.70	49.67	60.18	70.61

Table 5-50: Total Depreciation for Wires Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Depreciation – existing assets	112.20	112.20	112.20	112.20	112.20
Depreciation – new assets	19.27	34.70	49.67	60.18	70.61
Total Depreciation	131.47	146.90	161.87	172.38	182.81

Table 5-51: Depreciation for Retail Supply Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Depreciation – existing assets	12.47	12.47	12.47	12.47	12.47
Depreciation – new assets	0.63	1.39	1.52	1.52	1.52
Total Depreciation	13.10	13.86	13.99	13.99	13.99

5.10.6. BEST has submitted that the weighted average rate of depreciation for existing asset is derived based on the actual basis excluding depreciation on assets funded through grants. Also, depreciation for new asset is excluding depreciation on assets funded through grants. No depreciation has been charged on grant funded assets.

5.10.7. BEST has further submitted that the actual depreciation rate would be considered at the time of truing-up as receipt of grant would depend on the milestones stipulated and agreed as per RDSS approved scheme document.

5.10.8. BEST has therefore requested the Commission to approve the projected depreciation for FY 2025-26 to FY 2029-30. Any variation in above expenses will be claimed on actual basis at the time of truing up.

Commission's Analysis and Ruling

5.10.9. The Commission has computed the Depreciation for the 5th Control Period as per Regulation 28 of the MYT Regulations, 2024. The relevant extract of the referred Regulation is provided as under:

“28.1 The Generating Company, Licensee, ESSD, MSLDC and STU shall be permitted to recover depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:

Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation for the Existing Capital Schemes or Existing Assets shall be calculated annually based on the straight-line method at the rates specified in the Annexure I to these Regulations for the assets of the Generating Company or Licensee or ESSD or MSLDC or STU:

Provided that the Generating Company or Licensee or ESSD or MSLDC or STU shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of twelve years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation:

Provided further that the Generating Company or Licensee or ESSD or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: The term “Existing Capital Schemes” or “Existing Assets” here means the Capital Schemes or the Assets, including Non-DPR schemes which are commissioned on or before the March 31, 2025 or Assets in-principally approved by the Commission before the notification of these Regulations for the Generating Company or Licensee or MSLDC or STU or ESSD.”

(c) Depreciation for the New Capital Schemes or New Assets shall be computed annually based on the straight-line method at the rates specified in the Annexure II to these Regulations for the assets of the Generating Company or Licensee or MSLDC or STU or ESSD:

Provided that the Generating Company or Licensee or MSLDC or STU or ESSD shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of fifteen years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation:

Provided further that the Generating Company or ESSD or Licensee or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: The term “New Capital Schemes” or “New Assets” here means the Capital Schemes or the Assets, which not covered under Existing Assets.

(d) The salvage value of the asset shall be considered as 10.00%, and depreciation shall be allowed up to the maximum of 90.00% of the allowable capital cost of the asset:

Provided that the Generating Company, ESSD or Licensee or MSLDC or STU shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL or 0.00% and 100% or entire value of the assets shall be considered depreciable.

..... ” (Emphasis added)

5.10.10. In accordance with the above Regulation, the Commission has considered the closing GFA for FY 2024-25 as approved in this Order as the opening GFA for FY 2025-26 for the computation of the Depreciation of the Existing Assets. The Commission has also taken the addition of GFA equivalent to the capitalisation approved in this Order. Further, for the computation of ‘New Assets’ the Commission has considered the addition during the years for the DPR Scheme approved post notification the MYT Regulation, 2024.

5.10.11. The Commission for the computation of the Existing Assets has considered the Depreciation on average GFA for the year by applying weighted average depreciation rate of 3.47% approved for FY 2023-34 after Truing up in this Order. For ‘Existing Assets’ the Depreciation has been computed in lines with the Depreciation Rates provided under Annexure II of the MYT Regulations, 2024.

5.10.12. The summary of the Depreciation approved by the Commission for the 5th Control Period is provided in the Table below:

Table 5-52: Depreciation for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Depreciation – existing assets	129.09	141.46	152.10	156.71	156.71
Depreciation – new assets	0.00	0.00	0.00	2.64	7.96
Total Depreciation	129.09	141.46	152.10	159.34	164.67
Depreciation – Wires Business	117.83	129.58	140.11	147.35	152.68
Depreciation – Retail Supply Business	11.26	11.89	11.99	11.99	11.99

5.10.13. Accordingly, the Commission has approved the Depreciation of Rs. 129.09 Crore for FY 2025-26, Rs. 141.46 Crore for FY 2026-27, Rs. 152.10 Crore for FY 2027-28, Rs. 159.34 Crore for FY 2028-29 and Rs. 164.67 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.11. Interest on Long Term Loan

BEST's Submission

- 5.11.1. BEST has considered long-term loans to be taken in line with the capitalization projected for the Control Period from FY 2025-26 to FY 2029-30. BEST has computed interest on loans as specified in Regulation 30 of the MYT Regulations, 2024.
- 5.11.2. BEST has considered the opening balance of loans same as that equivalent to closing balance of previous financial year. The addition of debt component has been considered based on the Debt: Equity ratio of 70:30 on the projected capitalisation for respective year, after deduction of grants. The debt repayment has been considered equal to the depreciation projected for the respective year. Based on the above, BEST has computed closing balance and average balance of loans for all the years of 5th MYT Control Period.
- 5.11.3. BEST has considered the weighted average interest rate for the Control Period from FY 2025-26 to FY 2029-30, same as applicable for FY 2024-25, i.e., 10.34% based on opening loan balance of existing long-term loans. It may be noted that the interest on normative loans works out to 'Nil' for all years of the Control Period for the Wires Business and Supply Business. The following tables shows the computation of interest on loans projected for the Control Period from FY 2025-26 to FY 2029-30:

Table 5-53: Normative Interest on loan for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Net Normative Loan	-	-	-	1.09	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-	-	-
Addition of Normative Loan due to capitalisation during the year	64.04	126.78	162.96	160.74	158.90
Repayment of Normative loan during the year	64.04	126.78	161.87	161.83	158.90
Closing Balance of Net Normative Loan	-	-	1.09	-	-
Average Balance of Net Normative Loan	-	-	-	-	-
Weighted average Rate of Interest on actual Loans (%)	10.34%	10.34%	10.34%	10.34%	10.34%
Total Interest & Financing Charges	-	-	0.06	0.06	-

Table 5-54: Normative Interest on loan for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Net Normative Loan	-	-	-	-	-
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-	-	-
Addition of Normative Loan due to capitalisation during the year	-	-	-	-	-
Repayment of Normative loan during the year	-	-	-	-	-
Closing Balance of Net Normative Loan	-	-	-	-	-
Average Balance of Net Normative Loan	-	-	-	-	-
Weighted average Rate of Interest on actual Loans (%)	10.34%	10.34%	10.34%	10.34%	10.34%
Total Interest & Financing Charges	-	-	-	-	-

5.11.4. BEST has therefore requested the Commission to approve the normative interest expenses as shown in the above tables. Any variation in above expenses will be claimed as per the Regulations at the time of truing up.

Commission's Analysis and Ruling

- 5.11.5. The Commission has computed the interest on long-term loan for the 5th Control Period in accordance with Regulation 30 of the MYT Regulations, 2024. The Commission has considered the closing net normative loan balance for FY 2024-25 as approved in this Order, as the opening net normative loan balance for FY 2025-26. The loan addition during the year is considered as 70% of the approved capitalization during the respective years for the 5th Control Period.
- 5.11.6. The Commission has considered the repayment equivalent to the Depreciation approved for respective years.
- 5.11.7. With regards the Interest rate to be considered for the purpose of projections, the Regulation 30 of the MYT Regulations, 2024 provides 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 10.34% same as approved for FY 2024-25 for the 5th MYT Control Period based on BEST's submission, subject to Truing-up. For all the years except FY 2025-26 of 5th Control Period, opening normative loan is Nil as 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 for the 5th Control Period is provided in the Table below:

Table 5-55: Interest on Loan of Wires Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Normative Loan	20.95	0.00	0.00	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of Assets	0.00	0.00	0.00	0.00	0.00
Loan Drawl during the year	83.89	89.05	76.72	0.00	0.00
Loan Repayment during the year	104.84	89.05	76.72	0.00	0.00
Closing Balance of Normative Loan	0.00	0.00	0.00	0.00	0.00
Average Balance of Normative Loan	10.48	0.00	0.00	0.00	0.00
Applicable Interest Rate (%)	10.34%	10.34%	10.34%	10.34%	0.00%
Total Interest Expenses	1.08	0.00	0.00	0.00	0.00

Table 5-56: Interest on Loan of Retail Supply Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Normative Loan	0.00	0.00	0.00	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of Assets	0.00	0.00	0.00	0.00	0.00
Loan Drawl during the year	0.00	0.00	0.00	0.00	0.00
Loan Repayment during the year	3.50	0.00	0.00	0.00	0.00
Closing Balance of Normative Loan	0.00	0.00	0.00	0.00	0.00
Average Balance of Normative Loan	0.00	0.00	0.00	0.00	0.00
Applicable Interest Rate (%)	10.34%	10.34%	10.34%	10.34%	10.34%
Total Interest Expenses	0.00	0.00	0.00	0.00	0.00

Table 5-57: Interest on Loans for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Normative Loan	20.95	0.00	0.00	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of Assets	0.00	0.00	0.00	0.00	0.00
Loan Drawl during the year	83.89	89.05	76.72	0.00	0.00
Loan Repayment during the year	108.34	89.05	76.72	0.00	0.00
Closing Balance of Normative Loan	0.00	0.00	0.00	0.00	0.00
Average Balance of Normative Loan	10.48	0.00	0.00	0.00	0.00
Applicable Interest Rate (%)	10.34%	10.34%	10.34%	10.34%	10.34%
Total Interest Expenses	1.08	0.00	0.00	0.00	0.00

5.11.8. Accordingly, the Commission has approved the Interest on Loan Capital of Rs. 1.08 Crore for FY 2025-26 and 'Nil' for FY 2026-27 to FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.12. Interest on Working Capital

BEST's Submission

5.12.1. BEST has calculated interest on working capital based on the norms specified in Regulations 32.3 and 32.4 of the MYT Regulations, 2024. Working capital for each year of the Control Period has been computed based on the following:

- One-month normative O&M expenses;
- Maintenance spares have been taken as 1% of opening GFA;
- One and half month equivalent of the expected revenue from charges for use of Distribution Wires/Retail Supply Business;

- d) Reduction of Security Deposit expected to be retained by BEST;
- e) Reduction of one-month equivalent of cost of power purchase, Transmission Charges and MSLDC Charges for the Retail Supply Business.

5.12.2. The interest rate on the working capital amount is considered equal to the SBI 1-year MCLR prevalent on date of filing the Petition, i.e., SBI 1-year MCLR w.e.f. 15th November, 2024, i.e. 9.00% plus 150 basis points, therefore the interest rate of 10.50% has been considered.

5.12.3. The following tables shows the interest on Working Capital for Wires Business and Supply Business projected for the Control Period from FY 2025-26 to FY 2029-30:

Table 5-58: Normative Interest on Working Capital for Wire Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	45.06	51.38	57.45	63.41	69.80
Maintenance Spares at 1% of Opening GFA	32.30	35.92	39.11	41.61	44.06
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	108.46	109.40	110.40	111.53	112.80
Less: Amount held as Security Deposit from Distribution System Users	56.60	56.60	56.60	56.60	56.60
Total Working Capital Requirement	129.21	140.10	150.36	159.97	170.06
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Normative Interest on Working Capital	13.57	14.71	15.79	16.80	17.86

Table 5-59: Normative Interest on Working Capital for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	32.42	36.80	37.93	39.09	40.30
Maintenance Spares at 1% of Opening GFA	3.59	3.89	3.95	3.95	3.95
One and half months equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	453.92	457.07	460.42	464.14	468.27
Less: Amount held as Security Deposit	509.38	509.38	509.38	509.38	509.38
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	277.97	265.63	269.42	285.95	263.25
Total Working Capital Requirement	(297.42)	(277.26)	(276.50)	(288.15)	(260.11)
Computation of Working Capital					

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Normative Interest on Working Capital	-	-	-	-	-

5.12.4. The normative interest on working capital for retail supply business works out to Nil, as working capital requirement is funded by consumer security deposit. BEST therefore requested the Commission is requested to approve the normative IoWC as summarized in table above.

Commission's Analysis and Ruling

5.12.5. The Commission has computed the Interest on Working Capital (IoWC) in accordance with Regulation 32.3 and Regulation 32.4 of the MYT Regulations, 2024. The relevant extract of the referred Regulations is provided as under:

“32 Interest on Working Capital

.....

32.3 Distribution Wires Business

(a) The working capital requirement of the Distribution Wires Business shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and half month equivalent of the expected revenue from charges for use of Distribution Wires at the Tariff approved by the Commission for ensuing year(s);

minus

(iv) Amount held as security deposits in cash from Distribution System Users:

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the actual Revenue from sale of electricity excluding incentive, if any, and other components of

working capital approved by the Commission in the Truing-up before sharing of gains and losses;

(b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points: ... ”

32.4 Retail Supply of Electricity

(a) The working capital requirement of the Retail Supply Business shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and half months equivalent of the expected revenue from sale of electricity at the Tariff approved by the Commission for ensuing year/s, and including revenue from cross-subsidy surcharge and additional surcharge, if any;

minus

(iv) Amount held as security deposits in cash from retail supply consumers;

(v) One month equivalent of cost of power purchased, including the Transmission Charges, MSLDC Charges and STU Charges, based on the annual power procurement plan:

Provided that in case of power procurement from own Generating Stations of the Retail Supply Business, no amount shall be reduced from working capital requirement towards payables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations:

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;

Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points:

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."

5.12.6. The Commission has considered the interest rate for projecting IoWC as 10.50% (9.00% +150 Basis Points), which is 1 Year SBI MCLR Rate for the 5th MYT Control Period. The Commission has considered the amount of CSD has 2 months receivables from the annual revenue requirement for the respective years of the 5th MYT Control Period. The summary of the IoWC approved by the Commission for the 5th Control Period is provided in the Table below:

Table 5-60: Interest on Working Capital for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wires Business					
O&M expenses for a month	44.83	51.11	57.41	62.65	67.27
Maintenance Spares at 1% of Opening GFA	32.24	35.59	39.01	41.66	42.90
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	126.42	116.73	128.37	137.32	145.19
Less: Amount held as Security Deposit from Distribution System Users	74.56	76.03	80.69	88.27	86.95
Total Working Capital Requirement	128.93	127.40	144.10	153.35	168.42
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	13.54	13.38	15.13	16.10	17.68
Retal Supply Business					
O&M expenses for a month	32.09	36.47	37.58	38.72	39.91
Maintenance Spares at 1% of Opening GFA	3.09	3.39	3.45	3.45	3.45
One and half month's equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	432.80	453.51	476.82	524.74	506.93
Less: Amount held as security deposit	671.06	684.28	726.24	794.47	782.55
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	270.91	269.49	288.04	304.97	291.67
Total Working Capital Requirement	-473.99	-460.41	-496.42	-532.53	-523.92

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00

5.12.7. Accordingly, the Commission has approved the Interest on Working Capital of Rs. 13.54 Crore for FY 2025-26, Rs. 13.38 Crore for FY 2026-27, Rs. 15.13 Crore for FY 2027-28, Rs. 16.10 Crore for FY 2028-29 and Rs. 17.68 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.13. Interest on Consumer Security Deposit

BEST's Submission

5.13.1. BEST has submitted that it has not considered any annual growth rate in the amount of CSD held for computation of interest on CSD, considering the nominal increase in sales projected by BEST. The CSD amount for all years of the Control Period has been considered same as in FY 2024-25.

5.13.2. Further, BEST has calculated the interest on CSD by applying the prevalent RBI Bank Rate, i.e., 6.50%. BEST submits the interest on security deposit for MYT Control Period from FY 2025-26 to FY 2029-30 as presented in the tables below:

Table 5-61: Interest on consumer Security Deposit for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Consumer Security Deposit	56.60	56.60	56.60	56.60	56.60
Interest Rate (%)	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on Security Deposit	3.68	3.68	3.68	3.68	3.68

Table 5-62: Interest on consumer Security Deposit for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Consumer Security Deposit	509.38	509.38	509.38	509.38	509.38
Interest Rate (%)	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on Security Deposit	33.11	33.11	33.11	33.11	33.11

5.13.3. BEST has therefore requested the Commission to approve the projected Interest on Consumer Security Deposit. Any variation in above expenses will be claimed on actual basis at the time of truing up.

Commission's Analysis and Ruling

5.13.4. The Commission as discussed under Para. 4.11.2 above has worked out the CSD for the ensuing year of the MYT 5th Control Period by escalating the actual booked CSD of Rs. 565.98 Crore during FY 2023-24 at the rate of 6.09% year-on-year over the entire 5th Control Period, considering that the same shall follow the trend in the energy sales growth, which between 6% - 7% per annum based on 3 Year CAGR. The Commission has therefore projected the Interest of Consumer Security Deposit for the 5th MYT Control Period by considering the prevailing Bank Rate of 6.50%, in accordance with Regulation 30.11 of the MYT Regulation, 2024.

5.13.5. The summary of the approved Interest on Consumer Security Deposit for the 5th Control Period is provided in the Table below:

Table 5-63: Interest on Consumer Security Deposit for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Security Deposit for Wires Business	4.14	4.39	4.66	4.94	5.25
Interest on Security Deposit for Retail Supply Business	37.27	39.53	41.94	44.50	47.21
Interest on Security Deposit for Combined Distribution Business	41.41	43.93	46.60	49.44	52.45

5.13.6. Accordingly, the Commission has approved the Interest on Consumer Security Deposit of Rs. 41.41 Crore for FY 2025-26, Rs. 43.93 Crore for FY 2026-27, Rs. 46.60 Crore for FY 2027-28, Rs. 49.44 Crore for FY 2028-29 and Rs. 52.45 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.14. Contribution to Contingency Reserves

BEST's Submission

5.14.1. BEST has considered the contribution to contingency reserves in accordance with Regulation 35 of the MYT Regulations, 2024. BEST submits that it has considered the contribution to contingency reserves as 0.25% of the Opening GFA as per MYT Regulations, 2024. The details are presented in the tables below:

Table 5-64: Contribution to Contingency Reserves for Wires Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Contingency Reserves	64.52	72.59	81.65	91.52	102.01
Opening Gross Fixed Assets	3,229.76	3,622.28	3,946.60	4,197.40	4,442.03
Opening Balance of Contingency Reserves as % of Opening GFA	2.00%	2.00%	2.07%	2.18%	2.30%
Contribution to Contingency Reserves during the year	8.07	9.06	9.87	10.49	11.11
Utilization of Contingency Reserves during the year	-	-	-	-	-
Closing Balance of Contingency Reserves	72.59	81.65	91.52	102.01	113.11
Closing Balance of Contingency Reserves as % of Opening GFA	2.25%	2.25%	2.32%	2.43%	2.55%

Table 5-65: Contribution to Contingency Reserves for Retail Supply Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Contingency Reserves	7.17	8.07	8.96	9.86	10.76
Opening Gross Fixed Assets	358.86	358.86	358.86	358.86	358.86
Opening Balance of Contingency Reserves as % of Opening GFA	2.00%	2.25%	2.50%	2.75%	3.00%
Contribution to Contingency Reserves during the year	0.90	0.90	0.90	0.90	0.90
Utilization of Contingency Reserves during the year					
Closing Balance of Contingency Reserves	8.07	8.96	9.86	10.76	11.65
Closing Balance of Contingency Reserves as % of Opening GFA	2.25%	2.50%	2.75%	3.00%	3.25%

5.14.2. BEST has requested the Commission to approve the projected Contribution to Contingency Reserves. Any variation in above expenses will be claimed on actual basis at the time of truing up.

Commission's Analysis and Ruling

5.14.3. The Regulation 35 of the MYT Regulations, 2024 provides as under:

“35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 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 such as Treasury Bills, Sovereign Bonds, Zero Coupon Bonds or similar kind of financial instruments, within a period of six months of the close of the Year:

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:”

5.14.4. Accordingly, the Commission has approved the contribution to contingency reserves at 0.25% of opening GFA for FY 2025-26 to FY 2029-30 in line with the provision of the MYT Regulations, 2024. 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 2025-26 to FY 2029-30 is shown in the Table below:

Table 5-66: Contribution to Contingency Reserves for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA of Wire Business	3224.45	3559.29	3900.76	4165.84	4290.15
Contribution to Contingency Reserves for Wires Business	8.06	8.90	9.75	10.41	10.73
Opening GFA of Retail Supply Business	309.18	339.18	345.20	345.20	345.20
Contribution to Contingency Reserves for Retail Supply Business	0.77	0.85	0.86	0.86	0.86
Opening GFA of Distribution Business	3533.63	3898.47	4245.96	4511.04	4635.35
Contribution to Contingency Reserves for Distribution Business	8.83	9.75	10.61	11.28	11.59

5.14.5. Accordingly, the Commission has approved the Contribution to Contingency Reserves of Rs. 8.83 Crore for FY 2025-26, Rs. 9.75 Crore for FY 2026-27, Rs. 10.61 Crore for FY 2027-28, Rs. 11.28 Crore for FY 2028-29 and

Rs. 11.59 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.15. Other Expenses

BEST's Submission

5.15.1. BEST has submitted that it has considered Other Expenses for each year of the MYT Control Period, by escalating discount on digital payments by 1% over FY 2024-25 levels, and keeping the rest of the heads at the same level as in FY 2024-25. The projected Other Expenses are shown in the Table below:

Table 5-67: Other Expenses from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Prompt payment Discount	15.11	15.11	15.11	15.11	15.11
Power factor Incentive	11.52	11.52	11.52	11.52	11.52
Load factor Incentive	4.48	4.48	4.48	4.48	4.48
Discount on Digital Payment to Consumers	4.41	4.45	4.50	4.54	4.59
Discount for E Bill Option	6.66	6.66	6.66	6.66	6.66
Reimbursement of Transaction charges against payment through Visa Master Debit/Credit card.	0.13	0.13	0.13	0.13	0.13
Total	42.31	42.36	42.40	42.45	42.49

5.15.2. BEST further submitted that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses and therefore requested the Commission to approve the Other Expenses as submitted in the above table.

Commission's Analysis and Ruling

5.15.3. The Commission has accepted the submissions of BEST. The Commission notes that BEST has considered 1% escalation discounts on digital payments of FY 2024-25 to project the same over the 5th Control Period and have kept other expense head at same level of FY 2024-25. The Commission while projecting the other expenses has considered the same proposal of BEST, except the Power Factor Incentive as BEST post installation of Smart Meters will be adopting kVAh based billing across all consumer categories of BEST by March, 2026. Accordingly, the Commission has not considered any expenses towards the Power Factor incentives for the purpose of projections. The summary of the Other Expenses approved by the Commission for 5th MYT Control Period is provided in the Table below:

Table 5-68: Other Expenses for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Prompt payment Discount	15.11	15.11	15.11	15.11	15.11
Power factor Incentive	0.00	0.00	0.00	0.00	0.00
Load factor Incentive	4.48	4.48	4.48	4.48	4.48
Discount on Digital Payment to Consumers	4.41	4.45	4.50	4.54	4.59
Discount for E Bill Option	6.66	6.66	6.66	6.66	6.66
Reimbursement of Transaction charges against payment through Visa Master Debit/Credit card.	0.13	0.13	0.13	0.13	0.13
Total	30.80	30.84	30.89	30.93	30.98

5.15.4. Accordingly, the Commission has approved the Other Expenses of Rs. 30.80 Crore for FY 2025-26, Rs. 30.84 Crore for FY 2026-27, Rs. 30.89 Crore for FY 2027-28, Rs. 30.93 Crore for FY 2028-29 and Rs. 30.98 Crore for FY 2029-30, for the purpose of projections of 5th MYT Control Period.

5.16. Provision for Bad and Doubtful Debts

BEST's Submission

5.16.1. The Provision for Bad and doubtful debts for MYT Control Period from FY 2025-26 to FY 2029-30 has been considered as 1.5% of opening balance of receivables of FY 2023-24 (based on latest figure available based on accounts ledger), in line with Regulation 94 of the MYT Regulations 2024.

5.16.2. The projected Provision for Bad and Doubtful Debts for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Tables below:

Table 5-69: Provision for Bad and Doubtful Debt from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wires Business					
Receivables for the year	52.80	52.80	52.80	52.80	52.80
Provision for 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	0.79	0.79	0.79	0.79	0.79
Supply Business					

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Receivables for the year	528.03	528.03	528.03	528.03	528.03
Provision for bad and doubtful debt as % of Receivables	1.12%	1.12%	1.12%	1.12%	1.12%
Provision for bad & doubtful debts during the year	5.94	5.94	5.94	5.94	5.94

5.16.3. BEST has requested the Commission to approve the projected Provision for Bad and doubtful debts as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of the truing up.

Commission's Analysis and Ruling

5.16.4. The Regulation 94.1 of the MYT Regulation, 2024 provides as under:

“94.1 In the MYT Order, for each Year of the Control Period, the Commission may allow a provision for writing off of 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:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts during the year; subject to the above ceiling of 1.5% of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the audited accounts of the Distribution Licensee for that Year, after prudence check.”

5.16.5. In view of the first proviso of the above Regulations, the Commission has 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 2023-24, as shown in the Table below:

Table 5-70: Provision of Bad and Doubtful Debts for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Provision of Bad and Doubtful Debts (Wires Business)	0.79	0.79	0.79	0.79	0.79
Provision of Bad and Doubtful Debts (Retail Supply Business)	5.94	5.94	5.94	5.94	5.94
Total for Combined Distribution Business	6.73	6.73	6.73	6.73	6.73

5.16.6. Accordingly, the Commission approves the Provision of Bad and Doubtful Debts of Rs. 6.73 Crore for the purpose of projections of 5th Control Period from FY 2025-26 to FY 2029-30.

5.17. Return on Equity

BEST's Submission

5.17.1. BEST has calculated Return on Equity in accordance with Regulation 29 of the MYT Regulations, 2024. BEST has submitted that as per the Regulations, the Return on Equity allowed at the time of MYT Proceedings shall be inclusive of both Base Return on Equity and Performance Linked Return on Equity.

5.17.2. BEST has considered the closing equity of previous year as the opening Regulatory Equity at the beginning of the year, and equity addition has been considered based on Debt: Equity ratio of 70:30 on the projected Capitalisation for each year, less grant funding. The RoE for each year has been computed on the opening equity as well as 50% of the equity added during the year. The rate of RoE has been considered as 15.50% and 17.50% for the Wires Business and Supply Business, respectively. As BEST is exempted from payment of Income Tax, the rate of RoE has not been grossed up by Tax rate to determine the effective rate of RoE. The details of computation of RoE for the Control Period from FY 2025-26 to FY 2029-30 are shown in the tables below:

Table 5-71: Return on Equity for Wires Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	971.88	999.33	1,053.66	1,123.50	1,192.39
Capitalization during the year	362.52	318.31	250.80	244.63	247.00
Equity portion of capitalization during the year	27.45	54.33	69.84	68.89	68.10
Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-
Regulatory Equity at the end of the year	999.33	1,053.66	1,123.50	1,192.39	1,260.49
Return on Equity Computation					
Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
Pretax Return on Equity after considering Income Tax rate approved	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the	150.64	154.90	163.32	174.14	184.82

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
beginning of the year					
Return on Regulatory Equity addition during the year	4.25	8.42	10.83	10.68	10.56
Total Return on Equity	154.90	163.32	174.14	184.82	195.38

Table 5-72: Return on Equity for Retail Supply Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	102.16	102.16	102.16	102.16	102.16
Capitalization during the year	30.00	6.02	-	-	-
Equity portion of capitalization during the year	-	-	-	-	-
Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-
Regulatory Equity at the end of the year	102.16	102.16	102.16	102.16	102.16
Return on Equity Computation					
Rate of Return on Equity	17.50%	17.50%	17.50%	17.50%	17.50%
Pretax Return on Equity after considering Income Tax rate approved	17.50%	17.50%	17.50%	17.50%	17.50%
Return on Regulatory Equity at the beginning of the year	17.88	17.88	17.88	17.88	17.88
Return on Regulatory Equity addition during the year	-	-	-	-	-
Total Return on Equity	17.88	17.88	17.88	17.88	17.88

5.17.3. BEST has requested the Commission to approve the projected Return on Equity as submitted above. Any variation in above expenses will be claimed on actual basis at the time of truing up.

Commission's Analysis and Ruling

5.17.4. The Commission has computed the Return on Equity in accordance with Regulation 29 of the MYT Regulations, 2024. It has considered the closing regulatory equity as approved for FY 2024-25 in this Order as the opening equity for FY 2025-26. It has considered the addition of regulatory equity during the year based on the funding of capitalisation approved in this Order.

5.17.5. In absence of non-applicability of Income Tax as BEST being Local Authority, the Commission has computed RoE at 15.50% and 17.50% of the equity for Wires

Business and Supply Businesses, respectively, in accordance with the Regulation 29.2 (i) and Regulation 29.2 (ii) of the MYT Regulations, 2024.

5.17.6. The RoE thus approved by the Commission for the 5th Control Period is summarised in the Table below:

Table 5-73: Return on Equity of Wires Business for FY 2025-26 to FY 2029-20, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	994.27	1030.23	1068.39	1101.27	1101.27
Equity portion of capitalisation during the year	35.95	38.16	32.88	0.00	0.00
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	1030.23	1068.39	1101.27	1101.27	1101.27
Return on Regulatory Equity at the beginning of the year	154.11	159.68	165.60	170.70	170.70
Return on Regulatory Equity addition during the year	5.57	5.92	5.10	0.00	0.00
Total Return on Equity	159.68	165.60	170.70	170.70	170.70

Table 5-74: Return on Equity of Retail Supply Business for FY 2025-26 to FY 2029-20, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	97.77	97.77	97.77	97.77	97.77
Equity portion of capitalisation during the year	0.00	0.00	0.00	0.00	0.00
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	97.77	97.77	97.77	97.77	97.77
Return on Regulatory Equity at the beginning of the year	17.11	17.11	17.11	17.11	17.11
Return on Regulatory Equity addition during the year	0.00	0.00	0.00	0.00	0.00
Total Return on Equity	17.11	17.11	17.11	17.11	17.11

Table 5-75: Return on Equity for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	1092.04	1127.99	1166.16	1199.04	1199.04
Equity portion of capitalisation during the year	35.95	38.16	32.88	0.00	0.00
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	1127.99	1166.16	1199.04	1199.04	1199.04
Return on Regulatory Equity at the beginning of the year	171.22	176.79	182.71	187.81	187.81
Return on Regulatory Equity addition during the year	5.57	5.92	5.10	0.00	0.00
Total Return on Equity	176.79	182.71	187.81	187.81	187.81

5.17.7. Accordingly, the Commission approves the projection of Return on Equity of Rs. 176.79 Crore for FY 2025-26, Rs. 182.71 Crore for FY 2026-27, Rs. 187.81 Crore for FY 2027-28, Rs. 187.81 Crore for FY 2028-29 and Rs. 187.81 Crore for FY 2029-30.

5.18. Return as Interest on Internal Funds

BEST's Submission

5.18.1. BEST has submitted the Interest on Internal Funds as under:

Table 5-76: Return on Internal Funds for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Internal Fund	4.75	4.75	4.75	4.75	4.75

Table 5-77: Return on Internal Funds for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Internal Fund	0.53	0.53	0.53	0.53	0.53

5.18.2. For the computation of Return on Internal Funds for the 5th Control Period, BEST has considered the rate of interest on internal funds and cumulative grants as approved by the Commission for FY 2024-25.

5.18.3. BEST requested the Commission to approve the projected Return as Interest on Internal funds as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of truing-up.

Commission's Analysis and Ruling

5.18.4. 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 5th Control Period as shown in the Table below:

Table 5-78: Return on Internal Funds for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Internal Fund	5.28	5.28	5.28	5.28	5.28

5.18.5. Accordingly, the Commission approves the Return on Internal Funds of Rs. 5.28 Crore for 5th MYT Control Period from FY 2025-26 to FY 2029-30.

5.19. Non-Tariff Income

BEST's Submission

5.19.1. BEST has considered the Non-Tariff Income same as in FY 2024-25 for all the years of MYT Control Period. BEST has therefore submitted the Non-Tariff Income as under:

Table 5-79: Non-Tariff Income for Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income	4.64	4.64	4.64	4.64	4.64

Table 5-80: Non-Tariff Income for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income	41.80	41.80	41.80	41.80	41.80

5.19.2. BEST has therefore requested the Commission to approve the Non-Tariff Income projected for FY 2025-26 to FY 2029-30.

Commission's Analysis and Ruling

5.19.3. The Commission has noted the submissions of BEST. The Commission for the purpose of projections has considered the Non-Tariff same as approved for FY 2024-25 in this Order.

5.19.4. The Non-Tariff Income approved by the Commission is shown in the Table:

Table 5-81: Non-Tariff Income for Combined Distribution Business from FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income	46.44	46.44	46.44	46.44	46.44

5.19.5. **Accordingly, the Commission approves Non-Tariff Income of Rs. 46.44 Crore for FY 2025-26 to FY 2029-30 for the purpose of projection of 5th MYT Control Period.**

5.20. Non-Compliance to the Directions of the Commission

5.20.1. The Commission had notified its MERC (Electricity Supply Code and Standards of Performance for Distribution Licensees, including Power Quality) Regulations, 2021 (MERC Supply Code Regulations, 2021), dated 24 February 2021. The Regulation 22, Regulation 24 and Regulation 25 of the MERC Supply Code Regulations, 2021 provides as under:

“22. Quality of Supply

22.1. The Distribution licensee shall be responsible to their Consumers for supplying electricity with adequate power quality levels as defined in this Regulation.

.....

22.3. The Designated Consumer(s) shall be responsible to control the harmonic injection into the distribution system within the limits specified in this Regulation.

.....

22.14. The Distribution Licensee shall install Power Quality Meter on the secondary (LV) side of the Power Transformer in a phased manner within

three years covering at least 33% of the 33kV substations in the first year and 33% each in subsequent two years.

22.15. The Designated Consumer(s) shall install Power Quality Meter at Point of Supply

and share the recorded data thereof with the Distribution Licensee as per communication architecture specified by the Distribution Licensee:

.....

22.17. The Distribution Licensee shall develop communication architecture in a manner that

all the data from the Power Quality Meters is available in central data base to be maintained by the Distribution Licensee.

22.18. The Distribution Licensee shall design web

-based single graphical user interface (irrespective of meter make) and provide online access from the central data base by taking adequate security precautions of specific data relevant to the Consumer:

Provided that Distribution Licensee shall also share the data of Power Quality Meters installed by it on the Website:

Provided also that Distribution Licensee shall provide online access of data as specified by the Commission from time to time.

24. Standards of Performance of Distribution Licensees

24.1. The Standards specified in Annexure 'II' in these Regulations shall be the minimum standards of service that a Distribution Licensee shall achieve and maintain.....

24.2. Any failure by the Distribution Licensee to achieve and maintain the standards of performance specified in these Regulations shall render the Distribution Licensee liable to payment of compensation under the Act, as specified in Annexure 'II', to an affected person.

.....

25. Determination of Compensation

25.1. The compensation to be paid by the Distribution Licensee to the affected person is specified in Annexure 'II' of these Regulations.

25.2. The Distribution Licensee shall be liable to pay to the affected person, such compensation as provided in Annexure 'II' to these Regulations:

Provided that in the event of failure of Distribution Licensee to meet the standards of performance, the compensation shall be payable automatically by the Distribution Licensee for the parameters as per Annexure 'II' to all the affected person/Consumers, without requiring a claim to be filed by the affected person/Consumer:

Provided further that the automatic compensation mechanism shall be implemented within Six (6) months of the date of notification of this Regulations:

.....

Provided further that the compensation shall be payable as per Annexure 'II' to only those affected person/Consumers who have paid all their bills to the Distribution Licensee within the due dates of each bill without any delay in last One (1) year or in cases where supply has been provided for a shorter period, such shorter period shall be considered and there is no outstanding amount to be paid to the licensee except for current bill which is not due:

.....

25.4. In case the Distribution Licensee fails to pay the compensation or if the affected person is aggrieved by non-redressal of his grievances, he/she may make a representation for the redressal of his grievance to the concerned Consumer Grievance Redressal Forum in accordance with the provisions of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulation, 2020 including any amendment thereto as in force from time to time:

.....”(Emphasis Added)

5.20.2. The Commission as part of data gaps sought the compliance status of the installation of the PQ Meters and automatic compensation system on the BEST's website. In

response to the same BEST submitted that, the Purchase Order (PO) has been raised for installation of 172 Power Quality (PQ) Meters, in compliance with the MERC (Electricity Supply Code) Regulations, 2021. Installation of these meters is scheduled for completion by the end of FY 2025-26. Further, under RDSS, a new IT/OT MBC ERP system is proposed and is under development. The provision of automatic compensation will also be incorporated along with the integration of ADMS and other related systems. As such, BEST is in the process of complying with the requirement of installation of PQ meters and automatic compensation mechanism. BEST has therefore requested the Commission to not impose any penalty in accordance with the MERC (Electricity Supply Code) Regulations, 2021.

- 5.20.3. In view of the above, BEST has failed to comply with the provisions of Supply Code Regulations for more than three years. As a non-compliance to the Regulation 22.14 and Regulation 25.2 of the MERC Supply Code Regulation, 2021, the Commission expresses its displeasure that even after more than three years since the notification of the MERC Supply Code Regulations, 2021, BEST has still not complied with the referred Regulations. The Commission hereby directs that BEST should complete exercise of installation and measurement of planned power quality meter at its substation as well as implementation of the Automatic Compensation system on its website under the OPEX mode by the end of FY 2025-26 as submitted by BEST. The Commission further directs BEST to submit its Scheme completion report post completion of the same and also submit the detailed justification for such non-compliance. The Commission post perusal of the Scheme Completion will decide on the levy of the penalty under Section 142 of the Electricity Act, 2003 at the time of MTR proceedings.

5.21. Summary of Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30

BEST's Submission

- 5.21.1. The ARR summary for Distribution Wires, Retail Supply and Combined Distribution Business for the 5th Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 5-82: ARR for Distribution Wires Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operation & Maintenance Expenses	540.68	616.55	689.37	760.98	837.57
Depreciation	131.47	146.90	161.87	172.38	182.81

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Loan Capital	-	-	0.06	0.06	-
Interest on Working Capital	13.57	14.71	15.79	16.80	17.86
Interest on deposit from Consumers and Distribution System Users	3.68	3.68	3.68	3.68	3.68
Provision for bad and doubtful debts	0.79	0.79	0.79	0.79	0.79
Contribution to contingency reserves	8.07	9.06	9.87	10.49	11.11
Total Revenue Expenditure	698.26	791.69	881.42	965.17	1,053.81
Add: Return on Equity Capital	154.90	163.32	174.14	184.82	195.38
Add: Return on Internal Fund	4.75	4.75	4.75	4.75	4.75
Aggregate Revenue Requirement	857.91	959.76	1,060.31	1,154.74	1,253.94
Less: Non-Tariff Income	4.64	4.64	4.64	4.64	4.64
Less: Income from other business					
Aggregate Revenue Requirement from Distribution Wires	853.26	955.11	1,055.67	1,150.10	1,249.29
Revenue from existing/approved tariff	867.66	875.17	883.23	892.27	902.38
Standalone Revenue Gap/(Surplus) of Wires Business	(14.40)	79.95	172.44	257.83	346.91

Table 5-83:ARR for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	2,886.68	2,822.50	2,920.49	2,988.79	2,696.62
Operation & Maintenance Expenses	388.99	441.63	455.13	469.03	483.58
Depreciation	13.10	13.86	13.99	13.99	13.99
Interest on Loan Capital	-	-	-	-	-
Interest on Working Capital	-	-	-	-	-
Interest on Consumer Security Deposit	33.11	33.11	33.11	33.11	33.11
Write-off of Provision for bad and doubtful debts	5.94	5.94	5.94	5.94	5.94
Contribution to contingency reserves	0.90	0.90	0.90	0.90	0.90
Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
InSTS True-up Gap	28.87				
MSLDC Fees & Charges	1.15	1.59	2.33	2.83	3.19
STU Charges	0.28	0.28	0.27	0.26	0.25
Other Expenses	42.31	42.36	42.40	42.45	42.49
Total Revenue Expenditure	3,849.14	3,725.67	3,882.72	3,997.03	3,739.20
Add: Return on Equity Capital	17.88	17.88	17.88	17.88	17.88

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Add: Return on Internal Fund	0.53	0.53	0.53	0.53	0.53
Aggregate Revenue Requirement	3,867.55	3,744.08	3,901.13	4,015.43	3,757.6
Less: Non-Tariff Income	41.80	41.80	41.80	41.80	41.80
Less: Income from other business	-	-	-	-	-
Aggregate Revenue Requirement from Retail Supply	3,825.75	3,702.28	3,859.33	3,973.64	3,715.81
Revenue from existing tariff	3,631.40	3,656.53	3,683.35	3,713.15	3,746.16
Standalone Revenue Gap/(Surplus) of Supply Business	194.35	45.76	175.98	260.49	(30.35)

Table 5-84: ARR for Combined Distribution Business for FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	2,886.68	2,822.50	2,920.49	2,988.79	2,696.62
Operation & Maintenance Expenses	929.66	1,058.18	1,144.49	1,230.01	1,321.15
Depreciation	144.57	160.75	175.85	186.36	196.80
Interest on Loan Capital	-	-	0.06	0.06	-
Interest on Working Capital	13.57	14.71	15.79	16.80	17.86
Interest on Consumer Security Deposit	36.79	36.79	36.79	36.79	36.79
Write-off of Provision for bad and doubtful debts	6.73	6.73	6.73	6.73	6.73
Contribution to contingency reserves	8.97	9.95	10.76	11.39	12.00
Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
InSTS True-up Gap	28.87				
MSLDC Fees & Charges	1.15	1.59	2.33	2.83	3.19
STU Charges	0.28	0.28	0.27	0.26	0.25
Other Expenses	42.31	42.36	42.40	42.45	42.49
Total Revenue Expenditure	4,547.40	4,517.36	4,764.14	4,962.20	4,793.01
Add: Return on Equity Capital	172.77	181.20	192.02	202.70	213.25
Add: Return on Internal Fund	5.28	5.28	5.28	5.28	5.28
Aggregate Revenue Requirement	4,725.45	4,703.84	4,961.44	5,170.18	5,011.54
Less: Non-Tariff Income	46.44	46.44	46.44	46.44	46.44
Less: Income from other business	-	-	-	-	-
Combined Aggregate Revenue Requirement	4,679.01	4,657.40	4,915.00	5,123.74	4,965.10
Revenue from existing tariff	4,499.06	4,531.69	4,566.58	4,605.42	4,648.54
Standalone Revenue Gap/(Surplus) of Licensed Business	179.95	125.70	348.42	518.31	316.56

5.21.2. BEST has requested the Commission to approve the projected ARR for MYT Control Period of FY 2025-26 to FY 2029-30 as submitted by BEST.

5.21.3. BEST further submitted that the steep increase in InSTS Charges proposed by the STU in its Petition, based on the steep increase in Transmission ARR projected by the Transmission Licensees in the State, has created a significant Revenue Gap for BEST throughout the Control Period. BEST has therefore requested the Commission to re-evaluate the proposed Transmission ARR proposed by the Transmission Licensees and InSTS Charges proposed by the STU, before approving the same.

Commission's Analysis and Ruling

5.21.4. Based on the components of ARR approved in the above paragraphs, the Commission has approved the ARR for the 5th Control Period.

5.21.5. The Commission has computed the ARR for the Wires and Retail Supply business in accordance with the allocation matrix specified in Regulation 89 of the MYT Regulations, 2024, as shown in the following Tables:

Table 5-85: Summary of ARR for Distribution Wires Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operation & Maintenance Expenses	537.91	613.33	688.94	751.81	807.29
Depreciation	116.18	127.32	136.89	143.67	149.00
Interest on Loan Capital	1.08	0.00	0.00	0.00	0.00
Interest on Working Capital	13.54	13.38	15.13	16.10	17.68
Interest on deposit from Consumers and Distribution System Users	4.14	4.39	4.66	4.94	5.25
Provision for bad and doubtful debts	0.79	0.79	0.79	0.79	0.79
Contribution to contingency reserves	8.06	8.90	9.75	10.41	10.73
Total Revenue Expenditure	681.71	768.10	856.17	927.74	990.74
Add: Return on Equity Capital	159.68	165.60	170.70	170.70	170.70
Add: Return on Internal Fund	4.75	4.75	4.75	4.75	4.75
Aggregate Revenue Requirement	846.15	938.45	1031.62	1103.19	1166.19
Less: Non-Tariff Income	4.64	4.64	4.64	4.64	4.64
Aggregate Revenue Requirement from Distribution Wires	841.50	933.81	1026.98	1098.54	1161.54

Table 5-86: Summary of ARR for Retail Supply Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	2818.11	2935.85	3150.73	3359.13	3208.32
Operation & Maintenance Expenses	385.13	437.59	450.91	464.62	478.98
Depreciation	12.91	14.15	15.21	15.67	15.67

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Loan Capital	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Interest on Consumer Security Deposit	37.27	39.53	41.94	44.50	47.21
Write-off of Provision for bad and doubtful debts	5.94	5.94	5.94	5.94	5.94
Contribution to contingency reserves	0.77	0.85	0.86	0.86	0.86
Intra-State Transmission Charges	431.61	296.85	304.50	299.16	290.37
MSLDC Fees & Charges	0.95	0.93	1.00	1.05	1.08
STU Charges	0.27	0.28	0.26	0.24	0.22
Other Expenses	30.80	30.84	30.89	30.93	30.98
Total Revenue Expenditure	3723.75	3762.81	4002.25	4222.11	4079.63
Add: Return on Equity Capital	17.11	17.11	17.11	17.11	17.11
Add: Return on Internal Fund	0.53	0.53	0.53	0.53	0.53
Aggregate Revenue Requirement	3741.39	3780.45	4019.89	4239.75	4097.27
Less: Non-Tariff Income	41.80	41.80	41.80	41.80	41.80
Aggregate Revenue Requirement from Retail Supply	3699.59	3738.65	3978.09	4197.95	4055.47

Table 5-87: Summary of ARR for Combined Distribution Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	2818.11	2935.85	3150.73	3359.13	3208.32
Operation & Maintenance Expenses	923.04	1050.92	1139.86	1216.43	1286.27
Depreciation	129.09	141.46	152.10	159.34	164.67
Interest on Loan Capital	1.08	0.00	0.00	0.00	0.00
Interest on Working Capital	13.54	13.38	15.13	16.10	17.68
Interest on Consumer Security Deposit	41.41	43.93	46.60	49.44	52.45
Write-off of Provision for bad and doubtful debts	6.73	6.73	6.73	6.73	6.73
Contribution to contingency reserves	8.83	9.75	10.61	11.28	11.59
Intra-State Transmission Charges	431.61	296.85	304.50	299.16	290.37
MSLDC Fees & Charges	0.95	0.93	1.00	1.05	1.08
STU Charges	0.27	0.28	0.26	0.24	0.22
Other Expenses	30.80	30.84	30.89	30.93	30.98
Total Revenue Expenditure	4405.46	4530.91	4858.42	5149.85	5070.37
Add: Return on Equity Capital	176.79	182.71	187.81	187.81	187.81
Add: Return on Internal Fund	5.28	5.28	5.28	5.28	5.28
Aggregate Revenue Requirement	4587.53	4718.90	5051.50	5342.94	5263.45
Less: Non-Tariff Income	46.44	46.44	46.44	46.44	46.44
Combined Aggregate Revenue Requirement	4541.09	4672.46	5005.06	5296.50	5217.01

5.21.6. Accordingly, the Commission approves the projection of Standalone Aggregate Revenue Requirement of Rs. 4541.09 Crore for FY 2025-26, Rs. 4672.46 Crore for FY 2026-27, Rs. 5005.06 Crore for FY 2027-28, Rs. 5296.50 Crore for FY 2028-29 and Rs. 5217.01 Crore for FY 2029-30.

6. TARIFF PHILOSOPHY

6.1. **Cumulative Revenue Requirement and Revenue Gap/(Surplus) for FY 2023-24 and FY 2024-25**

BEST's Submission

- 6.1.1. BEST has submitted the true-up for FY 2022-23 and FY 2023-24 are based on audited expenses and revenue, and provisional true-up for FY 2024-25 is based on estimated expenses and revenue.
- 6.1.2. The Commission has already allowed pass through of a certain amount of Revenue Gap/(Surplus) after provisional true-up of FY 2022-23 in the MTR Order, while approving the ARR and Tariff of FY 2023-24 and FY 2024-25. Hence, the incremental Revenue Gap/(Surplus) after final true-up for FY 2022-23 has been added to Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30, as explained subsequently.
- 6.1.3. The Commission adjusted the Past Revenue Gap/(Surplus) of FY 2017-18 and FY 2018-19 along with carrying/(holding) cost and Revenue Gap/(Surplus) of FY 2019-20 in the ARR and Tariff of FY 2023-24 and FY 2024-25. Hence, BEST has also considered the same amounts, while computing the Revenue Gap/(Surplus) after final true-up of FY 2023-24 and provisional true-up of FY 2024-25.
- 6.1.4. The Commission had also allowed pass through of the Revenue Gap/(Surplus) after true-up of previous years, viz., FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 along with associated carrying/(holding) cost. Hence, BEST has also considered the same amounts, while computing the Revenue Gap/(Surplus) after final true-up of FY 2023-24 and provisional true-up of FY 2024-25.
- 6.1.5. BEST submitted that the steep increase in InSTS Charges proposed by the STU in its Petition, based on the steep increase in Transmission ARR projected by the Transmission Licensees in the State, has created a significant Revenue Gap for BEST throughout the Control Period. Consequently, BEST requested the Commission to re-evaluate the proposed Transmission ARR proposed by the Transmission Licensees and InSTS Charges proposed by the STU, before approving the same.
- 6.1.6. The Cumulative Revenue Gap/(Surplus) after true-up for FY 2023-24 and FY 2024-25 separately for the Wires Business and Supply Business, as well as the combined Distribution Business, have been given in the Tables below:

Table 6-1: Cumulative Revenue Requirement and Gap/Surplus for Wires Business for FY 2023-24 and FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Audited	True-Up requirement	MTR Order	Estimated	Provisional True-Up requirement
ARR for Wires Business	668.97	699.47	30.50	695.78	773.11	
ARR for Supply Business	3,700.56	3,484.10	(216.46)	4,003.26	3,501.24	
Past Revenue Gap/(Surplus) from FY 2017-18 & FY 2018-19 and Revenue Gap/(Surplus) of FY 2019-20	(172.70)	(172.70)	-	(103.35)	(103.35)	
ARR for Combined Wires & Supply Business	4,196.83	4,010.87	(185.96)	4,595.68	4,171.00	
Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	(182.28)	(182.28)	-			
Add: Revenue Gap/(Surplus) for FY 2020-21	(410.69)	(410.69)	-			
Add: Revenue Gap/(Surplus) for FY 2021-22	327.55	327.55	-			
Add: Revenue Gap/(Surplus) for FY 2022-23	710.39	710.39	-			
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	(116.53)	(116.53)	-			
Total Revenue Requirement	4,525.26	4,339.31	(185.95)	4,595.67	4,171.00	(424.67)
Portion of Gap between ARR and Revenue shifted to FY 2024-25	(222.19)	(222.19)	-	222.19	222.19	
Carrying cost due to shifting of Revenue Requirement to FY 2024-25	10.61	10.61	-	10.61	10.61	
Revised Net Revenue Requirement	4,313.68	4,127.73	(185.95)	4,828.47	4,403.80	(424.67)
Revenue from Revised Tariff	4,313.99	4,188.88	(125.11)	4,828.20	4,478.63	(349.57)
Revenue Gap of Licensed Business	(0.31)	(61.15)	(60.84)	0.27	(74.84)	(75.11)

Table 6-2: Cumulative Revenue Requirement and Gap/Surplus for Retail Supply Business for FY 2023-24 and FY 2024-25, as submitted by BEST (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Audited	True-Up requirement	MTR Order	Estimated	Provisional True-Up requirement
ARR of Supply Business	3,700.56	3,484.10	(216.46)	4,003.26	3,501.24	(502.02)
Past Revenue Gap/(Surplus) from FY 2017-18 & FY 2018-19 and Revenue Gap/(Surplus) of FY 2019-20	(172.70)	(172.70)	-	(103.35)	(103.35)	-

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Audited	True-Up requirement	MTR Order	Estimated	Provisional True-Up requirement
Net ARR of Supply Business	3,527.86	3,311.40	(216.46)	3,899.91	3,397.89	(502.02)
Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	(167.83)	(167.83)	-			
Add: Revenue Gap/(Surplus) for FY 2020-21	(527.94)	(527.94)	-			
Add: Revenue Gap/(Surplus) for FY 2021-22	242.12	242.12	-			
Add: Revenue Gap/(Surplus) for FY 2022-23	667.63	667.63	-			
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	(158.96)	(158.96)	-			
Total Revenue Requirement	3,582.88	3,366.42	(216.46)	3,899.91	3,397.89	(502.02)
Portion of Gap between ARR and Revenue shifted to FY 2024-25	(28.06)	(28.06)	-	28.06	28.06	-
Carrying cost due to shifting of Revenue Requirement to FY 2024-25	1.34	1.34	-	1.34	1.34	-
Revised Net Revenue Requirement	3,556.16	3,339.70	(216.46)	3,929.30	3,427.29	(502.02)
Revenue from Revised Tariff	3,556.01	3,442.35	(113.66)	3,927.13	3,623.92	(303.21)
Revenue Gap of Licensed Business	0.15	(102.64)	(102.79)	2.17	(196.63)	(198.80)

Commission's Analysis and Ruling

- 6.1.7. The Commission has noted the submissions of BEST and accepts the proposal of BEST of the incremental Revenue Gap/(Surplus) for FY 2023-24 and FY 2024-25. The Commission has approved its Standalone ARR and Revenue at existing Tariff for FY 2023-24 and FY 2024-25 as discussed in the above Sections. Accordingly, the Commission approves the Cumulative Revenue Gap/(Surplus) for FY 2023-24 and FY 2024-25, which is summarised in the Table Below:

Table 6-3: Cumulative Revenue Requirement and Gap/Surplus for Wires Business for FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Approved in this Order	True-Up requirement	MTR Order	Approved in this Order	Provisional True-Up requirement
ARR of Wires Business	668.97	693.08	24.11	695.78	769.29	73.51
Net ARR of Wires Business	668.97	693.08	24.11	695.78	769.29	73.51

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Approved in this Order	True-Up requirement	MTR Order	Approved in this Order	Provisional True-Up requirement
Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	-14.45	-14.45	0.00			
Add: Revenue Gap/(Surplus) for FY 2020-21	117.25	117.25	0.00			
Add: Revenue Gap/(Surplus) for FY 2021-22	85.43	85.43	0.00			
Add: Revenue Gap/(Surplus) for FY 2022-23	42.76	42.76	0.00			
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	42.42	42.42	0.00			
Total Revenue Requirement	942.38	966.49	24.11	695.78	769.29	73.51
Portion of Gap between ARR and Revenue shifted to FY 2024-25	-194.13	-194.13	0.00	194.13	194.13	0.00
Carrying cost due to shifting of Revenue Requirement to FY 2024-25	9.27	9.27	0.00	9.27	9.27	0.00
Revised Net Revenue Requirement	757.53	781.63	24.10	899.17	972.68	73.51
Revenue from Revised Tariff	757.98	746.53	-11.45	901.06	874.63	-26.43
Revenue Gap of Licensed Business	-0.45	35.10	35.55	-1.89	98.04	99.93

Table 6-4: Cumulative Revenue Requirement and Gap/Surplus for Retail Supply Business for FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Approved in this Order	True-Up requirement	MTR Order	Approved in this Order	Provisional True-Up requirement
ARR of Supply Business	3700.56	3466.87	-233.69	4003.26	3522.66	-480.59
Past Revenue Gap/(Surplus) from FY 2017-18 & 2018-19 along with carrying/(holding) cost and revenue gap/(surplus) of FY 2019-20 adjusted as approved in MYT Order)	-172.70	-172.70	0.00	-103.35	-103.35	0.00
Net ARR of Supply Business	3527.86	3294.17	-233.69	3899.91	3419.31	-480.59
Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	-167.83	-167.83	0.00			
Add: Revenue Gap/(Surplus) for FY 2020-21	-527.94	-527.94	0.00			
Add: Revenue Gap/(Surplus) for FY 2021-22	242.12	242.12	0.00			
Add: Revenue Gap/(Surplus) for FY 2022-23	667.63	667.63	0.00			
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	-158.96	-158.96	0.00			
Total Revenue Requirement	3582.88	3349.19	-233.69	3899.91	3419.31	-480.59

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Approved in this Order	True-Up requirement	MTR Order	Approved in this Order	Provisional True-Up requirement
Portion of Gap between ARR and Revenue shifted to FY 2024-25	-28.06	-28.06	0.00	28.06	28.06	0.00
Carrying cost due to shifting of Revenue Requirement to FY 2024-25	1.34	1.34	0.00	1.34	1.34	0.00
Revised Net Revenue Requirement	3556.16	3322.47	-233.69	3929.30	3448.71	-480.59
Revenue from Revised Tariff	3556.01	3442.35	-113.66	3927.13	3704.48	-222.65
Revenue Gap of Licensed Business	0.15	-119.88	-120.02	2.17	-255.76	-257.94

Table 6-5: Cumulative Revenue Requirement and Gap/Surplus for Combined Distribution Business for FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			FY 2024-25		
	MTR Order	Approved in this Order	True-Up requirement	MTR Order	Approved in this Order	Provisional True-Up requirement
ARR for Wires Business	668.97	693.08	24.11	695.78	769.29	
ARR for Supply Business	3700.56	3466.87	-233.69	4003.26	3522.66	
Past Revenue Gap/(Surplus) from FY 2017-18 & 2018-19 along with carrying/(holding) cost and revenue gap/(surplus) of FY 2019-20 adjusted as approved in MYT Order)	-172.70	-172.70	0.00	-103.35	-103.35	
ARR for Combined Wires & Supply Business	4196.83	3987.25	-209.58	4595.68	4188.60	
Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	-182.28	-182.28	0.00			
Add: Revenue Gap/(Surplus) for FY 2020-21	-410.69	-410.69	0.00			
Add: Revenue Gap/(Surplus) for FY 2021-22	327.55	327.55	0.00			
Add: Revenue Gap/(Surplus) for FY 2022-23	710.39	710.39	0.00			
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	-116.53	-116.53	0.00			
Total Revenue Requirement	4525.26	4315.69	-209.57	4595.67	4188.60	-407.07
Portion of Gap between ARR and Revenue shifted to FY 2024-25	-222.19	-222.19	0.00	222.19	222.19	
Carrying cost due to shifting of Revenue Requirement to FY 2024-25	10.61	10.61	0.00	10.61	10.61	
Revised Net Revenue Requirement	4313.68	4104.11	-209.57	4828.47	4421.40	-407.07
Revenue from Revised Tariff	4313.99	4188.88	-125.11	4828.20	4579.11	-249.09
Revenue Gap of Licensed Business	-0.31	-84.77	-84.46	0.27	-157.71	-157.99

6.1.8. **Accordingly, the Commission approves the Cumulative Revenue Surplus of Rs. 84.46 Crore and Rs. 157.99 Crore for FY 2023-24 and FY 2024-25, respectively.**

6.2. Carrying/(Holding) Cost on Revenue Gap/(Surplus) post Truing-up of FY 2022-23 and FY 2023-24

BEST's Submission

6.2.1. As stated earlier, the incremental Revenue Gap/(Surplus) after final true-up for FY 2022-23 has to be added to the Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30. For the Wires Business, the Commission had allowed pass through of Revenue Gap of Rs. 42.76 Crore in the ARR and Tariff of FY 2023-24 and FY 2024-25. As the Revenue Gap after final true-up of FY 2022-23 has been computed as Rs. 75.44 Crore, BEST has considered the incremental Revenue Gap of Rs. 32.69 Crore (Rs. 75.44 Crore – Rs. 42.76 Crore) to be passed through in the ARR and Tariff of the MYT Control Period from FY 2025-26 to FY 2029-30, and has also computed the carrying cost on such incremental Revenue Gap. BEST has also computed the carrying/(holding) cost on the Revenue Gap/(Surplus) after true-up for FY 2023-24. The rate of interest for computing the carrying/(holding) cost has been considered equal to the rate of interest on working capital applicable for the respective year, i.e., 9.30% for FY 2022-23, 10.07% for FY 2023-24, and 10.50% for FY 2024-25 and half-year of FY 2025-26.

6.2.2. The total carrying/(holding) cost to be added to the ARR and Tariff of the MYT Control Period from FY 2025-26 to FY 2029-30, for the Wires Business, is shown in the Table below:

Table 6-6: Cumulative Revenue Gap/(Surplus) of Wires Business with Carrying Cost, as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/(Holding) Cost
Opening Revenue Gap/(Surplus)	0.00	32.69	74.17	74.17	
Deferred Revenue Gap/(Surplus) during the year	0.00	0.00	0.00	0.00	
Revenue Gap/(Surplus) during the year	32.69	41.49	0.00	(74.17)	
Revenue Gap/(Surplus) at the end of the year	32.69	74.17	74.17	0.00	
Carrying Cost Interest	9.30%	10.07%	10.50%	10.50%	

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/(Holding) Cost
Rate					
Carrying Cost	1.52	5.38	7.79	3.89	18.58

6.2.3. Similarly, for the Supply Business, the Commission had allowed pass through of Revenue Gap of Rs. 874.28 Crore in the ARR and Tariff of FY 2023-24 and FY 2024-25, and had also adjusted the past Revenue Surplus of Rs. 206.65 Crore. As the Revenue Gap after final true-up of FY 2022-23 has been computed as Rs. 1107.42 Crore, BEST has considered the incremental Revenue Gap of Rs. 26.49 Crore (Rs. 1107.42 Crore – Rs. 874.28 Crore – Rs. 206.65 Crore) to be passed through in the ARR and Tariff of the MYT Control Period from FY 2025-26 to FY 2029-30, and has also computed the carrying cost on such incremental Revenue Gap. BEST has also computed the carrying/(holding) cost on the Revenue Gap/(Surplus) after true-up for FY 2023-24. The rate of interest for computing the carrying/(holding) cost has been considered equal to the rate of interest on working capital applicable for the respective year, i.e., 9.30% for FY 2022-23, 10.07% for FY 2023-24, and 10.50% for FY 2024-25 and half-year of FY 2025-26.

6.2.4. The total carrying/(holding) cost to be added to the ARR and Tariff of the MYT Control Period from FY 2025-26 to FY 2029-30, for the Supply Business, is shown in the Table below:

Table 6-7: Cumulative Revenue Gap/(Surplus) of Retail Supply Business with Carrying Cost as submitted by BEST (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/(Holding) Cost
Opening Revenue Gap/(Surplus)	0.00	26.49	(76.15)	(76.15)	
Deferred Revenue Gap/(Surplus) during the year	0.00	0.00	0.00	0.00	
Revenue Gap/(Surplus) during the year	26.49	(102.64)		76.15	
Revenue Gap/(Surplus) at the end of the year	26.49	(76.15)	(76.15)	0.00	
Carrying Cost Interest Rate	9.30%	10.07%	10.50%	10.50%	
Carrying Cost	1.23	(2.50)	(8.00)	(4.00)	(13.26)

Commission's Analysis and Ruling

6.2.5. The Commission has approved the Revenue Gap of Rs. 43.42 Crore towards the Wires Business post final True-up of FY 2022-23, accordingly the incremental Revenue Gap

approved for FY 2022-23 is Rs. 0.67 Crore (Rs. 43.42 Crore – Rs. 42.76 Crore), while for the Retail Supply Business, the Commission has approved Revenue Gap of Rs. 1079.58 Crore and accordingly, the incremental approves the incremental Revenue Surplus of Rs. 1.35 Crore (Rs. 1079.58- Rs. 874.28 Crore-Rs. 206.65 Crore) for FY 2022-23. The Commission has considered to pass through such incremental Revenue Gap/(Surplus) of FY 2022-23 to FY 2024-25 during 5th Control Period from FY 2025-26 to FY 2029-30 and accordingly has worked out the applicable Carrying/(Holding) Cost upto FY 2025-26. The Commission has considered the rate of interest for computing the carrying/(holding) cost equal to the rate of interest on working capital applicable for the respective year, i.e., 9.30% for FY 2022-23, 10.07% for FY 2023-24, and 10.50% for FY 2024-25 and half-year of FY 2025-26.

6.2.6. The summary of the approved Carrying/(Holding) Cost towards the incremental Revenue Gap/(Surplus) approved by the Commission for FY 2022-23 to FY 2024-25 both for Wires as well as Retail Supply Business is summarised in the Table below:

Table 6-8: Carrying/(Holding) for Wires Business, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/(Holding) Cost
Opening Revenue Gap/(Surplus)	0.00	22.53	57.63	57.63	
Deferred Revenue Gap/(Surplus) during the year	0.00	0.00	0.00	0.00	
Revenue Gap/(Surplus) during the year	22.53	35.10		-57.63	
Revenue Gap/(Surplus) at the end of the year	22.53	57.63	57.63	0.00	
Carrying Cost Interest Rate	9.30%	10.07%	10.50%	10.50%	
Carrying Cost	1.05	4.03	6.05	3.03	14.16

Table 6-9: Carrying/(Holding) for Retail Supply Business, as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/(Holding) Cost
Opening Revenue Gap/(Surplus)	0.00	10.55	-109.33	-109.33	
Deferred Revenue Gap/(Surplus) during the year	0.00	0.00	0.00	0.00	
Revenue Gap/(Surplus) during the year	10.55	-119.88	0.00	109.33	

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying/ (Holding) Cost
Revenue Gap/(Surplus) at the end of the year	10.55	-109.33	-109.33	0.00	
Carrying Cost Interest Rate	9.30%	0.10	0.11	0.11	
Holding Cost	0.49	-4.97	-11.48	-5.74	-21.70

6.2.7. Accordingly, the Commission has approved the Carrying Cost of Rs. 14.16 Crore for Wires Business and Holding Cost of Rs. 21.70 Crore for Retail Supply Business towards the incremental Revenue Gap/(Surplus) approved by the Commission for the past period.

6.3. Cumulative ARR for MYT Control Period

BEST's Submission

6.3.1. BEST has submitted the projected ARR for the MYT Control Period from FY 2025-26 to FY 2029-30. As stated earlier, the incremental Revenue Gap/(Surplus) after final true-up of FY 2022-23, the Revenue Gap/(Surplus) after final true-up of FY 2023-24, the Revenue Gap/(Surplus) after provisional true-up of FY 2024-25, and the associated carrying/(holding) cost as computed above, have been added to the projected ARR for FY 2025-26. Further, in order to smoothen the impact of the past period Revenue Gap/(Surplus), rather than recovering the entire Revenue Gap/(Surplus) in a single year, i.e., FY 2025-26, BEST has proposed to spread the Revenue Gap/(Surplus) across the MYT Control Period from FY 2025-26 to FY 2029-30, in such a manner that there is a gradual increase in the Average Cost of Supply (ACoS).

6.3.2. The revised ARR for recovery for the MYT Control Period from FY 2025-26 to FY 2029-30, after adjusting the previous period Revenue Gap/(Surplus) in the above manner, is presented in the tables below, separately for the Wires Business and Supply Business:

Table 6-10: Cumulative ARR for Wires Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	853.26	955.11	1055.67	1150.10	1249.29
Incremental Gap/(Surplus) after truing up for FY 2022-23	32.69				
True-up Gap/(Surplus) after truing up for FY 2023-24	41.49				

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	121.78				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	18.58				
Cumulative ARR	1067.80	955.11	1055.67	1150.10	1249.29
Spreading of Revenue Gap over 5 years for smoothening tariff impact	0.00	10.00	20.00	70.00	114.53
Carrying/(Holding) Cost due to spreading of Gap/(Surplus) over 5 years	22.53	21.48	19.38	12.03	0.00
Revised Cumulative ARR for recovery	875.79	986.59	1095.04	1232.13	1363.82

Table 6-11: Cumulative ARR for Retail Supply Business from FY 2025-26 to FY 2029-30, as submitted by BEST (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	3825.75	3702.28	3859.33	3973.64	3715.81
Incremental Gap/(Surplus) after truing up for FY 2022-23	26.49				
True-up Gap/(Surplus) after truing up for FY 2023-24	(102.64)				
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	(196.63)				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	(13.26)				
Cumulative ARR	3539.71	3702.28	3859.33	3973.64	3715.81
Spreading of Revenue Gap/(Surplus) over 5 years for smoothening tariff impact	(306.78)	(106.78)	(126.78)	(126.78)	353.10
Carrying/(Holding) Cost due to spreading of Gap/(Surplus) over 5 years	(0.76)	10.45	23.76	37.08	0.00
Revised Cumulative ARR for recovery	3518.20	3605.95	3756.31	3883.93	4068.90

Commission's Analysis and Ruling

- 6.3.3. The Commission has already computed the Revenue Gap/(Surplus) proposed to be adjusted with the ARR approved by the Commission for FY 2025-26, hence, the Commission has considered the Carrying/(Holding) cost till FY 2025-26, which is summarised in the Table below:

Table 6-12: Cumulative ARR for Wires Business from FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	841.50	933.81	1026.98	1098.54	1161.54
Incremental Gap/(Surplus) after truing up for FY 2022-23	22.53				
True-up Gap/(Surplus) after truing up for FY 2023-24	35.10				
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	98.04				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	14.16				
Cumulative ARR	1011.34	933.81	1026.98	1098.54	1161.54

Table 6-13: Cumulative ARR for Retail Supply Business from FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	3699.59	3738.65	3978.09	4197.95	4055.47
Incremental Gap/(Surplus) after truing up for FY 2022-23	10.55				
True-up Gap/(Surplus) after truing up for FY 2023-24	-119.88				
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	-255.76				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	-21.70				
Proposed Past Gap Recovery for Tata Power-G including CC	-80.34				
Cumulative ARR	3232.46	3738.65	3978.09	4197.95	4055.47

6.3.4. To further smoothen the Tariff impact over the 5th Control Period, the Commission has deferred the Past Period surplus of Retail Supply Business upto the next two years i.e. FY 2027-28. Accordingly, the cumulative ARR for the Wires and Retail Supply Business approved by the Commission for the MYT 5th Control Period post deferring the past period surplus of Retail Supply Business including the additional Holding Cost is summarised in the Table below:

Table 6-14: Cumulative ARR for Retail Supply Business (Post Surplus deferment) from FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	3699.59	3738.65	3978.09	4197.95	4055.47
Incremental Gap/(Surplus) after truing up for FY 2022-23	10.55				

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
True-up Gap/(Surplus) after truing up for FY 2023-24	-119.88				
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	-255.76				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	-21.70				
Proposed Past Gap Recovery for Tata Power-G including CC	-80.34				
Cumulative ARR	3232.46	3738.65	3978.09	4197.95	4055.47
Spreading of Revenue Gap/(Surplus) over 5 years for smoothening tariff impact	-210.21	-93.43	-163.50	0.00	0.00
Carrying/(Holding) Cost due to spreading of Gap/(Surplus) over 5 years	-26.98	-17.17	0.00	0.00	0.00
Revised Cumulative ARR for recovery	3462.40	3628.06	3814.59	4197.95	4055.47

6.4. Cost of Supply

BEST's Submission

- 6.4.1. In the previous Tariff Orders, BEST and the Commission have endeavoured to reduce the cross-subsidy between consumer categories with reference to the Average Cost of Supply (ACoS). However, in the MYT Regulations, 2024, the Commission has specified that the cross-subsidy shall be computed with reference to the Retail Cost of Supply (RCoS). The relevant extract of the MYT Regulations, 2024 is reproduced below:
- 6.4.2. Hence, BEST has computed ACoS as well as RCoS, and has proposed category-wise tariff in such a manner that the cross-subsidies are reduced over the Control Period. Further, as the Commission has determined tariff based on the ACoS in the MTR Order, for appropriate comparison, BEST has computed the effective RCoS approved by the Commission for FY 2024-25 in the MTR Order, which has been considered as the reference level of cross-subsidy. Also, Regulation 111.5 refers to voltage-wise cost of supply. In the previous Tariff Orders, an anomaly in terms of tariff has crept in, as the tariff of HT categories has become significantly higher than the tariff of LT categories. Hence, BEST has attempted to gradually correct this anomaly over the MYT Control Period, while at the same time ensuring against tariff shock for any category, and the entire revenue requirement is also recovered. In case of LT Residential category consumers, the intra-category cross-subsidy has also been reduced, by increasing the energy charges of lowest consumption slab and reducing the energy charges for the higher consumption slabs. However, as the tariff for the LT

Residential category is telescopic, the increase in tariff of the lowest consumption slab also affects the amount payable by consumers in the higher consumption slabs.

- 6.4.3. The RCoS and ACoS computed by BEST for each year of the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 6-15: ACoS and RCoS from FY 2025-26 to FY 2029-30, as submitted by BEST

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cumulative ARR for Supply Business	3518.20	3605.95	3756.31	3883.93	4068.90
Sales (MU)	4817.60	4856.50	4898.41	4945.60	4998.50
Retail Cost of Supply (Rs/kWh)	7.30	7.43	7.67	7.85	8.14
Cumulative ARR of Distribution Business (Rs. Crore)	4393.99	4592.54	4851.35	5116.05	5432.73
Average Cost of Supply (Rs/kWh)	9.12	9.46	9.90	10.34	10.87

Commission's Analysis and Ruling

- 6.4.4. The Commission has continued with the practice as provided in the MYT Regulations, 2024, of determining Wheeling Charges based on the Wires ARR and the retail tariff based on the Retail Cost of Supply of the Distribution Business.
- 6.4.5. However, for the comparison purpose, the ACoS of the combined Distribution Business and Average Retail Cost of Supply (RCoS) business as approved by the Commission is shown in the Table below:

Table 6-16: ACoS and RCoS from FY 2025-26 to FY 2029-30, as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cumulative ARR for Retail Supply Business	3462.40	3628.06	3814.59	4197.95	4055.47
Sales (MU)	5162.46	5492.73	5852.30	6244.68	6674.01
Average Retail Cost of Supply (RCoS) (Rs./kWh)	6.71	6.61	6.52	6.72	6.08
Overall Average Cost of Supply (ACoS) (Rs/kW)	8.67	8.31	8.27	8.48	7.82
Y-o-Y increase/(decrease) in (ACoS)	-10%	-4%	0%	3%	-8%

6.5. kVAh Billing for LT Consumers Categories above 20 kW

Commission's Analysis and Ruling

- 6.5.1. The Commission, in the MTR Order issued in September 2018 for Distribution Licensee in the State, has expressed its intention to implement kVAh billing for all HT Consumers 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.
- 6.5.2. In the MYT Order dated 30 March, 2020, the Commission approved kVAh billing for all HT categories of BEST. The Commission has stated its intention to implement kVAh billing for LT consumers with load of 20 kW and above at the time of MTR proceedings, while directing BEST to take necessary steps to ensure implementation of the kVAh for LT consumers with load above 20 kW.
- 6.5.3. However, in the MTR Order dated 31 March 2023, BEST has submitted the DPR and Action plan for the implementation of Smart Metering and other Distribution infrastructure works under the RDSS Scheme, which was referred back to BEST with a direction to submit the same in lines with the MERC (Approval of Capital Investment Schemes) Regulations, 2022 within 2 months of the issue of the MTR Order so as to ensure timely implementation of the metering. The Commission has given the in-principal approved for the same on 22 November 2023, where BEST has proposed the Smart Metering for all its consumers by November 2025.
- 6.5.4. In the present MYT Petition, BEST has requested the Commission to further extend the implementation of kVAh billing for the LT consumers having load above 20 kW, as the Smart Meter scheme completion is expected to be completed by March 2026 instead of original scheduled completion month of November 2025.
- 6.5.5. In view of the above, the Commission is of the view that, the implementation of kVAh billing has already been extended twice since the September 2018 and enough time was also granted to BEST for its preparedness for the implementation of the same. In order create a level playing field and maintain uniformity amongst the Distribution Licensees operating in Mumbai, the Commission in the present MYT proceedings have decided to implement kVAh based billing to LT consumers having load above 20 kW. Hence, the Commission has decided to implement kVAh based billing for all the LT consumers of BEST having load above 20 kW.
- 6.5.6. Accordingly, the tariff of LT category consumers is determined on “Rs/kVAh” for the billing purpose. While determining the per unit charges in kVAh, the Commission has used category-wise PF, which is lower than unity. This makes the per unit kVAh tariff lower than the tariff, which would have been determined in kWh terms, though the consumer will have to pay the same amount and revenue generated shall be the same.

- 6.5.7. With regards to the preparedness for the implementation of kVAh billing, BEST has already submitted that, the entire Smart Metering works shall be completed by March, 2026. Thus, considering the fact that, there would be good set of meters which may not have the compatibility of reflecting kVAh based consumption, BEST till such time the older meters are replaced with the Smart Meters, should undertake the kVAh billing for such consumers considering the kWh Units and PF. However, BEST has shall endeavour and complete the Smart Meter replacement within the stipulated timelines of March, 2026 or earlier. BEST should prioritize the replacement of the Smart Meters within 3 Months from the date of issuance of this Order for the consumer categories where kVAh billing is made applicable. The Commission also directs BEST to display PF for the month in the bills of all the LT consumer categories where kVAh billing is applicable.
- 6.5.8. 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.
- 6.5.9. Accordingly, the Commission has introduced kVAh billing for all consumer categories except for LT I (A) Residential (BPL), LT I (B) – Residential, LT II (A) – Commercial upto 20 kW, LT III (A) – Industrial upto 20 kW, LT IV – Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets and LT V (B) Agriculture – Others, LT VI – Electric Vehicle Charging upto 20 kW.
- 6.5.10. Further, the Commission directs BEST to provide the information related to number of consumers, contract demand and sales of LT Public Services and LT EV charging Station category of consumers with segregation of load below 20 kW and above 20 kW in next MTR Petition.

6.6. Fixed Cost Recovery

BEST's Submission

- 6.6.1. The Commission has gradually increased the recovery of Fixed Cost through the Fixed/Demand Charges applicable to the consumers. BEST submitted that more than 50% of the total ARR comprise fixed cost elements that need to be incurred, irrespective of quantum of sale of electricity to the consumers.
- 6.6.2. In the MTR Order, the Commission has computed the fixed cost component by reducing the variable cost of power purchase from the Supply ARR including past gap. However, BEST submitted that the Wires ARR is also fixed in nature, though the recovery of the Wires ARR is through variable Wheeling Charges denominate in terms

of Rs/kWh. Hence, BEST is of the view that the assessment of recovery of Fixed Costs through Fixed/Demand Charges should be done with respect to the Combined ARR of the Distribution Business less the variable cost of power purchase.

- 6.6.3. The recovery of fixed charges through Fixed/Demand Charges is ranging from 15% to 23% over the Control Period. If only the Supply ARR is considered, then the recovery of fixed charges through Fixed/Demand Charges is ranging from 26% to 37% over the Control Period, though the Commission had projected recovery of 58% of fixed costs in the Tariff Order for FY 2024-25.
- 6.6.4. Hence, BEST has proposed increase in Fixed/Demand Charges for all consumer categories in order to increase the recovery through Fixed/Demand Charges. BEST has shown the recovery of Fixed Cost through existing and proposed Fixed/Demand Charges by both methods, viz., considering Fixed Cost including and excluding Wheeling ARR. The increase in fixed/demand charges have been proposed in such a manner that the recovery of fixed costs is around 22% to 26% over the MYT Control Period, if the Wires ARR is also considered as part of fixed costs. The recovery of fixed costs is around 36% to 42% over the MYT Control Period, if the Wires ARR is not considered as part of fixed costs. The recovery of fixed costs through existing and proposed Fixed/Demand Charges is shown in the Table below:

Table 6-17: Fixed cost recovery pattern for FY 2025-26 to FY 2029-30, as submitted by BEST

Particulars	FY 2024-25 (MTR Order)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Combined ARR		4393.99	4592.54	4851.35	5116.05	5432.73
Variable cost of power purchase		2130.53	2065.93	2144.92	2194.86	2068.15
Fixed Cost portion of ARR		2263.47	2526.61	2706.43	2921.19	3364.58
Revenue from Existing Fixed/Demand Charges		509.88	511.40	512.95	514.50	516.06
% Recovery of Fixed Cost through existing Fixed Charges		23%	20%	19%	18%	15%
Revenue from Proposed Fixed/Demand Charges		584.75	622.15	656.76	691.30	726.04
% Recovery of Fixed Cost through Proposed Fixed Charges		26%	25%	24%	24%	22%

Table 6-18: Fixed cost recovery pattern for FY 2025-26 to FY 2029-30 (MERC Order approach), as submitted by BEST

Particulars	FY 2024-25 (MTR Order)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Supply ARR including past gap	3929.3	3518.20	3605.95	3756.31	3883.93	4068.90
Variable cost of power purchase	2758.37	2130.53	2065.93	2144.92	2194.86	2068.15
Fixed Cost portion of ARR	1170.93	1387.68	1540.02	1611.39	1689.06	2000.76
Revenue from Existing Fixed/Demand Charges	678.14	509.88	511.40	512.95	514.50	516.06
% Recovery of Fixed Cost through existing Fixed Charges	58%	37%	33%	32%	30%	26%
Revenue from Proposed Fixed/Demand Charges		584.75	622.15	656.76	691.30	726.04
% Recovery of Fixed Cost through Proposed Fixed Charges		42%	40%	41%	41%	36%

6.6.5. BEST has proposed the category-wise Fixed/Demand Charges for the Control Period from FY 2025-26 to FY 2029-30, as shown in the table below:

Table 6-19: Proposed Fixed/Demand Charges (Rs. Per month per connection/per month per kVA) from FY 2025-26 to FY 2029-30, as submitted by BEST

Category	Fixed charges (Rs. Per month per connection)					Demand charges (Rs. Per month per kVA)				
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
HT Category										
HT - I Industry	-	-	-	-	-	450	475	500	525	550
HT - II Commercial	-	-	-	-	-	450	475	500	525	550
HT - III Group Housing	-	-	-	-	-	450	475	500	525	550
HT - IV Railways, Metro, Monorail	-	-	-	-	-	450	475	500	525	550
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	-	-	-	-	-	450	475	500	525	550
HT - V (B) Public Services (Others)	-	-	-	-	-	450	475	500	525	550
HT - VI Electrical Vehicle Charging						90	90	100	100	100
LT Category										
LT - I (A) Residential (BPL)	15	15	15	15	15	-	-	-	-	-
LT - I (B)										

Category	Fixed charges (Rs. Per month per connection)					Demand charges (Rs. Per month per kVA)				
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Residential										
0-100 units	110	120	130	140	150	-	-	-	-	-
101-300 units	160	170	180	190	200	-	-	-	-	-
301-500 units	170	180	190	200	210	-	-	-	-	-
>501 units	190	200	210	220	230	-	-	-	-	-
LT - II (a) Commercial<20kW	540	575	600	625	650	-	-	-	-	-
LT - II (b) Commercial >20 kW & <=50 kW	-	-	-	-	-	450	475	500	525	550
LT - II (c) Commercial > 50 kW	-	-	-	-	-	450	475	500	525	550
LT - III (A) Industry (up to 20 kW)	540	575	600	625	650	-	-	-	-	-
LT - III (B) Industrial (above 20 kW)	-	-	-	-	-	450	475	500	525	550
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	540	575	600	625	650	-	-	-	-	-
LT - IV (B) Public Services (Others)	540	575	600	625	650	-	-	-	-	-
LT - V (A) Agriculture- Pumpsets	-	-	-	-	-	50	60	70	70	70
LT - V (B) Agriculture-Others	-	-	-	-	-	110	120	120	120	120
LT - VI Electrical Vehicle Charging	-	-	-	-	-	90	90	100	100	100

6.6.6. BEST requested the Commission to approve the category-wise Fixed/Demand Charges for FY 2025-26 to FY 2029-30 as shown in the above table. Also, BEST requested the Commission to approve the same fixed charges for all Mumbai DISCOMs.

Commission's Analysis and Ruling

6.6.7. The Fixed Costs of the Supply Business includes all expenses, except the variable cost of power purchase. The Commission observes that the fixed charges recovery as proposed by BEST is in the range of 42% to 36% with gradual decrease in the fixed charges over the 5th Control Period

- 6.6.8. However, the Commission in the current MYT order has implemented many new initiatives such as introduction of new ToD slab, determination of Cross subsidy considering Retail Average cost of Supply for all categories with few exceptions. Such attempt may also result in variation in energy charges and hence the Commission has decided to continue with the existing fixed charges with no change for 5th MYT Control Period for FY 2025-26 to FY 2029-30 except for Commercial and Railway Category of consumers so as to maintain the cross subsidy as the load factor of Commercial category is lower resulting in higher demand charge per unit. However, the Commission may review the same at the time of MTR Tariff Petition to be filed by the Distribution licensee in FY 2027-28.
- 6.6.9. The Commission has always determined all other aspects, i.e., Fixed/Demand Charges, incentive/penalty structure, ToD tariffs, etc., the same for BEST and other two parallel licensees and only the Wheeling Charges and Energy Charges, which are directly related to the costs and sales mix of the Licensees are different, so as to facilitate the decision making by the consumers keeping in view the competition.
- 6.6.10. Accordingly, the Fixed Charges as approved in the MTR Tariff Order in Case No. 212 of 2022 except for Commercial and Railway Category of consumers, is considered for all Mumbai Licensee. The category-wise Fixed/Demand Charges approved for 5th MYT Control Period for FY 2025-26 to FY 2029-30 are summarised subsequently in this Section, along with other Charges. The recovery of the Fixed Cost over the 5th Control Period based on the approved Fixed Charges is summarised in the Table below:

Table 6-20: Fixed Cost Recovery for FY 2025-26 to FY 2029-30, as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Supply ARR including past gap	3462.40	3628.06	3814.59	4197.95	4055.47
Variable cost of power purchase	2118.71	2225.93	2429.05	2624.82	2642.57
Fixed Cost portion of ARR	1343.69	1402.13	1385.55	1573.14	1412.90
Revenue from Existing Fixed/Demand Charges	519.91	538.25	553.78	570.16	587.44
% Recovery of Fixed Cost through existing Fixed Charges	0.39	0.38	0.40	0.36	0.42
Revenue from Proposed Fixed/Demand Charges	472.60	488.10	500.62	513.81	527.71
% Recovery of Fixed Cost through Proposed Fixed Charges	35%	35%	36%	33%	37%

6.7. Wheeling Charges

BEST's Submission

- 6.7.1. BEST has computed the ARR for the Wires Business and Supply Business in accordance with the Allocation Matrix specified in Regulation 89 of the MYT Regulations, 2024.
- 6.7.2. For the computation of HT and LT Wheeling Charges, BEST has considered the ratio of GFA for HT: LT network as 52.44%: 47.56% as per voltage-wise gross fixed Assets as on 31.03.2024.
- 6.7.3. BEST has computed the Wheeling Charges for the Control Period from FY 2025-26 to FY 2029-30, as shown in the table below:

Table 6-21: Proposed Wheeling Charges from FY 2025-26 to FY 2029-30, as submitted by BEST

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
ARR for Wires Business (along with past recoveries with carrying cost)	875.79	986.59	1,095.04	1,232.13	1,363.82
GFA attributable to HT Network (%)	52.44%	52.44%	52.44%	52.44%	52.44%
GFA attributable to LT Network (%)	47.56%	47.56%	47.56%	47.56%	47.56%
Charge recoverable from HT	459.22	517.32	574.19	646.07	715.13
Charge recoverable from LT consumers	416.56	469.27	520.85	586.06	648.70
HT Sales (MU)	680.18	681.50	683.09	685.18	687.81
LT Sales (MU)	4,137.42	4,175.00	4,215.32	4,260.42	4,310.69
Total Sales (MU)	4,817.60	4,856.50	4,898.41	4,945.60	4,998.50
Charge recoverable from HT consumers	64.84	72.59	80.07	89.51	98.40
Charge recoverable from LT consumers	810.95	913.99	1,014.97	1,142.62	1,265.42
HT Wheeling Charge (Rs./kWh)	0.95	1.07	1.17	1.31	1.43
HT Wheeling Charge (Rs./kVAh)	0.94	1.05	1.15	1.28	1.41
LT Wheeling Charge (Rs./kWh)	1.96	2.19	2.41	2.68	2.94
Total Wheeling Charge (Rs. /kWh)	1.82	2.03	2.24	2.49	2.73

Note: HT Wheeling Charges for Rs./kVAh & LT Wheeling Charges for Rs./kWh

- 6.7.4. BEST requested the Commission to approve the Wheeling Charges for FY 2025-26 to FY 2029-30 as shown in the above table

Commission Analysis and Ruling

- 6.7.5. The Commission has noted the submissions of BEST. It is observed that, BEST has followed the older methodology of estimating the Wheeling Charges and not in lines

with the MYT Regulations, where BEST has to allocated its Wires and Retail Supply Cost in term of Appendix III of the MYT Regulations, 2024. The Commission as part of the data gaps query sought Voltage wise cost allocation as per the desired MYT Formats, however, BEST in response to the same has provided only voltage wise assets details only. Since, the entire requisite details were unavailable with the Commission for the determination of Wheeling Charges in lines with the MYT Regulations, 2024, the Commission for the purpose of projections has adopted the previous method for determining the Wheeling Charges. However, the Commission directs BEST to submit the complete Voltage wise cost allocation in lines with the MYT Regulations, 2024 and desired Forms Formats at the time of MTR Petition.

6.7.6. Further, the commission has decided for the applicability of the kVAh based billing for all LT Consumer having load above 20 kW, accordingly, while calculating the Wheeling Charges in Rs./kVAh the Commission has considered power factor of 0.96 for LT category of consumers

6.7.7. Based on the Wheeling Charges approved by the Commission for MYT 5th Control Period is summarised in the Table below:

Table 6-22: Wheeling Charges for FY 2025-26 to FY 2029-30, as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
ARR for Wires Business (along with past recoveries with carrying cost)	1,011.34	933.81	1,026.98	1,098.54	1,161.54
GFA attributable to HT Network (%)	52.44%	52.44%	52.44%	52.44%	52.44%
GFA attributable to LT Network (%)	47.56%	47.56%	47.56%	47.56%	47.56%
Charge recoverable from HT	530.30	489.65	538.50	576.03	609.06
Charge recoverable from LT consumers	481.04	444.16	488.48	522.52	552.48
HT Sales (MU)	665.72	693.05	722.17	753.24	786.45
LT Sales (MU)	4,496.74	4,799.68	5,130.13	5,491.44	5,887.56
Total Sales (MU)	5,162.46	5,492.73	5,852.30	6,244.68	6,674.01
Charge recoverable from HT consumers	68.38	61.78	66.45	69.48	71.77
Charge recoverable from LT consumers	942.95	872.03	960.52	1,029.06	1,089.77
HT Wheeling Charge (Rs./kWh)	1.03	0.89	0.92	0.92	0.91
HT Wheeling Charge (Rs./kVAh)	1.01	0.88	0.90	0.91	0.90
LT Wheeling Charge (Rs./kWh)	2.10	1.82	1.87	1.87	1.85
LT Wheeling Charge (Rs./kVAh)*	2.01	1.74	1.80	1.80	1.78
Total Wheeling Charge (Rs. /kWh)	1.96	1.70	1.75	1.76	1.74

*Note: Wheeling Charges in Rs/kVAh applicable for LT Consumers having load above 20 kW

6.7.8. In order to attract investments in Data Centres which presents a high consumption and continuous load, and to encourage their electricity consumption through 100% Green Energy, the Commission has allowed the discount of 10% in Wheeling Charges to such Data Centres.

6.8. Energy Charges

BEST's Submission

6.8.1. BEST has proposed kVAh billing for HT consumers as approved by the Commission in the MTR Order. As the Smart Meter installation will not be complete by March, 2025, BEST has proposed to continue with kWh billing for all LT category consumers. BEST may propose kVAh billing for selected LT categories in the next MTR Petition, once the Smart Meter installation is completed.

Table 6-23: Proposed Energy Charges for FY 2025-26 to FY 2029-30 (Rs/kVAh for HT category and Rs/kWh for LT category), as submitted by BEST

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	6.05	6.05	6.25	6.50	6.65
HT - II Commercial	6.30	6.40	6.65	6.85	7.05
HT - III Group Housing	6.35	6.25	6.55	6.70	7.00
HT - IV Railways, Metro, Monorail	4.90	4.80	4.90	5.05	5.35
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	6.20	6.10	6.80	6.95	7.25
HT - V (B) Public Services (Others)	6.20	6.10	6.30	6.40	6.70
HT - VI Electrical Vehicle Charging	5.60	5.50	5.60	6.05	6.85
LT Category					
LT - I (A) Residential (BPL)	1.80	1.95	2.05	2.05	2.15
LT - I (B) Residential					
0-100 units	2.00	2.05	2.20	2.20	2.30
101-300 units	5.55	5.60	5.75	5.75	6.05
301-500 units	9.45	8.65	8.85	8.85	9.10
>501 units	11.55	10.75	10.95	11.15	11.35
LT - II (a) Commercial <20kW	6.40	6.70	6.90	7.05	7.25
LT - II (b) Commercial >20 kW & <=50 kW	5.45	5.85	5.85	5.85	6.05
LT - II (c) Commercial >50 kW	5.10	5.60	5.80	6.30	6.70
LT - III (A) Industry (up to 20 kW)	6.60	6.85	7.05	7.10	7.50
LT - III (B) Industrial (above 20 kW)	6.00	6.25	6.25	6.25	6.25
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	7.20	7.45	7.65	7.85	7.95
LT - IV (B) Public Services (Others)	7.05	7.55	7.80	8.00	8.10
LT - V (A) Agriculture-Pumpsets	2.75	3.10	3.10	3.10	2.80
LT - V (B) Agriculture-Others	5.50	5.85	5.85	5.85	5.55

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT - VI Electrical Vehicle Charging	7.30	7.50	7.75	8.00	8.30

Commission's Analysis and Ruling

- 6.8.2. The Commission has noted the submissions of BEST. BEST has submitted the applicability of the kVAh based billing to the LT consumer categories at the time of MTR Petition, once the Smart Meter Implementation is completed. The Commission also notes that, BEST is expecting to complete its entire Smart Meter installation by March, 2026, accordingly, the Commission has considered the BEST's submission and allows the applicability of kVAh based billing for HT consumer categories, with a condition that, the applicability and complete preparedness to be demonstrated by BEST for the applicability of kVAh based billing to the LT consumer categories at the MTR Petition.
- 6.8.3. The Commission has merged the Public Services (Government Owned and Private) into single Public Service category. Merging or elimination of existing consumer categories can be done considering the End Use, Energy Consumption, Socio-Economic Profile, Consumption Pattern/ Load Factor, etc. These factors have been examined by the Commission while deciding on merging of categories. The Commission opines that Public Services 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 & LT Public Services (Government Owned Hospital & Education Institution) with Public Services (Other), as both the category has broader coverage of consumers into providing Public Services. Even after merging, it is ensured that tariff of the said category is not increased.
- 6.8.4. District Cooling Solution (DCS) provide air conditioning services to a cluster of buildings in a centralised manner which are centralised cooling systems. Such systems are already prevalent within the SEZ areas, and are likely to gain more importance, given the environmentally beneficial and more energy efficient utilisation, thereby leading to lower cost of cooling. The Commission is of the view that it is essential to encourage such energy efficient applications, considering the energy conservation goals. As electricity costs shall affect the viability of such units, the Commission has decided to categorise such DCS under the respective Industry category, i.e., HT I Industry and LT III Industry, as applicable depending on the size of the plant.

- 6.8.5. It is clarified that Sewage Treatment Plants/ Common Effluent Treatment Plants are categorized under Public Service category only, irrespective of whether they are used for residential complexes. Therefore, as per the choice of consumers, a Separate connection may be released for such facilities, so as to charge Public Service category tariff.
- 6.8.6. To promote Tourism Industry and in line with Tourism Policy of Maharashtra 2024 dated 18 July 2024, the Commission has decided to categorise certain facilities / services under Industry Category. Accordingly, Hotel / Motels / Youth Clubs, Resorts / Cottages / Service Apartment, Tourist Villas / Tourists Apartment is categorised under LT and HT Industry.
- 6.8.7. The Commission notes that Regenerative braking is a clean energy source that helps in reducing carbon footprint and aligns with Maharashtra's RE and sustainability goals. Metro trains generate electricity during braking, which can be fed back into the grid after internal consumption. Allowing netting off enables efficient utilization of regenerated power within the metro network. Further, regenerative braking aligns with existing energy policies promoting self-sufficiency and efficiency. Accordingly, the Commission allows netting off facility for excess energy generated by regenerative braking after consumption by other trains and auxiliary load and deduct the same from electricity drawn from TPC-D in the monthly bill. The Commission directs TPC-D to install appropriate meter at incomer meter for energy accounting to provide netting off facility. Such netting of electricity shall be done on monthly basis and in case of surplus after adjusting for energy drawl for the month, such surplus energy be purchased by the Discom at generic tariff approved for purchase of surplus energy from rooftop PV installation.
- 6.8.8. Further, the Commission has considered the Guidelines as issued by MoP - "Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure 2024" dated 17 September 2024 and has determined tariff without levy of any Fixed Charges and Energy Charges are linked to Average Cost of Supply of Mumbai Licensees after subtracting the respective Wheeling Charges.
- 6.8.9. Accordingly, the Energy Charges approved by the Commission for MYT 5th Control Period is summarised in the Table below:

Table 6-24: Category wise Energy Charges for FY 2025-26 to FY 2029-30, as approved by the Commission (HT & LT above 20 kW - kVAh and LT below 20 kW - kWh)

Consumer Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT - I Industry	5.70	5.47	5.19	5.53	4.88
HT - II Commercial	5.85	5.68	5.54	5.74	5.04
HT - III Group Housing	5.10	4.72	4.56	4.86	4.26
HT - IV Railways, Metro, Monorail	5.18	4.86	4.73	4.73	4.01
HT - V Public Services	5.80	5.53	5.24	5.34	4.64
HT - VI Electrical Vehicle Charging	6.31	6.80	6.84	7.06	6.91
Sub Total					
LT Category					
LT - I (A) Residential (BPL)	1.52	1.52	1.52	1.52	1.52
LT - I (B) Residential					
0-100 units	1.74	2.02	2.10	2.09	1.55
101-300 units	5.33	5.35	5.50	5.62	5.19
301-500 units	9.81	10.04	10.18	10.48	9.68
>501 units	12.01	11.25	11.55	11.85	11.05
LT - II (a) Commercial <20kW	6.55	6.17	6.04	6.54	5.81
LT - II (b) Commercial >20 kW & ≤50 kW*	5.81	5.94	5.63	5.85	5.16
LT - II (c) Commercial >50 kW*	5.33	5.91	5.63	5.91	5.29
LT - III (A) Industry (upto 20 kW)	6.30	6.02	5.84	6.14	5.44
LT - III (B) Industrial (above 20 kW)*	6.13	5.87	5.51	5.66	4.93
LT - IV Public Services*	6.20	5.87	5.53	5.80	5.17
LT - V (A) Agriculture-Pumpsets	2.52	2.52	2.52	2.52	2.52
LT - V (B) Agriculture-Others	4.93	4.93	4.93	4.93	4.63
LT - VI Electrical Vehicle Charging*	6.06	5.69	5.70	5.92	5.78

*Note: Energy Charges in Rs/kVAh applicable for LT Consumers having load above 20 kW

6.9. Cross-Subsidy

BEST's Submission

6.9.1. The category-wise cross-subsidy proposed for FY 2025-26 to FY 2029-30 is as shown in the Table below:

Table 6-25: Proposed Category-wise Cross-Subsidy for FY 2025-26 to FY 2029-30 (%), as submitted by BEST

Category	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Approved in MTR Order (w.r.t. ACOS)	Approved in MTR Order (w.r.t. RCOS)*	Projected (w.r.t. RCOS)	Projected (w.r.t. RCOS)	Projected (w.r.t. RCOS)	Projected (w.r.t. RCOS)	Projected (w.r.t. RCOS)
HT Category							
HT - I Industry	100%	115%	104%	103%	104%	105%	104%
HT - II Commercial	112%	129%	117%	118%	119%	120%	120%
HT - III Group Housing	101%	115%	104%	102%	103%	103%	104%
HT - IV Railways, Metro, Monorail	120%	139%	133%	133%	133%	135%	137%
HT - V (A) Public Services (Govt. Hospitals and Educational Institutions)	100%	114%	102%	99%	106%	107%	107%
HT - V (B) Public Services (Others)	110%	127%	106%	104%	104%	104%	105%
HT - VI Electrical Vehicle Charging	-	-	120%	109%	103%	100%	101%
LT Category							
LT - I (A) Residential (BPL)	39%	23%	28%	29%	30%	29%	29%
LT - I (B) Residential	-	82%	115%	114%	116%	118%	120%
LT - II (a) Commercial <20kW	109%	111%	115%	118%	118%	119%	118%
LT - II (b) Commercial >20 kW & ≤50 kW	124%	128%	115%	120%	118%	117%	117%
LT - II (c) Commercial >50 kW	127%	153%	106%	112%	113%	118%	120%
LT - III (A) Industry (upto 20 kW)	95%	111%	100%	102%	102%	100%	102%
LT - III (B) Industrial (above 20 kW)	117%	128%	109%	111%	109%	107%	105%
LT - IV (A) Public Services (Govt. Hospitals and Educational Institutions)	96%	132%	100%	102%	102%	102%	99%
LT - IV (B) Public Services (Others)	97%	93%	101%	106%	106%	106%	104%
LT - V (A) Agriculture-Pumpsets	-	95%	99%	104%	104%	105%	102%
LT - VI Electrical Vehicle Charging	83%	78%	100%	100%	100%	100%	100%

Commission's Analysis and Ruling

- 6.9.2. As stated earlier, in line with the earlier approach of the Commission proviso specified in MYT Regulations 2024, the Commission has approved recovery of the Gap/(Surplus) of the Wires Business through the Wires ARR, rather than combining it with the combined ARR of Wires Business and Supply Business. Further, there is no cross-subsidy in the Wheeling Charges and the Wheeling Charges are same for all categories receiving supply at the same voltage level.

- 6.9.3. The Commission has considered the Average Cost of Supply of Retail Supply Business for determining cross-subsidy of consumer category, so as to ensure reduction of cross-subsidy with respect to existing levels, in accordance with the EA 2003 and as per Regulations 111.4 of MYT Regulations, 2024.
- 6.9.4. The Commission determines the category-wise tariffs of Distribution Licensees with the following primary objectives:
- Reduction in the cross-subsidies between the Licensee's consumers with respect to the prevalent cross-subsidies;
 - No category is subjected to a tariff shock;
 - To meet the approved revenue requirement through the revised tariffs;
- 6.9.5. The category-wise cross-subsidy approved by the Commission for BEST based on Tariff approved by the Commission for the MYT 5th Control Period, is presented in the following Table:

Table 6-26: Category wise Cross-Subsidy approved by the Commission (%)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)
HT Category					
HT - I Industry	102%	101%	98%	100%	100%
HT - II Commercial	102%	101%	101%	101%	101%
HT - III Group Housing	91%	88%	86%	87%	86%
HT - IV Railways, Metro, Monorail	117%	114%	113%	109%	107%
HT - V Public Services	102%	102%	99%	98%	98%
HT - VI Electrical Vehicle Charging	103%	97%	99%	99%	108%
LT Category					
LT - I (A) Residential (BPL)	26%	26%	25%	24%	26%
LT - I (B) Residential	94%	95%	98%	97%	97%
LT - II (a) Commercial <20kW	114%	108%	106%	108%	107%
LT - II (b) Commercial >20 kW & ≤50 kW	111%	114%	110%	109%	109%

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)	Projected (w.r.t Retail COS)
LT - II (c) Commercial >50 kW	100%	109%	105%	105%	105%
LT - III (A) Industry (upto 20 kW)	96%	93%	91%	92%	91%
LT - III (B) Industrial (above 20 kW)	113%	111%	107%	106%	106%
LT - IV Public Services	92%	89%	85%	86%	85%
LT - V (A) Agriculture-Pumpsets	76%	76%	75%	74%	76%
LT - VI Electrical Vehicle Charging	88%	84%	85%	86%	93%

6.10. Time-of-Day (ToD) Tariff

BEST's Submission

- 6.10.1. The Commission has specified the contours ToD in Regulations 115 of MYT Regulations, 2024.
- 6.10.2. BEST submitted that its load curve has remained largely constant throughout the years with demand starting to peak from 9 am onwards, then reaching the peak around 1 pm to 3 pm and then steadily decreasing from 4 pm onwards. Thus, BEST's peak consumption is during the designated Solar Hours. Offering 20% rebate during the Solar Hours will lead to significant revenue loss, which will have to be made up by tariff increase for other categories/base Energy Charges. BEST submitted the details of actual load curve from FY 2021-22 to FY 2023-24 and estimated load curve for the Control Period.
- 6.10.3. Further, at present, only 20% of BEST's power purchase is RE power. Moreover, BEST cannot increase penetration of Solar power beyond a certain extent by replacing thermal power, due to transmission constraints, on account of which the Commission has directed BEST to extend its PPA with TPC-G.
- 6.10.4. It may also be noted that BEST's load pattern is unlikely to shift despite rebate offered during Solar Hours as the industrial load is quite small in proportion and the load of offices, corporates and other commercial category consumers would not shift as the services that need to be offered cannot be shifted.

- 6.10.5. Also, one of the most challenging and practical problems is that Smart Meter installation is yet to be completed. If Smart Meters were in place, then the change in time slots could be implemented remotely. However, in case of BEST, in order to implement the change in the ToD time slots, all balance ToD meters will have to be physically reprogrammed, which will be cumbersome and time taking.
- 6.10.6. Once BEST completes the Smart Meter installation, BEST would be able to take a more accurate view of the need and benefit of revision in the ToD time slots and rates. Hence, BEST proposes to retain the ToD time slots as approved in the MTR Order. In the next MTR Petition, BEST shall propose the appropriate revision in the ToD time slots and rates. BEST shall also propose ToD tariffs for consumers with load above 10 kW in the MTR Petition, as Smart Meters would have been installed for all consumers by then.
- 6.10.7. Hence, BEST requested the Commission to retain the existing ToD tariff framework for BEST in the MYT Order and defer the implementation of revised ToD tariff till next Control Period/MTR Petition.

Commission's Analysis and Ruling

- 6.10.8. The Commission notes that by aligning ToD with the marginal cost of supply, consumers can benefit from lower tariffs during periods of surplus energy, such as solar hours. This ensures better utilization of renewable energy, reduces dependency on expensive power generation, and lowers electricity costs for utilities and ultimately for consumers.
- 6.10.9. Revision in the load pattern/load shape could be incentivised through appropriate ToD tariff design and assessing other factors responsible that could influence consumer behaviour, load flexibility and constraints in load shift, access to technology and monitoring tools available to consumer to manage its load shape and consumption pattern. Further, impact on consumer bill would be an important consideration for consumer to be able to take advantage of restructured ToD tariff design. At the same time, the Commission will also have to ascertain the revenue impact on the utility with such revision in the ToD tariff.
- 6.10.10. In this context, the Commission notes the amendment to Electricity (Right of Consumer) Amendment Rules, 2023 dated 14 June, 2023 notified by Central Government, outlines specific conditions regarding design of ToD slabs and ToD Tariff. The relevant extract of Rule 8A of the said Rules is as under:

“(8A) Time of Day Tariff.-The Time of Day tariff for **Commercial and Industrial** consumers having maximum demand more **than ten Kilowatt** shall be made effective from a date not later than 1st April, 2024 and **for other consumers** except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective **immediately after installation of smart meters**, for the consumers with smart meters:

Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during **peak period of the day** shall **not be less than 1.20 times the normal tariff** and for other consumers, it **shall not be less than 1.10 times the normal tariff**:

Provided further that, **tariff for solar hours of the day**, specified by the State Commission shall **be atleast twenty percent less than the normal tariff for that category of consumers**:

Provided also that the **Time of Day Tariff** shall be applicable **on energy charge component of the normal tariff**:

Provided also that **the duration of peak hours shall not be more than solar hours** as notified by the State Commission or State Load Despatch Centre.

Explanation:- For the purposes of this rule, the expression **“solar hours”** means the **duration of eight hours in a day** as specified by the State Commission.”
(**Emphasis added**)

6.10.11. Further, the Commission refers to the provisions under MYT Regulations 2024 and Distribution Open Access (First Amendment) Regulations, 2019, which specify that the Commission shall stipulate the Time of Day tariff slabs and applicable charges/rebates thereof through its Order as part of regulatory proceedings for tariff determination, upon scrutiny of submissions of Distribution Licensee and upon following due regulatory process for public consultation as part of Tariff proceedings. The relevant extracts of the MYT Regulations, 2024 and Distribution Open Access (First Amendment) Regulations, 2019 is as under:

(Reg. 115.2 of MERC MYT Regulations, 2024)

““115.2 Distribution Licensee shall **propose ToD tariff** for its consumers with load of 10 kW and above based on following **indicative time slots and tariff** as percentage of Energy Charge:

ToD Tariff (Additional Charges or (Rebate) in INR/kVAh (or kWh)				
09:00 to 16:00	16:00 to 20:00	20:00 to 00:00	00:00 to 06:00	06:00 to 09:00
Hrs	Hrs	Hrs	Hrs	Hrs
80% of the normal rate of Energy Charge	120% of the normal rate of Energy Charge	110% of Normal Rate of Energy Charge	80% of the normal rate of Energy Charge	110% of the Normal Rate of Energy Charge

*Provided that Distribution Licensee may propose seasonal **ToD tariff** in its **Tariff Petition**:*

*Provided further that the **distribution licensee** to **propose their ToD time slots with slot-wise rebate/penalty** at the time of **MYT or MTR Tariff** filing subjected to compliance of the applicable **MoP Rules**:*

*Provided further that the **Commission** at the time of **MYT Order proceedings** may **extend the applicability of the ToD Tariff** to the other consumer categories after assessing the growth in the demand.*

(Reg. 20.3 of MERC DOA (First Amendment) Regulations, 2019)

“20.3. Banking of energy shall be permitted only on monthly basis.

*Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective **Time of Day (‘TOD’) slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees;**” (emphasis added)*

6.10.12. During the current public consultation process on MYT Petitions filed by various Distribution Licensees, the Commission has received several objections/ suggestions in the matter of Time of Day tariff design as well as associated aspects of banking of energy across ToD Slots. The key issues to be addressed in the context of ToD Tariff design are as under:

- Revision in ToD Slabs including definition of Solar Hours and Peak Hours
- Determination of ToD Rates and its denomination

- c) Applicability of ToD Tariff to consumer categories
- d) Dynamic and seasonal aspects of ToD
- e) Conditions for Banking of Energy related to ToD adjustments

6.10.13. The Commission has analysed above aspects in detail and have taken into consideration provisions outlined under Electricity (Right of Consumer) (Amendment) Rules, 2023, MYT Regulations, 2024, DOA Regulations and its amendment thereof, Grid interactive Rooftop Generating Systems Regulations 2019 and its amendments thereof, submissions made by Petitioner, practice followed in other states, objections and suggestions made by stakeholders. Accordingly, the Commission hereby rules the revised framework for ToD Tariff design and associated conditions thereof to be applicable for 5th Control Period as outlined under following paragraphs.

a. **Revision in ToD Slabs including definition of Solar Hours and Peak Hours**

6.10.14. As per Rule 8A, the Solar Hours need to be specified by the State Commission which shall be duration of eight hours. Further, the Peak Hours need to be defined, which shall not exceed Solar Hours (i.e. duration of eight hours).

6.10.15. **Solar Hours:** The Commission notes that as per Rules only Solar Hours and Peak Hours need to be defined. The Commission has approved the Solar hours as 09:00 hours to 17:00 Hours as the same is aligned with solar generation hours as well as in line with provisions of Electricity (Right of Consumer) (First Amendment) Rules, 2023.

6.10.16. **Peak Hours:** The Commission has analysed the prevalent Market Clearing Prices for past two years (viz. FY 2023-24 and FY 2024-25 upto Feb 2025), as covered in the subsequent paragraphs and also represented in the graphs. The Commission has observed that higher market rates are prevalent even for hours beyond 22:00 hours upto mid-night (upto 24:00 hrs) for most of the months during the year. Further, the Commission has observed that market prices are lower for the period post mid-night in comparison to Evening Peak hours. Accordingly, the Commission hereby approves the Peak Hours, for duration of seven hours (from 17:00 hrs to 24:00 hrs).

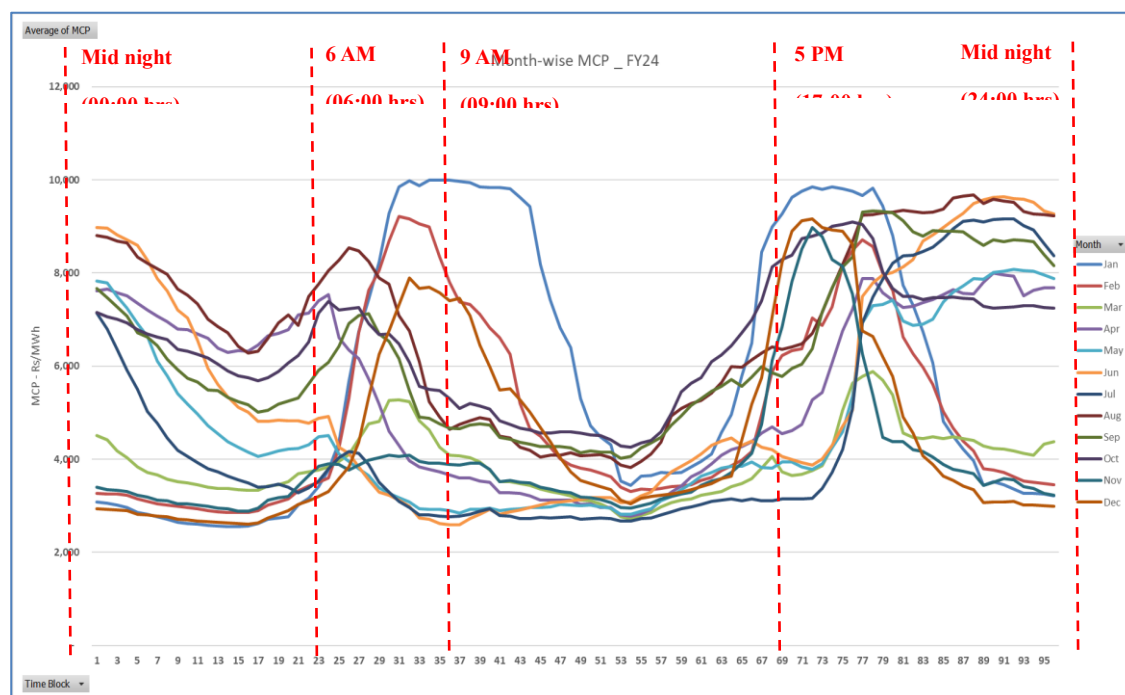
6.10.17. For remaining ToD Slabs the Commission has approved as presented in following table:

Table 6-27: ToD slab Comparison

ToD Slabs	Existing ToD Slabs		ToD Slabs as per MYT Regulations 2024		ToD Slabs		
	Period	Duration (hours)	Period	Duration (hours)	Period	Duration (hours)	
ToD Slab A	22:00 hrs to 06:00 hrs	8	00:00 hrs to 06:00 hrs	6	00:00 hrs to 06:00 hrs	6	
ToD Slab B	06:00 hrs to 09:00 hrs and 12:00 hrs to 18:00 hrs	9	06:00 hrs to 09:00 hrs	3	06:00 hrs to 09:00 hrs	3	
ToD Slab C	09:00 hrs to 12:00 hrs	3	09:00 hrs to 16:00 hrs	7	09:00 hrs to 17:00 hrs	8	Solar Hours
ToD Slab D	18:00 hrs to 22:00 hrs	4	16:00 hrs to 20:00 hrs	4	17:00 hrs to 24:00 hrs	7	Peak Hours
ToD Slab E			20:00 hrs to 00:00 hrs	4			

b. Determination of ToD Rates and its denomination

6.10.18. Market Clearing Price varies from time-block to time-block throughout the year for different seasons. Following graph depicts the average market clearing price as prevalent during FY2023-24 and FY 2024-25 (upto Feb 2025). The Market Clearing price profile clearly indicates that the MCP during day-time solar hours (9:00 hrs to 17:00 hrs) is low (Avg. MCP of Rs 2.84 per unit) throughout the year. Further, the MCP during Evening peak (17:00 hrs to 24:00 hours -midnight) is high (Avg. MCP of Rs 6.36 per unit) and the same starts falling during early morning (00:00 hrs to 06:00 hrs) to Avg. MCP of Rs 3.71 per unit. As the day progresses, the demand picks up in the in the morning hours (06:00 hrs to 09:00 hrs) and the MCP starts to rise but with significant rise in the Solar generation, the MCP during day-time solar hours (09:00 hrs to 17:00 hrs) remains low (Avg MCP of Rs 2.84 per unit). The average of monthly Market Clearing price for hourly/sub-hourly duration is presented under following graph.



6.10.19. In view of the foregoing, the Commission has determined the ToD Tariff Rate (Charge/Rebate) as percentage of the Energy Charge applicable to respective consumer category. Further, the Commission also opines that the ToD Tariff should also reflect the seasonal variation in the demand pattern as also variation in market prices prevalent thereof. Accordingly, the Commission has determined different rate of ToD Rebate for two half-yearly period (i.e. Half Yearly Period-1 as April to September and Half Yearly Period-2 as October to March). The seasonal variation in ToD Tariff as well as its denomination in Percentage terms linked to Energy Charge component of the Tariff shall also be in line with the provisions specified under Electricity (Right of Consumers) (First Amendment) Rules, 2023.

6.10.20. In addition, the Commission determines the ToD Rebate for LT-Domestic category consumers during Solar Hours only and the same shall be effected as and when Smart Meters are installed for the consumer. This would also encourage the Consumers for early adoption of the smart meters. Other conditions for ToD operationalisation for LT-Domestic category opting for solar rooftop installations are covered under subsequent paragraphs.

6.10.21. Accordingly, the Commission hereby determines the ToD Tariff (Charge/Rebate) in Energy Charges eligible consumer categories during 5th MYT Control Period as under:

Table 6-28: ToD slot approved by the Commission for 5th MYT Control Period

ToD Slabs	ToD Slabs			
	Period	Duration (hours)	ToD Charge / (Rebate) for categories*	ToD (Rebate) for LT-Residential/ HT Group Housing
-	00:00 hrs to 06:00 hrs	6	-10% - FY 2025-26 -15% - FY 2026-27 -20% - FY 2027-28 to FY 2029-30	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	(April to September) -15% - FY 2025-26 -15% - FY 2026-27 -20% - FY 2027-28 to FY 2029-30 (October to March) -25% - FY 2025-26 -25% - FY 2026-27 -30% - FY 2027-28 to FY 2029-30	Rebate: 50 Paise per Unit – FY 2025-26 55 Paise per Unit – FY 2026-27 60 Paise per Unit – FY 2027-28 65 Paise per Unit – FY 2028-29 70 Paise per Unit – FY 2029-30
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

*[*Note – subject to conditions outlined under paragraph (c) below and to be reviewed at the time of MTR proceedings]*

6.10.22. ToD Charge or ToD Rebate in percentage terms shall be applicable on the Energy Charge Component of the Tariff for respective years of 5th Control Period (FY 2025-26 to FY 2029-30) as specified under this Order or until further revision, whichever is earlier. However, for Residential/Group Housing Society category, the ToD Rebate ranging from 50 paise per unit to 70 paise per unit will be available for consumption during solar hours of 09.00 to 17.00 hours and will be reviewed at the time of MTR proceedings based on the impact on the load profile of the licensee.

c. Applicability of ToD Tariff to consumer categories

6.10.23. The Commission notes that MoP Rules quoted above mandates introduction of ToD tariff to Industrial and commercial consumers with load above 10 kW. The Commission notes that in Maharashtra, ToD tariff has already been introduced for consumers with load above 20 kW. Now in view of mandates of MoP Rules, the Commission has decided to introduce ToD tariff for consumers with load above 10 kW. Once Discom install the ToD/smart meter to such consumer, ToD tariff approved in this Order will become applicable from next billing cycle.

6.10.24. Accordingly, category-wise applicability of ToD Tariff approved by Commission is summarised under following Table:

Table 6-29: Category wise Tariff applicability approved by Commission

Consumer Category	Sub-category	Applicability
HT (for all supply voltages)		
HT I HT – Industry		Yes
HT II: HT – Commercial		Yes
HT V: HT - Public Services		Yes
HT VI: HT – EV Charging Station		Yes
LT Category - (subject to limit on Contract Demand / Sanctioned load)		
LT II: LT - Commercial		
	(A): 0-20 KW	Yes (10 kW and above)
	(B): >20 kW and ≤ 50 kW	Yes
	(C): >50 kW	Yes
LT III : LT - Industry		
	(i): 0-20 KW	Yes (10 kW and above)
	(ii): Above 20 kW	Yes
LT IV - Public Services.		
	(i): 0-20 KW	Yes (10 kW and above)
	(ii): >20 - ≤ 50 kW	Yes
	(iii): >50 kW	Yes
LT VI – EV Charging Station		Yes (10 kW and above)

6.10.25. As regards applicability of ToD tariff for LT-Residential category, ToD Rebate (during Solar Hours) shall be available to all residential consumers (irrespective of load) and the same shall be applicable from the next billing cycle after date of installation of ToD Meter/Smart Meter for consumers under LT-Residential category. This will encourage early adoption of the ToD Meter/Smart Meter by consumers under LT-Residential consumer category. Such ToD rebate shall also be applicable to LT-Residential consumer with RTS and Virtual Net Metering system.

6.10.26. The Commission further rules that in case of LT-Residential consumers with RTS systems or under Virtual Net Metering, the benefit of Net Metering shall continue to be available for all hours throughout the day for adjustment of surplus energy unit credit including during Peak Hours (17:00 hrs to 24:00 hrs) even after installation of ToD meter/ Smart Meter by such consumer.

d. Conditions for Banking of Energy related to ToD Adjustments

6.10.27. During the public consultation process and e-Public Hearings on MYT Petitions filed by various Distribution Licensees in State, many open access consumers and RE

Generators had raised concern regarding adverse impact of proposed ToD on banking of power.

- 6.10.28. Upon careful consideration of all aspects the Commission opines that the power demand-supply situation, resource mix is undergoing transformation with adoption of the energy transition agenda at National level as well as State level. The policies, regulations and the operational framework need to be aligned with emerging trends and requirements of the businesses addressing concerns of consumers and utility, alike.
- 6.10.29. The revision in ToD Slabs and ToD tariff (Charge/Rebate) presents one such opportunity to align the regulatory policies and treatment thereof in line with the broader perspective of energy transition agenda. In the context of banking facilities and ToD adjustments thereof, the Commission opines that it is important to undertake cogent reading and interpretation of the MYT Regulations, 2024, Distribution Open Access Regulations, 2019 including amendments thereof, Grid Interactive Rooftop Renewable Energy Generation Systems, Regulations 2019 including amendments thereof and Electricity (Right of Consumers) (First Amendment) Rules, 2023.
- 6.10.30. As per mandate stipulated under Electricity (Right of Consumers) (First Amendment) Rules, 2023, the concept of defining Off-peak hours or Normal hours is done away with and only 'Solar Hours' and 'Peak Hours' has been introduced as per said Rules. Accordingly, the Commission has stipulated the 'Solar Hours' (i.e. 09:00 hrs to 17:00 hrs) and 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) as well as approved the 'ToD Slabs' and 'ToD Tariff (Charge/Rebate)' as outlined under earlier paragraphs of this Order. The Commission opines that the conditions associated with ToD slot-wise Banking, adjustment of surplus energy credit need to be applied taking into consideration above facts.
- 6.10.31. Thus, the Commission hereby rules that following conditions for Banking and its treatment thereof for adjustment of banked energy credits shall apply for all consumer categories (except LT-Residential) as outlined hereunder:
- a. Energy banked during 'Peak Hour' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption in 'Peak Hour' and any other hours.
 - b. Energy banked during any other hours excluding 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption of any other hours except consumption in 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs)

6.10.32. Thus, the Commission observes that as per existing banking and ToD regime the open access consumer was able to adjust its surplus generation during day-time (06:00 hrs to 18:00 hrs – i.e. 12 hours) during respective slots and night hours (22:00 hrs to 06:00 hrs – i.e 8 hours) together for 20 hours (except for evening 4 hours from 18:00 hrs to 22:00 hrs). With proposed Banking arrangement as outlined under this Order, the open access consumer would be able to adjust its surplus generation during day-time (06:00 hrs to 17:00 hrs – i.e. 11 hours) during respective slots and night hours (00:00 hrs to 06:00 hrs – ie 6 hours) together for 17 hours (except for evening 7 hours from 17:00 hrs to 24:00 hrs). The Commission believes that this addresses the concerns expressed by objectors/stakeholders as well as that of Distribution Licensee about management during Peak Hours.

6.10.33. As far as banking under RTS and Virtual Net Metering is concerned, as clarified in earlier part of this Order, banking of energy by LT-Residential consumers are allowed in all ToD blocks including Peak Hours. For rest of consumers with RTS covered by ToD tariff, banking of energy will be subjected to principals outlined above for in para 6.9.31 above.

6.10.34. The Commission notes that since the ToD slots are being changed in the present Order, it would require re-configuration of existing meters which is likely to take some time whereas the tariff as decided in this Order is applicable from 1 April, 2025. Thus, the Commission has decided that existing ToD slabs will continue till the time meter is reconfigured or changed by the Licensee. The interim ToD slabs and ToD Charge/Rebate for categories mentioned herein above will be as follows:

Period	ToD Charge / (Rebate) for categories in Energy Charge – Rs/kWh
06:00 hrs to 09:00 hrs	0
09:00 hrs to 12:00 hrs	0
12:00 hrs to 18:00 hrs	(0.75)
18:00 hrs to 22:00 hrs	1.00
22:00 hrs to 06:00 hrs	(0.75)

It is clarified that Base Tariff applicable will be as approved by the Commission in this Order.

6.10.35. The Commission directs that Distribution Licensee shall complete the activity of meter reconfiguration to new ToD slabs as determined in this Order within 3 months of the date of Order.

6.11. Advance Payment

- 6.11.1. Regulation 16 of the MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 allows the consumer to make the advance payment of charges for electricity supplied. The Commission notes that interest is payable at Bank Rate for such advance payment and such rate being lower than prevailing market rate, there is not much response from the Consumer to avail this facility.
- 6.11.2. The Commission is of the view that there is need to encourage the consumers to make advance payment, which will not only increase the collection of Distribution Licensee but also reduce the working capital requirement. Thus, the Commission, hereby deems it fit to invoke its Power to Relax under Regulation 30 of MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 to allow higher interest rate based on the amount of advance payment.
- 6.11.3. Thus, the Commission hereby allows the advance payment/pre-payment of the bills for consumers for amount not exceeding 12 times average monthly bill for the past twelve months. Such facility shall be available for all consumers. Consumers shall be eligible to avail discount in graded manner on their monthly bills, so long as they maintain advance payment amount in the following manner:

Advance Payment Amount maintained with Utility as on date of monthly bill	Discount in monthly bill applicable at the rate of	Illustration discount* (%)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 9 to 12 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 150$ basis points	$(1/12) \times 10.5\% = 0.875\%$ (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 6 to 9 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 120$ basis points	$(1/12) \times 10.2\% = 0.85\%$ (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 3 to 6 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 90$ basis points	$(1/12) \times 9.9\% = 0.825\%$ (monthly bill discount)

Advance Payment Amount maintained with Utility as on date of monthly bill	Discount in monthly bill applicable at the rate of	Illustration discount* (%)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, upto 3 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1}^{\text{st}} \text{ Apr}) + 60$ basis points	$(1/12) \times 9.6\% = 0.8\%$ (monthly bill discount)

*Note: Assumed SBI 1-year MCLR of 9% p.a.

- 6.11.4. Further, such advance payment adjustment needs to be automatically pass-through and to be displayed in the monthly bills of the consumers with the advance amount adjusted in the bill and the balance amount to be adjusted. Also, the facility of the advance payment as provided by the Licensee to its consumers' needs to be advertised so as to create awareness.

6.12. Green Energy Tariff

BEST's Submission

- 6.12.1. On 6 June 2022, the Ministry of Power, GoI notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The said Rules mandate the State Commission to determine Green Power Tariff.
- 6.12.2. The Commission determined Green Power Tariff for the consumers opting for meeting 100% of their power requirement through RE sources in Case No. 134 of 2020 dated 22 March, 2021, wherein, the Green Energy Tariff was determined as Rs 0.66 per kWh for all the Distribution Licensees in the State, as per the conditions and methodology specified under said Order.
- 6.12.3. BEST has therefore requested the Commission to determine uniform/differential Green Energy Charges for the next MYT Control Period, in accordance with the MoP Rules.
- 6.12.4. Alternatively, BEST has requested the Commission to continue with the existing Green Energy Charges of Rs. 0.66/kWh, as approved in the previous MTR Order.

Commission's Analysis and Ruling

- 6.12.5. The Commission determined Green Power Tariff for the consumers opting for meeting its 100% of power requirement through RE sources in the Case No. 134 of 2020 dated

- 22.03.2021, which is stipulated as Rs 0.66 per kWh as per the conditions and methodology specified under said Order.
- 6.12.6. On 6 June, 2022, Ministry of Power, GoI has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The said rules also mandate the State Commission to determine Green Power Tariff. Such Green Power Tariff would be in addition to regular tariff as approved in Tariff Order.
- 6.12.7. However, considering that the procurement of renewable power has increased the weightage in the power basket whereby the power procurement by TPC-D as projected in MYT Control Period is expected to increase from 40% in FY 2025-26 to 80% in FY 2029-30 and RPO weightage also as approved by the Commission will be increasing from 33% in FY 2025-26 to 43.33% in FY 2029-30, it is a necessity that such benefit is required to be provided to the consumers opting for such green power. Also, though over the period, the Non-Conventional Power has become cheaper than the Conventional Power making the premium computed by this method as negative, it is necessary to demark the power procurement for consumers seeking green power with non-green power with certain nominal premium.
- 6.12.8. Hence, the Commission hereby approves the Green Tariff of Rs 0.25/kWh to be applicable for 5th MYT Control Period for FY 2025-26 to FY 2029-30 which may be reviewed at the time of MTR Petition to be filed by the Distribution Licensee in November, 2027.
- 6.12.9. However, for ease of implementation and to comply with provisions of MoP Rules, the Commission stipulates following terms and conditions for levy of Green Power Tariff.
- 6.12.10. All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- 6.12.11. If the Obligated Entity wants to meet its RPO by requisitioning RE Power from the Distribution Licensee, then such entity shall pay additional Rs 0.25 /kWh for the Green Power Tariff i.e., the Obligated entity shall pay total Green Power Tariff of Rs 0.50/kWh. Since the obligated entity also has the option to meet RPO by purchasing REC and is currently being traded at ~Rs 0.35/kWh, the green tariff is proposed with slight premium to REC Price.
- 6.12.12. Revenue earned through Green Power Tariff shall be treated as tariff income of Supply Business and thereby be fully accounted for reduction in ARR of supply business.

- 6.12.13. Green attribute of energy consumed by consumer by paying Green tariff shall remain with such consumer. Distribution Licensee shall not count such energy towards its RPO fulfilment.
- 6.12.14. The Consumer will have option to select the quantum of green power to be purchased in steps of 25% and going up to 100% of the consumption.
- 6.12.15. Such an option will also be available for Open Access consumer for its balance consumption from the Distribution Licensee.
- 6.12.16. The Distribution Licensee will levy Green Power Tariff only for percentage of consumption opted by the Consumer.
- 6.12.17. Distribution Licensee shall issue Annual certificate to consumers stating percentage of power requirement of such consumer has been sourced through RE sources
- 6.12.18. Any requisition for green energy from a distribution licensee shall be for a minimum period of one year.
- 6.12.19. Distribution Licensee shall process the request of Consumer for Green Power Tariff not later than 30 days from the receipt of the request or next billing cycle, whichever is earlier. Distribution Licensee shall provide the facility of requesting for Green Power Tariff through its Web Portal, Mobile App or any other digital mode for convenience of consumers.
- 6.12.20. Temporary Consumers can also opt of Green Tariff as per methodology specified above and Distribution Licensee shall issue certificate specifying that power requirement has been sourced through RE sources after receipt of payment.
- 6.12.21. The Rules notified by MoP, GOI also specify that rating of the consumer based on the percent of green energy purchased by such consumer. The Commission has specified RPO targets for the Distribution Licensees. As Distribution Licensee will be meeting such consumption, it would not be correct to issue any certificate to individual consumer for RPO to be met by Distribution Licensee as a whole. The Commission has allowed the consumer the choice to opt for RE purchase in the steps of 25%. Accordingly, the Commission introduces the rating to be given by Distribution Licensee at the end of the financial year along with the electricity bill for the month of March specifying the percentage of power purchased from RE sources from his total consumption and rating as given below:

% of RE Purchase Opted	Rating
>50% to 75%	Semi-Green
>75% to 100%	Green

6.13. Prepaid Meter Rebate

6.13.1. The Commission approves rebate of 2% for consumers who are opting for pre-paid metering which is inclusive of prompt payment discount which otherwise is payable for early payment.

6.14. Net Metering for the Regenerative Braking – Metro

6.14.1. The Commission notes that Regenerative braking is a clean energy source that helps in reducing carbon footprint and aligns with Maharashtra's RE and sustainability goals. Metro trains generate electricity during braking, which can be fed back into the grid after internal consumption. Allowing netting off enables efficient utilization of regenerated power within the metro network. Further, regenerative braking aligns with existing energy policies promoting self-sufficiency and efficiency. Accordingly, the Commission allows netting off facility for excess energy generated by regenerative braking after consumption by other trains and auxiliary load and deduct the same from electricity drawn from BEST in the monthly bill. The Commission therefore directs BEST to install appropriate meters at incomer meter for Metro for the energy accounting to provide netting off facility. Such netting of electricity shall be done on monthly basis and in case of surplus after adjusting for energy drawl for the month, such surplus energy be purchased by the DISCOM at generic tariff approved for purchase of surplus energy from rooftop PV installation.

6.15. Rebate for Bulk Consumption

6.15.1. To promote the industries and growing economy of the State, the Commission has decided to extend the Rebate on Bulk Consumption prevailing with MSEDCL to Mumbai licensee also. Such rebate on bulk consumption can offer significant revenue stability to Utility as well as consumer as also other benefits in terms of power procurement planning. As prevalent in MSEDCL, the Commission opines that bulk consumption rebate with a reverse telescopic slab would benefit all such consumers under HT-Industrial consumers with consumption in excess of 1 lakh units per month (0.1 MU per month). Thus, the Commission has decided to introduce "Bulk Consumption" rebate in a reverse telescopic manner for HT-Industrial consumers in following manner:

- a. For monthly consumption (> 1 Lakh units to 1 MU) per month: 2%
- b. For monthly consumption (> 1 MU to 5 MU) per month: 1.5%
- c. For monthly consumption (> 5 MU) per month: 1%

6.15.2. Illustration: Say a consumer consumes 15 MU during month then, its consumption more than 1 Lakh units upto 1 MU units rebate will be 2%/unit, for next 4 MU (i.e. upto consumption of 5 MU) rebate will be 1.5%/unit and for consumption in excess of 5 MU upto 15 MU, rebate will be 1%/unit.

6.15.3. Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC of the Bill excluding taxes and duty.

6.16. Discount on Digital Payment to Consumers

BEST's Submission

6.16.1. BEST is continuously engaged in creating public awareness about the advantages of Digital Payment. Hence, BEST proposes to continue with the present digital discount percentage as approved in the MTR Order.

Commission's Analysis and Ruling

6.16.2. The Commission has noted the submission of BEST and allows to continue with the Discount Digital Payments to Consumers as discussed in the Tariff Schedule under **Annexure 6** of this Order.

6.17. Overall Tariff Philosophy

6.17.1. As elaborated earlier, the Commission has approved the Revenue Requirement of the Wires Business and Supply Business for 5th MYT Control Period FY 2025-26 to FY 2029-30, by deferring the adjustment of Past Revenue Surplus in FY 2026-27 and FY 2027-28 to smoothen the impact on the Tariff. The tariff variation as approved by the Commission for 5th MYT Control Period for FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 6-30: Approved Increase/(Decrease) in Tariff for 5th MYT Control Period FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total ARR of Distribution Business	4473.25	4561.65	4841.25	5296.50	5217.01
Total Sales - MU	5162.46	5492.73	5852.30	6244.68	6674.01
ACOS (Rs/kWh)	8.66	8.30	8.27	8.48	7.82
ABR at existing tariff (Rs/kWh)	9.40	9.40	9.40	9.40	9.40
Revenue Gap per unit (Rs/kWh)	-0.73	-1.09	-1.13	-0.92	-1.58

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average Tariff Hike / Reduction (%)	-8%	-12%	-12%	-10%	-17%
Average Tariff Hike / Reduction (%) – YoY	-8%	-4%	0%	3%	-8%

6.17.2. Thus, the Commission has approved the Average Tariff hike / reduction as outlined in the above table for 5th MYT Control Period for FY 2025-26 to FY 2029-30.

6.17.3. 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 MYT Regulations 2024, and also taken into consideration BEST’s submissions as well as the Public responses in these tariff proceedings.

6.18. Tariff for 5th MYT Control Period

6.18.1. 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.

6.18.2. As mentioned previously, the Commission has attempted to bring the tariff of most of the categories in the $\pm 20\%$ of Average Retail CoS as prescribed in the MYT Regulations, 2024 and Tariff Policy. Further, the Commission has also tried to ensure that the level of cross-subsidy either remains constant or reduces in the subsequent year so as to steadily approach the ACoS as envisaged in the Tariff Policy.

6.18.3. The approved category-wise tariffs for 5th MYT Control Period are given in the Tables below:

Table 6-31: Tariffs Effective from 1 April, 2025 (FY 2025-26)

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	LT Category					
1	LT I (A)- Below Poverty Line	Rs. 12	1.52	2.10		
2	LT -I (B) Residential					
	0-100	Rs. 90 \$\$	1.74	2.10		
	101-300	Rs. 135 \$\$	5.33	2.10		
	301-500		9.81	2.10		
	500 and above	Rs. 160 \$\$/\$\$\$	12.01	2.10		
3	LT II - LT Commercial					
(A)	≤ 20 kW load	Rs. 475	6.55	2.10		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA	6.05	2.10	5.81	2.01
(C)	> 50 kW load		5.55	2.10	5.33	2.01
4	LT III - LT Industry					
(A)	Upto 20 kW load	Rs. 475	6.30	2.10		
(B)	Above 20 kW	Rs. 400 per kVA	6.34	2.10	6.13	2.01
5	LT IV – Public Services	Rs. 475	6.44	2.10	6.20	2.01
6	LT - V (A) Agriculture-Pumpsets	Rs. 45	2.52	2.10		
7	LT - V (B) Agriculture-Others	Rs. 100	4.93	2.10		
8	LT VI: Electric Vehicle Charging Stations	-	6.31	2.10	6.06	2.01

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	HT Category			
1	HT I: HT-Industry	Rs. 400 per kVA	5.70	1.01
2	HT II: HT- Commercial	Rs. 300 per kVA	5.85	1.01
3	HT III: HT-Group Housing Society	Rs. 400 per kVA	5.10	1.01
4	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.18	1.01
5	HT V : Public Service	Rs. 400 per kVA	5.80	1.01
6	HT VI: Electric Vehicle Charging Stations	-	7.23	1.01

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential/ HT Group Housing Society
-	00:00 hrs to 06:00 hrs	6	-10%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission, and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT I (A) Residential (BPL), LT 1 (B)-Residential, LT II (A)- Commercial upto 20 kW, LT III (A)- Industrial upto 20 kW, LT IV Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets, LT V (B) – Agriculture others, LT VI – Electric Vehicle Charging upto 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory HT (I), HT (II), HT (V), HT (VI), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above)
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

Table 6-32: Tariffs Effective from 1 April, 2026 (FY 2026-27)

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	LT Category					
1	LT I (A)- Below Poverty Line	Rs. 12	1.52	1.82		
2	LT -I (B) Residential					
	0-100	Rs. 90 \$\$	2.02	1.82		
	101-300	Rs. 135 \$\$	5.35	1.82		
	301-500		10.04	1.82		
	500 and above	Rs. 160 \$\$/\$\$\$	11.25	1.82		
3	LT II - LT Commercial					
(A)	≤ 20 kW load	Rs. 475	6.17	1.82		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA	6.18	1.82	5.94	1.74
(C)	> 50 kW load		6.15	1.82	5.91	1.74
4	LT III - LT Industry					
(A)	Upto 20 kW load	Rs. 475	6.02	1.82		
(B)	Above 20 kW	Rs. 400 per kVA	6.07	1.82	5.87	1.74
5	LT IV – Public Services	Rs. 475	6.10	1.82	5.87	1.74
6	LT - V (A) Agriculture-Pumpsets	Rs. 45	2.52	1.82		
7	LT - V (B) Agriculture-Others	Rs. 100	4.93	1.82		
8	LT VI: Electric Vehicle Charging Stations	-	5.93	1.82	5.69	1.74

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	HT Category			
1	HT I: HT-Industry	Rs. 400 per kVA	5.47	0.88
2	HT II: HT- Commercial	Rs. 300 per kVA	5.68	0.88
3	HT III: HT-Group Housing Society	Rs. 400 per kVA	4.72	0.88
4	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.86	0.88
5	HT V : Public Service	Rs. 400 per kVA	5.53	0.88
6	HT VI: Electric Vehicle Charging Stations	-	6.71	0.88

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential/ HT Group Housing Society
-	00:00 hrs to 06:00 hrs	6	-15%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-0.55 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission, and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT I (A) Residential (BPL), LT 1 (B)-Residential, LT II (A)- Commercial upto 20 kW, LT III (A)- Industrial upto 20 kW, LT IV Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets, LT V (B) – Agriculture others, LT VI – Electric Vehicle Charging upto 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory HT (I), HT (II), HT (V), HT (VI), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above)
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

Table 6-33: Tariffs Effective from 1 April, 2027 (FY 2027-28)

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	LT Category					
1	LT I (A)- Below Poverty Line	Rs. 12	1.52	1.87		
2	LT -I (B) Residential					
	0-100	Rs. 90 \$\$	2.10	1.87		
	101-300	Rs. 135 \$\$	5.50	1.87		
	301-500		10.18	1.87		
	500 and above	Rs. 160 \$\$/\$\$\$	11.55	1.87		
3	LT II - LT Commercial					
(A)	≤ 20 kW load	Rs. 475	6.04	1.87		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA	5.86	1.87	5.63	1.80
(C)	> 50 kW load		5.85	1.87	5.63	1.80
4	LT III - LT Industry					
(A)	Upto 20 kW load	Rs. 475	5.84	1.87		
(B)	Above 20 kW	Rs. 400 per kVA	5.70	1.87	5.51	1.80
5	LT IV – Public Services	Rs. 475	5.74	1.87	5.53	1.80
6	LT - V (A) Agriculture-Pumpsets	Rs. 45	2.52	1.87		
7	LT - V (B) Agriculture-Others	Rs. 100	4.93	1.87		
8	LT VI: Electric Vehicle Charging Stations	-	5.94	1.87	5.70	1.80

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	HT Category			
1	HT I: HT-Industry	Rs. 400 per kVA	5.19	0.90
2	HT II: HT- Commercial	Rs. 300 per kVA	5.54	0.90
3	HT III: HT-Group Housing Society	Rs. 400 per kVA	4.56	0.90
4	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.73	0.90
5	HT V : Public Service	Rs. 400 per kVA	5.24	0.90
6	HT VI: Electric Vehicle Charging Stations	-	6.75	0.90

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential/ HT Group Housing Society
-	00:00 hrs to 06:00 hrs	6	-20%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0. 60 Rs. /kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission, and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT I (A) Residential (BPL), LT 1 (B)-Residential, LT II (A)- Commercial upto 20 kW, LT III (A)- Industrial upto 20 kW, LT IV Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets, LT V (B) – Agriculture others, LT VI – Electric Vehicle Charging upto 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory HT (I), HT (II), HT (V), HT (VI), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

Table 6-34: Tariffs Effective from 1 April, 2028 (FY 2028-29)

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	LT Category					
1	LT I (A)- Below Poverty Line	Rs. 12	1.52	1.87		
2	LT -I (B) Residential					
	0-100	Rs. 90 \$\$	2.09	1.87		
	101-300	Rs. 135 \$\$	5.62	1.87		
	301-500		10.48	1.87		
	500 and above	Rs. 160 \$\$/\$\$\$	11.85	1.87		
3	LT II - LT Commercial					
(A)	≤ 20 kW load	Rs. 475	6.54	1.87		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA	6.08	1.87	5.85	1.80
(C)	> 50 kW load		6.15	1.87	5.91	1.80
4	LT III - LT Industry					
(A)	Upto 20 kW load	Rs. 475	6.14	1.87		
(B)	Above 20 kW	Rs. 400 per kVA	5.85	1.87	5.66	1.80
5	LT IV – Public Services	Rs. 475	6.02	1.87	5.80	1.80
6	LT - V (A) Agriculture-Pumpsets	Rs. 45	2.52	1.87		
7	LT - V (B) Agriculture-Others	Rs. 100	4.93	1.87		
8	LT VI: Electric Vehicle Charging Stations	-	6.17	1.87	5.92	1.80

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	HT Category			
1	HT I: HT-Industry	Rs. 400 per kVA	5.53	0.91
2	HT II: HT- Commercial	Rs. 300 per kVA	5.74	0.91
3	HT III: HT-Group Housing Society	Rs. 400 per kVA	4.86	0.91
4	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.73	0.91
5	HT V : Public Service	Rs. 400 per kVA	5.34	0.91
6	HT VI: Electric Vehicle Charging Stations	-	6.98	0.91

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential/ HT Group Housing Society
-	00:00 hrs to 06:00 hrs	6	-20%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0.65 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission, and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT I (A) Residential (BPL), LT 1 (B)-Residential, LT II (A)- Commercial upto 20 kW, LT III (A)- Industrial upto 20 kW, LT IV Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets, LT V (B) – Agriculture others, LT VI – Electric Vehicle Charging upto 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory HT (I), HT (II), HT (V), HT (VI), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

Table 6-35: Tariffs Effective from 1 April, 2029 (FY 2029-30)

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	LT Category					
1	LT I (A)- Below Poverty Line	Rs. 12	1.52	1.85		
2	LT -I (B) Residential					
	0-100	Rs. 90 \$\$	1.55	1.85		
	101-300	Rs. 135 \$\$	5.19	1.85		
	301-500		9.68	1.85		
	500 and above	Rs. 160 \$\$/\$\$\$	11.05	1.85		
3	LT II - LT Commercial					
(A)	≤ 20 kW load	Rs. 475	5.81	1.85		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA	5.37	1.85	5.16	1.78
(C)	> 50 kW load		5.50	1.85	5.29	1.78
4	LT III - LT Industry					
(A)	Upto 20 kW load	Rs. 475	5.44	1.85		
(B)	Above 20 kW	Rs. 400 per kVA	5.10	1.85	4.93	1.78
5	LT IV – Public Services	Rs. 475	5.37	1.85	5.17	1.78
6	LT - V (A) Agriculture-Pumpsets	Rs. 45	2.52	1.85		
7	LT - V (B) Agriculture-Others	Rs. 100	4.63	1.85		
8	LT VI: Electric Vehicle Charging Stations	-	6.03	1.85	5.78	1.78

Sr. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	HT Category			
1	HT I: HT-Industry	Rs. 400 per kVA	4.88	0.90
2	HT II: HT- Commercial	Rs. 300 per kVA	5.04	0.90
3	HT III: HT-Group Housing Society	Rs. 400 per kVA	4.26	0.90
4	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.01	0.90
5	HT V : Public Service	Rs. 400 per kVA	4.64	0.90
6	HT VI: Electric Vehicle Charging Stations	-	6.82	0.90

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential/ HT Group Housing Society
-	00:00 hrs to 06:00 hrs	6	-20%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0.70 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission, and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT I (A) Residential (BPL), LT I (B)-Residential, LT II (A)- Commercial upto 20 kW, LT III (A)- Industrial upto 20 kW, LT IV Public Services upto 20 kW, LT V (A) – Agriculture Pumpsets, LT V (B) – Agriculture others, LT VI – Electric Vehicle Charging upto 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory HT (I), HT (II), HT (V), HT (VI), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

6.18.4. The detailed computation of category-wise revenue with revised tariffs for 5th MYT Control Period FY 2025-26 to FY 2029-30 is set out at **Annexure 1 to 6** of this Order.

6.18.5. The approved Tariff Schedule for the MYT Control Period from 5th MYT Control Period FY 2025-26 to FY 2029-30 is given at **Annexure 7** of this Order.

7. SCHEDULE OF CHARGES

7.1. Schedule of Charges for MYT 5th Control Period

BEST's Submission

- 7.1.1. BEST submitted that as per the Regulation 19 of the MERC Supply Code, BEST, as a Distribution Licensee, is required to obtain the approval of the Commission for its Schedule of Charges for the specified matters and for such other matters as are required by the Distribution Licensee to fulfil its obligation to supply electricity to its consumers under the EA, 2003 and other relevant Regulations.
- 7.1.2. Sections 45, 46 and 47 of the EA, 2003 and the Supply Code empowers BEST to recover charges/expenses reasonably incurred in providing electric supply to person requiring such supply.
- 7.1.3. BEST submitted that it has not revised its Schedule of Charges for an extended period. BEST submitted that the Commission, vide its Order dated 28 December, 2012 in Case No. 90 of 2012 had approved the Schedule of Charges applicable to BEST. Subsequently, the Commission vide its Order dated 16 February, 2018 in Case No. 86 of 2017 has revised the Service Connection Charges applicable to BEST. Furthermore, the Commission vide its Order dated 31 March, 2023 in Case No. 212 of 2022 has approved Schedule of Charges related to Lost/Burnt Meter.
- 7.1.4. BEST submitted that over the years, the cost of material and manpower have increased significantly, necessitating a revision of the Schedule of Charges. Additionally, the majority of BEST's rates were determined in FY 2012-13, since when the WPI index has escalated by over 40%.
- 7.1.5. BEST submitted that it is a parallel licensee with TPC-D and there is a significant disparity in the Schedule of Charges when compared to TPC-D. To ensure an adequate recovery of cost and a level playing field, BEST requested the Commission to approve the Schedule of Charges in line with the Schedule of Charges being approved for TPC-D.
- 7.1.6. A comparison of the prevalent Schedule of Charges for BEST and TPC-D is shown in the Table below:

Table 7-1: Comparison of existing Schedule of Charges for BEST and TPC-D, as submitted by BEST

Sr. No	Particulars	Approved Charges (Rs.)	
		TPC-D	BEST
A	Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service / Change of Tariff Category / Temporary Connection		
	a) Single-phase	85	50
	b) Three-phase	135	75
	c) HT Supply	350	200
B	Change of Name		
	a) Single-phase	85	50
	b) Three-phase	85	50
	c) HT Supply	275	100
C	Service Connection Charges		
1	L.T. Supply		
	Single Phase		
	For loads up to 5kW	2,400	2,000
	For loads above 5kW and upto 10kW	2,400	2,000
	Three Phase		
	Motive power upto 27 HP or other loads upto 20 kW	3,650	3,000
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	7,900	6,500
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	14,500	12,000
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	14,500	12,000
	Above 150 kW		2,50,000
	Above 160 kW	3,00,000	
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual	At actual
	Provision for Dedicated Distribution Facility to LT consumer	At actual	
2	H.T. Supply		
	If line extended from existing network		
	For loads upto 500 kVA	4,25,000	3,50,000
	For loads above 500 kVA	4,90,000	4,00,000
	Provision for Dedicated Distribution Facility to HT consumer	At actual	At actual
3	Temporary Connection (LT or HT)	At actual	At actual
4	Extension of Load: (a) charges will be applicable on the incremental load, in case no upgradation of network is required (b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)	As proposed in Sr. No.1,2, 3 & 4 above	As proposed in Sr. No.1,2&3

Sr. No	Particulars	Approved Charges (Rs.)	
		TPC-D	BEST
5	Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)		
	For providing HT supply	18750	-
	For providing LT supply to three phase Industrial/Commercial Consumers only	7500	-
D	Miscellaneous and General Charges		
1	Re-connection Charges		
	a) Re-installation of fuse cut-out	180	100
	b) Re-installation of meter	550	300
	c) HT Supply	900	500
	d) Re-connection of Service Cable	1400	750
2	Shifting of Meter, if carried out only on consumer's request		
	Single-Phase	180	100
	Three-Phase	350	200
3	Shifting of services, if carried out only on consumer's request		
	Single-Phase	At Actual	At actual
	Three-Phase	At Actual	At actual
4	Meter Testing on site on Consumer's request		
	Single-Phase	180	100
	Three-Phase	630	350
	HT Tri-vector/TOD meter		-
5	Meter Testing at Laboratory		
	Single-Phase	350	200
	Three-Phase	900	
	Three-phase whole current meter		500
	Three-phase CT meter		1000
	HT Tri-vector/TOD meter	1800	
	HT Meter		1000
	Meter testing at Government approved laboratory	At actual	At actual
	Single Phase Pre-paid meter		200
	Three Phase Pre-Paid Meter		500
6	Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D/TPC-D & in case of Lost or Burnt meter)		
	Single-Phase meter	3500	1000
	Three Phase whole current meter	4700	3000
	Three Phase CT operated meter	7050	4000
	HT TOD meter	7750	4500
	Single Phase Prepaid Meter		3300
	Three Phase Prepaid Meter		6000
	ABT compliant meter	At actual	-
	Net Meter		
	Single Phase Net Meter	-	2000
	Three Phase Whole Current Net meter	-	5000
	Three Phase C.T operated Net Meter	-	8000
	HT Net Meter	-	9000

Sr. No	Particulars	Approved Charges (Rs.)	
		TPC-D	BEST
	Smart Meter		
	Single Phase Smart Meter	-	4750
	Three Phase Whole Current Smart Meter	-	7300
	Three Phase C.T operated Smart Meter	-	11700
	H.T. AMR Meter with communication facility	-	18900
7	First visit Charges (Only for new connection or additional supply request)	135	100
	Special visit on Consumer request (New Connections, Meter reading for interim bill)		
	a) Single Phase		100
	b) Three Phase		100
	c) CT Meter		100
	d)MD / TOD Meter		100
8	Charges for Additional copies of test reports (Rs./page)	1	-
9	Photocopying of Regulatory Orders etc. (Rs./Page)	1	1
10	Duplicate copy of each monthly bill (Rs./Bill)	2	2
11	Statement of Accounts (Rs./Page)	3	2
12	Charges for Dishonoured Cheques (irrespective of cheque amounts) - for first instance	300	250
13	Charges 13 for Dishonoured Cheques (irrespective of cheque amounts) - for 2nd and subsequent instance	900	-
E	Schedule of Charges related to Open Access		
	Open Access Processing fee per application	3750	-
	Open Access Operating Charges per month	3750	-

7.1.7. BEST submitted that the Commission has approved Schedule of Charges for Adani Electricity Mumbai Ltd. (AEML) using an escalation rate equal to the Consumer Price Index for Industrial Workers (CPI-IW) increase between December, 2012 and September 2017 in Case No. 200 of 2017 dated 12 September 2018 except the Service Connection Charges. Further, in its MYT Petition for the Control Period from FY 2020-21 to FY 2024-25, AEML had proposed increase in New Connection Charges, Miscellaneous & General Charges in line with increase in CPI-IW and accordingly, the Commission has approved the same vide its Order in Case No. 325 of 2019 dated 31 March, 2020.

7.1.8. The Commission also approved Application Process Charges for The Tata Power Company Ltd. (Distribution Business) (TPC-D) using an escalation rate equal to the Consumer Price Index for Industrial Workers (CPI-IW) increase between 2012 to 2019 vide its Order in Case No. 326 of 2019 dated 31 March, 2020.

7.1.9. Similarly, BEST Undertaking is also proposing revised Schedule of Charges based on similar methodology. BEST has calculated proposed Schedule of Charges in line with an escalation rate equal to the CAGR of the CPI (IW) from FY 2012-13 to FY 2023-24, except for the Schedule of Charges related to Lost/Burnt Meter, which had been revised in FY 2023-24.

7.1.10. The CAGR for CPI (IW) from FY 2012-13 to FY 2023-24 is 5.73%. Further, the CAGR for CPI (IW) from FY 2018-19 to FY 2023-24 is 5.78%. The calculation of the same is provided in the Tables below:

Table 7-2: Schedule of Charges for BEST based on escalation for 11 years, as submitted by BEST

CPI (IW)	FY 2023-24	FY 2012-13	Escalation
	397.2	215.17	5.73%
		BEST Existing rate	BEST with Escalation
A	Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service / Change of Tariff Category / Temporary Connection		
	a) Single-phase	50	92.30
	b) Three-phase	75	138.45
	c) HT Supply	200	369.20
B	Change of Name		0.00
	a) Single-phase	50	92.30
	b) Three-phase	50	92.30
	c) HT Supply	100	184.60
D	Miscellaneous and General Charges		
1	Re-connection Charges		
	a) Re-installation of fuse cut-out	100	184.60
	b) Re-installation of meter	300	553.79
	c) HT Supply	500	922.99
	d) Re-connection of Service Cable	750	1384.49
2	Shifting of Meter, if carried out only on consumer's request		0.00
	Single-Phase	100	184.60
	Three-Phase	200	369.20
3	Shifting of services, if carried out only on consumer's request		
	Single-Phase	At actual	At actual
	Three-Phase	At actual	At actual
4	Meter Testing on site on Consumer's request		
	Single-Phase	100	184.60
	Three-Phase	350	646.09
	HT Tri-vector/TOD meter	-	-
5	Meter Testing at Laboratory		
	Single-Phase	200	369.20

CPI (IW)	FY 2023-24	FY 2012-13	Escalation
	397.2	215.17	5.73%
		BEST Existing rate	BEST with Escalation
	Three-Phase		
	Three-phase whole current meter	500	922.99
	Three-phase CT meter	1000	1845.98
	HT Tri-vector/TOD meter		
	HT Meter	1000	1845.98
	Meter testing at Government approved laboratory	At actual	At actual
	Single Phase Pre-paid meter	200	369.20
	Three Phase Pre-Paid Meter	500	922.99
6	Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D/TPC-D & in case of Lost or Burnt meter)		0.00
	Single-Phase meter	1000	1000
	Three Phase whole current meter	3000	3000
	Three Phase CT operated meter	4000	4000
	HT TOD meter	4500	4500
	Single Phase Prepaid Meter	3300	3300
	Three Phase Prepaid Meter	6000	6000
	ABT compliant meter	-	-
	Net Meter		
	Single Phase Net Meter	2000	2000
	Three Phase Whole Current Net meter	5000	5000
	Three Phase C.T operated Net Meter	8000	8000
	HT Net Meter	9000	9000
	Smart Meter		
	Single Phase Smart Meter	4750	4750
	Three Phase Whole Current Smart Meter	7300	7300
	Three Phase C.T operated Smart Meter	11700	11700
	H.T. AMR Meter with communication facility	18900	18900
7	First visit Charges (Only for new connection or additional supply request)	100	184.60
	Special visit on Consumer request (New Connections, Meter reading for interim bill)		
	a) Single Phase	100	184.60
	b) Three Phase	100	184.60
	c) CT Meter	100	184.60
	d)MD / TOD Meter	100	184.60
8	Charges for Additional copies of test reports (Rs./page)	-	-
9	Photocopying of Regulatory Orders etc. (Rs./Page)	1	1.85
10	Duplicate copy of each monthly bill (Rs./Bill)	2	3.69
11	Statement of Accounts (Rs./Page)	2	3.69
12	Charges for Dishonored Cheques (irrespective of cheque amounts) - for first instance	250	461.50
13	Charges 13 for Dishonored Cheques	-	-

CPI (IW)	FY 2023-24	FY 2012-13	Escalation
	397.2	215.17	5.73%
		BEST Existing rate	BEST with Escalation
	(irrespective of cheque amounts) - for 2nd and subsequent instance		
E	Schedule of Charges related to Open Access		
	Open Access Processing fee per application	-	-
	Open Access Operating Charges per month	-	-

Table 7-3: Service Connection Charges for BEST based on escalation for 5 years

	Service connection charges		
	CPI (IW)	FY 2023-24	FY 2018-19
		397.2	299.92
		BEST Existing rate	BEST with Escalation
C	Service Connection Charges		
1	L.T. Supply		
	Single Phase		
	For loads up to 5kW	2,000	2648.69
	For loads above 5kW and upto 10kW	2,000	2648.69
	Three Phase		
	Motive power upto 27 HP or other loads upto 20 kW	3,000	3973.04
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	6,500	8608.25
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	12,000	15892.15
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	12,000	15892.15
	Above 150 kW	2,50,000	331086.41
	Above 160 kW		
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual	At actual
	Provision for Dedicated Distribution Facility to LT consumer		At actual
2	H.T. Supply		
	If line extended from existing network		
	For loads upto 500 kVA	3,50,000	463520.98
	For loads above 500 kVA	4,00,000	529738.26
	Provision for Dedicated Distribution Facility to HT consumer	At actual	At actual
3	Temporary Connection (LT or HT)	At actual	At actual
4	Extension of Load:	As proposed in	As proposed in

	Service connection charges		
	CPI (IW)	FY 2023-24	FY 2018-19
		397.2	299.92
		BEST Existing rate	BEST with Escalation
	(a) charges will be applicable on the incremental load, in case no upgradation of network is required	Sr. No.1, 2 & 3	Sr. No.1,2&3
	(b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)		
5	Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)		
	For providing HT supply		-
	For providing LT supply to three phase Industrial/Commercial Consumers only		-

7.1.11. Based on the above comparison, BEST has proposed the Schedule of Charges for BEST for 5th MYT Control Period as shown in the Table below:

Table 7-4: Proposed Schedule of Charges for BEST for fifth Control Period, as submitted by BEST

Sr No	Particulars	Proposed Charges (Rs.)
A	Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service / Change of Tariff Category / Temporary Connection	
	a) Single-phase	90
	b) Three-phase	140
	c) HT Supply	375
B	Change of Name	
	a) Single-phase	90
	b) Three-phase	90
	c) HT Supply	185
C	Service Connection Charges	
1	L.T. Supply	
	Single Phase	
	For loads up to 5kW	2650
	For loads above 5kW and upto 10kW	2650
	Three Phase	
	Motive power upto 27 HP or other loads upto 20 kW	3975
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	8600
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	15900
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	15900
	Above 150 kW	331100
	Above 160 kW	
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual

Sr No	Particulars	Proposed Charges (Rs.)
	Provision for Dedicated Distribution Facility to LT consumer	At actual
2	H.T. Supply	
	If line extended from existing network	
	For loads upto 500 kVA	463500
	For loads above 500 kVA	530000
	Provision for Dedicated Distribution Facility to HT consumer	At actual
3	Temporary Connection (LT or HT)	At actual
4	Extension of Load: (a) charges will be applicable on the incremental load, in case no upgradation of network is required (b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)	As proposed in Sr. No.1,2&3
5	Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)	
	For providing HT supply	
	For providing LT supply to three phase Industrial/Commercial Consumers only	
D	Miscellaneous and General Charges	
1	Re-connection Charges	
	a) Re-installation of fuse cut-out	185
	b) Re-installation of meter	555
	c) HT Supply	925
	d) Re-connection of Service Cable	1385
2	Shifting of Meter, if carried out only on consumer's request	
	Single-Phase	185
	Three-Phase	370
3	Shifting of services, if carried out only on consumer's request	
	Single-Phase	At actual
	Three-Phase	At actual
4	Meter Testing on site on Consumer's request	
	Single-Phase	185
	Three-Phase	650
	HT Tri-vector/TOD meter	-
5	Meter Testing at Laboratory	
	Single-Phase	370
	Three-Phase	
	Three-phase whole current meter	925
	Three-phase CT meter	1850
	HT Tri-vector/TOD meter	
	HT Meter	1850
	Meter testing at Government approved laboratory	At actual
	Single Phase Pre-paid meter	370
	Three Phase Pre-Paid Meter	925
6	Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D/TPC-D & in case of Lost or Burnt meter)	
	Single-Phase meter	3500
	Three Phase whole current meter	4700
	Three Phase CT operated meter	7050

Sr No	Particulars	Proposed Charges (Rs.)
	HT TOD meter	7750
	Single Phase Prepaid Meter	3300
	Three Phase Prepaid Meter	6000
	ABT compliant meter	At actual
	Net Meter	
	Single Phase Net Meter	2000
	Three Phase Whole Current Net meter	5000
	Three Phase C.T operated Net Meter	8000
	HT Net Meter	9000
	Smart Meter	
	Single Phase Smart Meter	4750
	Three Phase Whole Current Smart Meter	7300
	Three Phase C.T operated Smart Meter	11700
	H.T. AMR Meter with communication facility	18900
7	First visit Charges (Only for new connection or additional supply request)	185
	Special visit on Consumer request (New Connections, Meter reading for interim bill)	
	a) Single Phase	185
	b) Three Phase	185
	c) CT Meter	185
	d)MD / TOD Meter	185
8	Charges for Additional copies of test reports (Rs./page)	-
9	Photocopying of Regulatory Orders etc. (Rs./Page)	2
10	Duplicate copy of each monthly bill (Rs./Bill)	4
11	Statement of Accounts (Rs./Page)	4
12	Charges for Dishonoured Cheques (irrespective of cheque amounts) - for first instance	460
13	Charges 13 for Dishonoured Cheques (irrespective of cheque amounts) - for 2nd and subsequent instance	900

7.1.12. BEST requested the Commission to approve the proposed Schedule of Charges for the fifth Control Period, i.e., from FY 2025-26 to FY 2029-30. Furthermore, BEST requested the Commission to maintain uniformity in the Schedule of Charges between TPC-D and BEST as it should not result in creating any artificial barriers for competition between the two Licensees.

Commission's Analysis and Ruling

7.1.13. The Commission has noted submissions of BEST. BEST has sought approval for revision of certain components of "Schedule of Charges" (SoC) for the various services provided to the consumers. These charges are reflective of normative cost of providing such services to consumers. Difference between actual cost and normative cost is recovered through ARR.

- 7.1.14. BEST is operating as one of the Distribution Licensee in Mumbai. Considering parallel Distribution Licensees operating in Mumbai, in order to have ease of comparing various charges for consumers, the Commission in the past has kept the Schedule of Charges same for these parallel Distribution Licensees in Mumbai.
- 7.1.15. The Commission has revised the Schedule of Charges for AEML-D and TPC-D (parallel Distribution Licensees in Mumbai) in their respective MTR Orders issued on 31 March, 2023. The Commission has considered these approved charges as base for considering revision in Schedule of Charges proposed in present Petition. The Commission finds it appropriate to increase the charges approved in MTR Order in line with the CPI and WPI. The Commission has considered the escalation factor with respect to CPI-IW at 6.78% and WPI at 2.32%, which is the actual growth in CPI-IW and WPI from April, 2023 to September 2024.
- 7.1.16. The Commission while approving the Schedule of Charges have also considered the Cost of Smart Meter as proposed by BEST.
- 7.1.17. The Schedule of Charges approved by the Commission shall be same for all the Distribution Licensees operating in Mumbai in order to ensure level playing field and ease of comparison for consumers.
- 7.1.18. Accordingly, the Commission has approved the Schedule of Charges as provided in the Table below:

Table 7-5: Schedule of Charges for BEST, as approved by the Commission

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
A	Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service / Change of Tariff Category / Temporary Connection			
	a) Single-phase	85	90	Increase in line with CPI
	b) Three-phase	135	145	Increase in line with CPI
	c) HT supply	350	375	Increase in line with CPI
B	Change of Name			
	a) Single-phase	85	90	Increase in line with CPI
	b) Three-phase	85	90	Increase in line with CPI
	c) HT supply	275	295	Increase in line with CPI
C	Service Connection Charges			
1	L.T. Supply			
	Single Phase			
	For loads up to 5 kW	2,400	2450	Increase in line with WPI
	For loads above 5 kW and up to 10 kW	2,400	2450	Increase in line with WPI

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
	Three Phase			
	Motive power up to 27 HP or other loads up to 20 kW	3,650	3750	Increase in line with WPI
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	7,900	8100	Increase in line with WPI
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	14,500	14850	Increase in line with WPI
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	14,500	14850	Increase in line with WPI
	Above 160 kW	3,00,000	306950	Increase in line with WPI
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual	At actual	In Line with Supply Code Regulations, 2021
2	H.T. Supply			
	If line extended from existing network			
	For loads upto 500 kVA	4,25,000	435000	Increase in line with WPI
	For loads above 500 kVA	4,90,000	501500	Increase in line with WPI
	Provision for Dedicated Distribution Facility to HT consumer	At actual	At actual	Kept at same level
3	Temporary Connection (LT or HT)	At actual	At actual	Kept at same level
4	Extension of Load: (a) Charges will be applicable on the incremental load, in case no upgradation of network is required (b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)	As proposed in Sr. No.1,2, 3 above	As proposed in Sr. No.1,2,3 above	Increase in line with WPI
5	Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)			
	For providing HT supply	18,750	20000	Increase in line with CPI
	For providing LT supply to three phase Industrial/Commercial Consumers only	7,500	8000	Increase in line with CPI
D	Miscellaneous and General Charges			
1	Re-connection Charges			
	a) Re-installation of fuse cut-out	180	200	Increase in line with CPI
	b) Re-installation of meter	550	600	Increase in line with CPI
	c) HT Supply	900	950	Increase in line with CPI
	d) Re-connection of Service Cable	1,400	1500	Increase in line with CPI
2	Shifting of Meter, if carried out only on consumer's request			
	Single-Phase	180	200	Increase in line with CPI
	Three-Phase	350	350	Increase in line with CPI
3	Shifting of services, if carried out only on consumer's request			
	Single-Phase	At Actual	At Actual	Kept at same level
	Three-Phase	At Actual	At Actual	Kept at same level

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
4	Meter Testing on site on Consumer's request			
	Single-Phase	180	190	Increase in line with CPI
	Three-Phase	630	675	Increase in line with CPI
5	Meter Testing at Laboratory			
	Single-Phase	350	375	Increase in line with CPI
	Three-Phase	900	960	Increase in line with CPI
	HT Meter	1,800	1920	Increase in line with CPI
	Meter testing at Government approved laboratory	At Actual	At Actual	Kept at same level
6	Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D & in case of Lost or Burnt meter)			
	Single-Phase meter	3,500	3500	Kept at same level
	Three Phase whole current meter	4,700	4700	Kept at same level
	Three Phase CT operated meter	10,500	10500	Kept at same level
	HT TOD meter	7,750	7750	Kept at same level
	ABT compliant meter	At actual	At actual	Kept at same level
	Smart Meter			
	Single Phase Smart Meter		4750	As proposed by BEST
	Three Phase Whole Current Smart Meter		7300	As proposed by BEST
	Three Phase CT Operated Smart Meter		11700	As proposed by BEST
	HT AMR Meter with Communication facility		18900	As proposed by BEST
7	First visit Charges (Only for new connection or additional supply request)	135	145	Increase in line with CPI
8	Charges for Additional copies of test reports (Rs./page)	1	1	Increase in line with CPI
9	Photocopying of Regulatory Orders (Rs./Page)	1	1	Increase in line with CPI
10	Duplicate copy of each monthly (Rs./Bill)	2	2	Increase in line with CPI
11	Statement of Accounts (Rs./Page)	3	3	Increase in line with CPI
12	Charges for Dishonoured Cheques (irrespective of cheque amounts) - for first instance	300	320	Increase in line with CPI
13	Charges for Dishonoured Cheques (irrespective of cheque amounts) - for 2nd and subsequent instance	900	950	Increase in line with CPI

8. COMPLIANCE TO DIRECTIVES

8.1. Background

- 8.1.1. The Commission has given certain directives to BEST in the MTR Order in Case No. 212 of 2022. The directive, the status of compliance, and further direction of the Commission are set out below.

MTR Order Directives

8.2. Replacement of Electro-Mechanical Meters with Electronic Meter

Directive

- 8.2.1. In the MTR Order, the Commission directed to expedite the replacement of existing Electromechanical Meters with Electronic Meters and to submit the implementation status of Smart Meters on half-yearly basis to the Commission, so as to ensure the kVAh billing during next MYT Control Period.

BEST's Submission

- 8.2.2. As BEST has proposed Smart Metering for all its consumers, hence, BEST is not planning to replace the existing Electro-Mechanical Meters with Electronic Meters, and the existing Electro-Mechanical Meters shall be replaced with Smart Meters. As of September 2024, 2,65,001 Smart Meters have been installed, including 2,35,177 single-phase meters, 25,952 three-phase meters, and others. BEST submits that Smart Metering implementation, which was originally scheduled for completion in November, 2025, is being extended by four months to March, 2026 due to unforeseen circumstances, including the recent election period.

Commission's Analysis and Ruling

- 8.2.3. The Commission notes the submission of BEST. Further, BEST has proposed for the applicability of the kVAh based billing at the time of MTR Order, the Smart Meter installation is expected to be completed by March, 2026. The Commission considering the ongoing installation of Smart Meters, directs BEST to submit its half-yearly progress report along with the action plan for the implementation of kVAh based billing during the MTR Petition.

8.3. Submission of DPR for Smart Meter

Directive

- 8.3.1. In the MTR Order, the Commission directed BEST to submit the DPR for Smart Meter within two (2) months of the Order as per provisions of MERC (Approval of Capital Investment Schemes) Regulations, 2022.

BEST's Submission

- 8.3.2. BEST has submitted the DPR for implementation of various schemes under RDSS to the Commission and the Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0023, dt. 9 January, 2024. Also, BEST has submitted the DPR for Smart Meter installation to the Commission and the Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0628, dt. 232 November, 2023.

Commission's Analysis and Ruling

- 8.3.3. The Commission has noted the submission made by BEST.

8.4. Benefits/CBA due to Smart Meter installation

Directive

- 8.4.1. The Commission directed BEST to submit the details of Smart Meter implementation along with the benefits accrued in reduction of O&M expense at the time of next Tariff Petition. Also, BEST to submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses.

BEST's Submission

- 8.4.2. BEST submitted that due to Smart Metering implementation, there will be improvement in outage detection, improvement in service restoration, improvement in billing efficiency, etc. Also, Smart Meter implementation will reduce manual meter reading, better work and asset management, outage management, etc., which may result in reducing the O&M expenses to some extent. However, it may be noted that in case of BEST, the meter reading activity is not outsourced and is carried out by BEST employees, hence, implementation of Smart Meter may not reduce the employee expenses. BEST submits that it would be very difficult to quantify all the

benefits at present. However, the same can be evaluated after the installation of Smart Meters and after the benefits are actually realised.

Commission's Analysis and Ruling

- 8.4.3. The Commission has noted the submissions of BEST. BEST as part of the DPR of Smart Meter Scheme has submitted the Cost Benefit Analysis as sought by the Commission and accordingly, the Commission has given the approval to BEST to claim the expenses under TOTEX. During upcoming MTR process, post implementation of Smart Meter, BEST shall demonstrate benefits accrued.

8.5. Smart Meter implementation plan

Directive

- 8.5.1. The Commission has directed BEST to provide the detailed implementation plan and actual implementation with any delay and reasons for such delay in next tariff proceedings. Further, BEST was directed to submit the details of efforts and the quantifiable benefits of these efforts which BEST had put in for reducing Distribution Loss and ensure that performance does not deteriorate beyond the levels already achieved in the past.

BEST's Submission

- 8.5.2. The Detailed Smart Meter implementation plan and actual implementation plan as of September, 2024 is attached with the Petition as Annexure No.26 & 27 respectively. Further, the benefits of Smart Meter are already discussed in the previous para. BEST submits that it would be very difficult to quantify all the benefits at present. However, the same can be evaluated after the installation of Smart Meters and after the benefits are actually realised including reduction in Distribution loss, if any.

Commission's Analysis and Ruling

- 8.5.3. The Commission notes the submissions of BEST. The Commission has already discussed in detail about the Smart Meter implementation plan in the earlier Sections of this Order.

8.6. Funding of Capital Expenditure

Directive

- 8.6.1. BEST is directed to provide the details of the approved plan, scheduled completion date, actual implementation status, physical progress for all the Government schemes where grants are involved in the next Tariff Petition. Also, DPR for RDSS implementation has been referred back to BEST with a direction to submit as per provisions of MERC (Approval of Capital Investment Schemes) Regulations, 2022. BEST is yet to submit the same. BEST is directed to submit the DPR within 2 months of the issue of MTR order so as to ensure the timely implementation of the RDSS project.

BEST's Submission

- 8.6.2. BEST has submitted the DPR for implementation of various schemes under RDSS to the Commission and the Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0023, dated 9 January, 2024., (total approved value of Rs. 1,711.21 Crore.)
- 8.6.3. Further, BEST would like to apprise the Commission that the schemes under RDSS are under progress and BEST is taking utmost care to expediate the schemes and capitalise the same phase-wise. However, the practical problem faced by BEST is that there is constraint in manufacturing and supply chain to deliver the requisite materials on time as all over India, RDSS scheme is under execution and there are limited suppliers for the same. This is also likely to impact the timelines for implementation of RDSS Schemes.

Commission's Analysis and Ruling

- 8.6.4. The Commission has noted the submissions of BEST.

8.7. Reduction in Distribution loss

Directive

- 8.7.1. The Commission has directed 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 as there is scope for reduction of Distribution Loss, considering the replacement of Electromechanical Meters and many such other measures.

BEST's Submission

- 8.7.2. BEST respectfully submits that it has been able to consistently maintain its Distribution Losses in the range of 4% to 5% over the present Control Period, which are almost near to the technical minimum of the network. The present Distribution Losses are one of the lowest in the country, and the lowest in Maharashtra, with the exception of TPC-D, which is not strictly comparable as it is having predominantly HT network and most of the LT consumers are served through the change-over mechanism by utilising the distribution network of the parallel licensee. It may be appreciated that reducing losses at higher loss levels are far 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 a highly difficult proposition. Also, as regards the benefits that may accrue due to replacement of Electromechanical Meters with Smart Meters, it is very difficult to quantify all the benefits at present. However, the same can be evaluated after the installation of Smart Meters and after the benefits are actually realised including reduction in Distribution Loss, if any.

Commission's Analysis and Ruling

- 8.7.3. The Commission notes the submission of BEST. The Commission has discussed in detail about the reduction in Distribution Losses and Distribution Loss trajectory for the MYT 5th Control Period under Section 7 above.

8.8. Demand Response Scheme for saving power purchase expenses

Directive

- 8.8.1. The Commission directed BEST to come out with Demand Response scheme to incentivize the consumers for voluntary curtailment/shifting of load for reducing costly power procurement. BEST shall submit such scheme under Demand Side Management Regulations after installation of Smart Meter.

BEST's Submission

- 8.8.2. BEST celebrated Energy Conservation Week from 14th to 20th December, every year (since 2006). This has been done for promoting Energy Conservation Awareness among public, display of energy conservation flex banners/stickers at prominent places such as Cash Collection Centres, etc., and prepared electrical energy conservation models to propagate use of energy efficient equipment, use of nonconventional energy sources namely Solar & Wind and were demonstrated by

BEST's officers by visiting various Marathi, Gujarati & English medium schools. The students at the schools were quizzed on the Energy Conservation matter and the winner students were awarded with LED lamps. In future as will be decided in DSMCC, BEST shall endeavour to implement Demand Side Management program.

- 8.8.3. Currently, BEST is in the process of entering into agreement with EESL as a DSM initiative for the sale of energy efficient appliances like LED Bulb 6W (5 star), Rechargeable Inverter Bulb 10W, LED Tube Light 20W, BLDC Fan 28~32W (5 Star), Electric Induction Cook Stoves 1200 W, Super-Efficient Air Conditioner 1 Ton (ISEER 6.2), Super -Efficient Air-conditioned 1.5 Ton (ISEER 5.8) etc. to promote the utilisation of Energy Efficient Equipments and accordingly BEST will create an awareness for consumers to use Energy Efficient Equipments.

Commission's Analysis and Ruling

- 8.8.4. The Commission has noted the submissions of BEST. The Commission as part of the data gaps sought the budgetary proposal for the implementation of the Demand Response Scheme as part of the present MYT Petition. BEST has however, not provided such details and accordingly, the Commission directs BEST to submit the estimates towards Demand Response Scheme along with Cost Benefit Analysis at the time of filing MTR Petition.

8.9. Delay in Bill Generation

Directive

- 8.9.1. BEST should endeavour to reduce the gap between Meter Reading and Issuance of bill and further expedite the overall billing process to expedite recovery of charges from consumers.

BEST's Submission

- 8.9.2. BEST has started meter reading through mobile app, as such readings are updated instantaneously in the system. However, there is intermediate step of exception report before printing final bills. BEST has proposed Smart Metering for all its consumers. After implementation of Smart Meters, overall billing process will be expedited due to automation.

Commission's Analysis and Ruling

- 8.9.3. The Commission notes the submission of BEST and further directs BEST to submit in details the present billing process along with the improvements or enhancement proposed in the existing billing process post implementation of the Smart Metering System at the time of filing MTR Petition.

8.10. Sharing of Historical Data of Energy Consumption

Directive

- 8.10.1. The Commission expects BEST to explore other consumer friendly facilities, which may enable energy efficient usage at the earliest and provide such information on the BEST website for more awareness among the consumers.

BEST's Submission

- 8.10.2. Feasibility is being explored for providing other meter reading parameters and ideas related to energy efficient usage in addition to consumption under Meter Reading. Further, BEST intends to install Smart Meters to give consumer real time feedback regarding consumption.

Commission's Analysis and Ruling

- 8.10.3. The Commission notes the submission of BEST and directs to submit the detailed action plan at the time of filing MTR Petition.

8.11. Financial Accounting of BEST

Directive

- 8.11.1. The Commission directed BEST to segregate the expenses and revenue between Electricity and Transport Business. It has been observed that OD facility with Canara Bank is utilized for Electricity and Transport business and therefore, there is a need to segregate the same and BEST needs to take action for such segregation before filing of the next MYT Petition.

BEST's Submission

- 8.11.2. BEST has opened the separate bank account for Transport and Electricity Supply and is maintaining the same.

Commission's Analysis and Ruling

- 8.11.3. The Commission has noted the submission of BEST, however, the given submission is not substantial enough to comply with the directions given by the Commission. Accordingly, the Commission directs BEST to demonstrate the actions taken in segregating the Accounts of Transport and Electricity Supply Business at the time of filing MTR Petition. Since, BEST was not able to provide segregated details of the OD limit used for Electricity Supply Business in the present MYT Petition.

8.12. Publishing Energy Accounting Report

Directive

- 8.12.1. BEST is directed to publish periodic Energy Accounting Reports and the Annual Audit Report regularly on the website for public information.

BEST's Submission

- 8.12.2. BEST is regularly publishing the periodic Energy Accounting Reports and the Annual Audit Report on the website for public information.

Commission's Analysis and Ruling

- 8.12.3. The Commission has noted the submission of BEST. The Commission further directs BEST to submit the proof at the time of filing MTR Petition.

8.13. Improvement in Energy Billing System

Directive

- 8.13.1. Considering the limitation of the billing system, the seriousness of the issue and its implications, the Commission directed BEST to do complete audit of the billing system from the external reputed consultant having relevant experience and submit the compliance report along with Audit Report within 6 months of the Order and take corrective action immediately to avoid such issues in future.
- 8.13.2. Further, the Commission also directed BEST to rectify the billing issues within the IT System so as to capture the units, which are billed subsequently due to billing error, average billing or for any other billing adjustment, so as to reflect the correct sales and distribution loss of the respective financial year and provide the status of the same in the next tariff proceedings.

BEST's Submission

- 8.13.3. BEST had verified billing system internally and has taken corrective action. BEST is in process of AMISP project under RDSS scheme. Under this scheme the existing billing system will be replaced.

Commission's Analysis and Ruling

- 8.13.4. The Commission has noted the submission of BEST and further directs to submit the detailed features and functionality of the new Energy Billing System and the solutions for the observations provided by the Commission in the above directives at the time of filing MTR Petition.

8.14. Contribution to Contingency Reserves

Directive

- 8.14.1. The Commission directed BEST to ensure timely investment of contingency reserves amount as specified in the MERC MYT Regulations, 2019.

BEST's Submission

- 8.14.2. BEST has already done the investment of contingency reserves amount as specified in the MERC MYT Regulations, 2019 for FY 2022-23 and FY 2023-24.

Commission's Analysis and Ruling

- 8.14.3. The Commission notes the submissions of BEST. BEST has submitted the documentary evidence for its investments made towards the Contribution to Contingency Reserves for the True-up years. Accordingly, the same is complied.

8.15. Consumer Security Deposit (CSD)

Directive

- 8.15.1. The Commission directed BEST to ensure transparent and timely recovery/refund of the CSD and provide the details of the billing and the recovery along with the action taken for no-recovery in the next Tariff Petition.

BEST's Submission

- 8.15.2. BEST has started claiming 2 month CSD from the consumers and is following transparency for ensuring timely recovery/refund of the CSD.

Commission's Analysis and Ruling

- 8.15.3. The Commission notes the submissions of BEST. However, the Commission sought the details of CSD collected by BEST in the past as part of the data gaps query. BEST in response to the same has provided the required details, where it is observed that, there is a significant amount pertaining to CSD yet to be recovered from the consumers based on the CSD demand raised during FY 2023-24. The Commission therefore further directs BEST to submit details of un-recovered CSDs from the consumers along with the detailed justification at the time of filing MTR Tariff Petition.

8.16. kVAh Billing for Consumer categories having load above 20 kW

Directive

- 8.16.1. The Commission directed BEST to implement the AMR meters for the HT consumers with communication facility and Smart Meters for LT Consumers with load above 20 kW by March, 2025 and have the IT system compliant with the recording of the kVAh billing.
- 8.16.2. The Commission directed 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.

BEST's Submission

- 8.16.3. BEST has started executing the Smart Meter installation programme for all its consumers since December, 2023. BEST displays PF (computed by considering leading and lagging RkVAh) recorded during the month in the bill for all HT consumers and for LT Consumers with load above 20 kW.

Commission's Analysis and Ruling

- 8.16.4. The Commission has noted the submissions of BEST. The Commission has discussed in detail about the applicability of kVAh based under Para. 6.5 of the Tariff Philosophy Section above.

8.17. Time of Day Tariff

Directive

- 8.17.1. The Commission directed BEST to provide the detailed consumer category-wise load analysis and propose the change in ToD structure and also recommend seasonal ToD tariff structure with proper justification.

BEST's Submission

- 8.17.2. Presently, New MDM system is under testing. It is not fully functional. The category wise analysis is possible after implementation of MDM system. Hence, BEST requested the Commission to retain the existing ToD tariff framework for BEST in the 5th MYT control period's Order and defer the implementation of revise ToD tariff till next Control Period/MTR Petition.

Commission's Analysis and Ruling

- 8.17.3. The Commission has noted the submissions of BEST. The Commission has discussed its treatment of Time of Day Tariff in detail under Section 7 above.

8.18. Stabilising variation in consumer bill on account of FAC

Directive

- 8.18.1. In order to maintain transparency in management and use of such FAC Fund, Distribution Licensee shall maintain monthly account of such FAC Fund and upload it on its website for information of stakeholders.

BEST's Submission

- 8.18.2. FAC account is being maintained as per the Commission's directions.

Commission's Analysis and Ruling

- 8.18.3. The Commission has noted the submission of BEST. The Commission further directs BEST to submit the proof at the time of filing MTR Petition.

8.19. Summary of Directives issued in this Order

- 8.19.1. The Commission directs BEST to submit the documentary evidence for the such settlement duly reconciled with the Audited Accounts at the time of True-up for the

purpose of prudence check towards the Wage Revision Arrears of Rs. 80 Crore during FY 2024-25.

- 8.19.2. The Commission directs BEST to duly collect the Consumer Security Deposit as per provisions of the MERC (Electricity Supply Code and Standard of Performance of Distribution Licensees including Power Quality), 2021.
- 8.19.3. The Commission directs BEST to revisit its assumptions for its RA Plan while submitting the same on the Annual Rolling basis.
- 8.19.4. The Commission further directs BEST to immediately start exploring for the alternative arrangements of RE Power Procurement during 5th Control Period in case the SCOD further gets delayed by SECI
- 8.19.5. The Commission directs BEST to immediately start exploring the fixed long/medium term RE contracts on RTC basis, since, the overall RE portfolio of BEST is significantly lower as compared to other licensees. If such procurement is not done in a timely manner, it would pose a significant burden on to the consumer due to higher power purchase cost from alternate sources.
- 8.19.6. The Commission directs BEST to complete exercise of installation and measurement of planned power quality meter at its substation as well as implementation of the Automatic Compensation system on its website under the OPEX mode by the end of FY 2025-26 as submitted by BEST.
- 8.19.7. The Commission directs BEST to submit its Scheme completion report post completion of the same and also submit the detailed justification for such non-compliance.
- 8.19.8. The Commission directs BEST to submit the complete Voltage wise cost allocation in lines with the MYT Regulations, 2024 and desired Forms Formats at the time of MTR Petition.
- 8.19.9. The Commission directs that Distribution Licensee shall complete the activity of meter reconfiguration to new ToD slabs as determined in this Order within 3 months of the date of Order.
- 8.19.10. The Commission directs BEST to install appropriate meters at incomer meter for Mumbai Metro for the energy accounting to provide netting off facility towards the Regenerative Braking.

- 8.19.11. The Commission directs BEST to submit its half-yearly progress report along with the action plan for the implementation of kVAh based billing during the MTR Petition.
- 8.19.12. The Commission directs BEST to submit the estimates towards Demand Response Scheme along with Cost Benefit Analysis at the time of filing MTR Petition.
- 8.19.13. The Commission directs BEST to submit in details the present billing process along with the improvements or enhancement proposed in the existing billing process post implementation of the Smart Metering System at the time of filing MTR Petition.
- 8.19.14. The Commission directs BEST to provide the information related to number of consumers, contract demand and sales of LT Public Services and LT EV charging Station category of consumers with segregation of load below 20 kW and above 20 kW in next MTR Petition.
- 8.19.15. The Commission directs BEST should prioritize the replacement of the Smart Meters within 3 Months from the date of issuance of this Order for the consumer categories where kVAh billing is made applicable.
- 8.19.16. **Performance Review and Review of Compliance of Directions**

As per the MYT framework prescribed in the MYT Regulation, 2024, the distribution licensees are subject to process of Mid-Term Review which is due on 30 November 2027. Further, as per Regulation 16.3 of MYT Regulations Licensee need to submit periodic returns containing operational and cost data to enable monitoring implementation of the Order.

In the present MYT Order, the Commission has operationalized several important provisions related ToD Tariffs, implementation of kVAh billing for LT consumers with load above 20 kW. It is important to ascertain the impact and operational benefits of same and undertake suitable regulatory measures earlier than mid-term review, if necessary. Further, as per RA Regulations, distribution licensees are required to submit Annual RA rolling plans by September 2025, by which time the impact of new measures under this Order as well as Audited Annual Accounts for previous year would be available. Hence, the Commission directs BEST to submit report on compliance of directions and operational performance for review by 30th November of each year of the control period. The Commission shall scrutinize such submissions and pass necessary directions for improvement in performance, as necessary.

9. APPLICABILITY

9.1. Applicability of Tariff

- 9.1.1. The Tariffs determined in this Order shall be applicable from 1 April, 2025. 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).
- 9.1.2. Further, though BEST's distribution licence is expiring on 9 June, 2028, for the purpose of this MYT Order, the Commission has assumed that the Business as an on-going business, and has approved the MYT ARR and Tariffs for the Control Period from FY 2025-26 to FY 2029-30, subject to grant of licence to BEST for distribution of electricity after expiry of its current licence. Further, the issues relating to grant of Distribution Licence to BEST beyond 9 June, 2028 would be addressed, based on BEST's Application and after following due regulatory process.

9.2. Applicability of Order


- 9.2.1. This Multi Year Tariff Order for 5th Control Period from FY 2025-26 to FY 2029-30 shall come into force from 1 April, 2025.

The Petition of Brihanmumbai Electric Supply and Transport Undertaking (BEST) in Case No. 207 of 2024 stands disposed of accordingly.

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary



Appendix -I - List of persons who attended the TVS on 6 January 2025

Sr. No.	Name of the Participant	Organization
1.	Shri. Bhushan Gosavi	BEST
2.	Shri. Manoj Gadhire	BEST
3.	Shri. Anil Bhatkar	BEST
4.	Ms. Manisha Dawre	BEST
5.	Shri. G.G. Chandankar	BEST
6.	Shri. N. N. Choughule	BEST
7.	Shri. M. M. Rane	BEST
8.	Shri. S. A. Jadhav	BEST
9.	Shri. V U. Kurhade	BEST
10.	Shri. Kaushikeya Jetta	Deloitte
11.	Shri. Palaniappan M.	ABPS
12.	Shri. Prithvi Madhavan S.	ABPS
13.	Shri. Atul Pandey	ABPS
14.	Shri. Kanhaiya Lal	RECPDCL
15.	Shri. Santosh Sonawane	BEST
16.	Shri. M. H. Vohra	BEST
17.	Shri. B R. Bhole	BEST
18.	Shri. V S. Ande	BEST

Appendix -II - List of persons who attended the e-Public Hearing on 17 February 2025

Sr. No.	Name of the Participant	Organization
1.	N. N. Choughule	BEST
2.	Smt. Manjusha Mishra	Individual
3.	Adv. Harinder Toor	MSEDCL
4.	Blasé Martin D'souza	Individual
5.	Shri. Ponrathnam Nadarajan	Individual
6.	Shri. Ganesh Relekar	Individual
7.	Shri. Kamlakar Shenoy	Individual
8.	Shri. Rajesh Nayak	Individual
9.	Adv. V. A. Kajrolkar	Individual
10.	Shri. Shubham Mishra	Individual
11.	Shri. Vivek Worlikar	Individual
12.	Shri. Sidney Almeida	Individual
13.	Shri. S. Mithaiwala	Individual
14.	Shri. G. R. Vora	Individual
15.	Shri. B. R. Pandey	Individual
16.	Shri. Balakrishna Swamy	Individual
17.	Shri. Anil Indulkar	Individual
18.	Shri. Amir Prakari	BHEL
19.	Shri. Guruprasad Shetty	Individual
20.	Shri. Palaniappan M.	ABPS

Annexure 1: Revenue with Proposed Tariffs for FY 2025-26

Consumer Category	No. of consumers	Components of tariff					Relevant sales & load/demand data for revenue			Sales in MU	Sales in MkVAh	Green Energy Sales in MU	Full year revenue excluding Government subsidy (Rs. Crore)							Full year revenue (including subsidy) (Rs. Crore)	Average Billing Rate (Rs/kWh)
		Fixed Charges (Per Month Per Connection)	Demand Charges (Per Month Per kVA)	Energy Charges (Rs. Per kVAh/kWh)	Wheeling Charges (Rs. Per kVAh/kWh)	Green Energy Charges (Rs. Per kWh)	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 ToD Charges	Revenue from Wheeling Charges	Revenue from Green Energy Charges	Total		
HT Category																					
HT - I Industry	36.00		400.00	5.70	1.01	0.25	77612.15	41776.19	144.62	146.27	38.81	0.00	20.05	83.37	-5.14	14.76	0.97	114.02	114.02	7.88	
HT - II Commercial	89.83		300.00	5.85	1.01	0.25	172202.42	77254.99	231.71	236.05	48.32	0.00	27.81	138.09	-8.27	23.39	1.21	182.23	182.23	7.86	
HT - III Group Housing	12.00		400.00	5.10	1.01	0.25	25465.45	7380.28	39.77	40.68		0.00	3.54	20.75	0.00	4.01	0.00	28.30	28.30	7.12	
HT - IV Railways, Metro, Monorail	3.00		200.00	5.18	1.01	0.25	4730.00	1996.58	2.63	3.07		0.00	0.48	1.59	0.00	0.27	0.00	2.33	2.33	8.89	
HT - V Public Services	54.00		400.00	5.80	1.01	0.25	145338.40	64255.95	244.12	248.51		0.00	30.84	144.14	-8.61	24.64	0.00	191.02	191.02	7.82	
HT - VI Electrical Vehicle Charging	0.67		0.00	7.32	1.01	0.25	3210.00	11407.07	2.87	2.90		0.00	0.00	2.12	-0.13	0.29	0.00	2.28	2.28	7.95	
Sub Total	195.50						428558.42	204071.07	665.72	677.48	87.13	0.00	82.73	390.06	-22.15	67.36	2.18	520.19	520.19	7.81	
LT Category																					
LT - I (A) Residential (BPL)	45.67	12.00		1.52	2.10	0.25	11.42		0.03			0.00	0.00	0.00		0.01	0.00	0.01	0.01	3.86	
LT - I (B) Residential							2679485.29		2305.85		0.29	116.09	0.00	1334.63	0.00	483.53	0.01	1934.25	1934.25	8.39	
0-100 units	222977.33	90.00		1.74	2.10	0.25			829.34		0.14	24.08	0.00	144.30		173.91	0.00	342.30	342.30	4.13	
101-300 units	360475.10	135.00		5.33	2.10	0.25			789.56		0.11	58.40	0.00	420.84		165.57	0.00	644.80	644.80	8.17	
301-500 units	116383.00	135.00		9.81	2.10	0.25			252.30		0.03	18.85	0.00	247.50		52.91	0.00	319.26	319.26	12.65	
>501 units	76836.33	160.00		12.01	2.10	0.25			434.66		0.01	14.75	0.00	521.98		91.15	0.00	627.88	627.88	14.45	
LT - II (a) Commercial<20kW	255221.75	475.00		6.55	2.10	0.25	754828.40		989.57		0.35	145.48	0.00	647.67	-38.00	207.51	0.01	962.67	962.67	9.73	
LT - II (b) Commercial >20 kW & <=50 kW	5925.83		300.00	6.05	2.10	0.25	181108.41	102807.16	206.57		0.99		37.01	124.98	-7.83	43.32	0.02	197.50	197.50	9.56	
LT - II (c) Commercial >50 kW	3182.50		300.00	5.55	2.10	0.25	394504.76	192631.71	461.16		11.10		69.35	255.94	-15.89	96.70	0.28	406.38	406.38	8.81	
LT - III (A) Industry (upto 20 kW)	7963.33	475.00		6.30	2.10	0.25	59873.06		113.70		0.06	4.54	0.00	71.63	-3.29	23.84	0.00	96.73	96.73	8.51	
LT - III (B) Industrial (above 20 kW)	959.50		400.00	6.34	2.10	0.25	54116.97	26781.04	77.89		0.50		12.85	49.38	-3.09	16.33	0.01	75.49	75.49	9.69	
LT - IV Public Services	7979.33	475.00		6.44	2.10	0.25	207886.56		285.93		0.26	4.55	0.00	184.14	-11.68	59.96	0.01	236.97	236.97	8.29	
LT - V (A) Agriculture-Pumpsets	0.00		45.00	2.52	2.10	0.25	0.00		0.00				0.00	0.00		0.00	0.00	0.00	0.00		
LT - V (B) Agriculture-Others	2.00		100.00	4.93	2.10	0.25	25.00		0.26				0.00	0.13		0.05	0.00	0.19	0.19	7.18	
LT - VI Electrical Vehicle Charging	686.83		0.00	6.31	2.10	0.25	28866.82	10556.04	55.78		0.02		0.00	35.20	-2.35	11.70	0.00	44.55	44.55	7.99	
Sub Total	1058638.52						4360706.69	332775.95	4496.74		13.57	270.65	119.22	2703.71	-82.14	942.95	0.34	3954.73	3954.73	8.79	
Less: Impact of Rooftop Solar				2.90					3.84					1.11				1.11	1.11	2.90	
Total	1058834.02						4789265.11	536847.02	5162.46	677.48	100.70	270.65	201.95	3092.66	-104.28	1010.31	2.52	4473.80	4473.80	8.67	

Annexure 2: Revenue with Proposed Tariffs for FY 2026-27

Consumer Category	No. of consumers	Components of tariff					Relevant sales & load/demand data for revenue			Sales in MkVAh	Green Energy Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from ToD Charges	Revenue from Wheeling Charges	Revenue from Green Energy Charges	Total	Full year revenue (including subsidy) (Rs. Crore)	Average Billing Rate (Rs/kWh)
		Fixed Charges (Per Month Per Connection)	Demand Charges (Per Month Per kVA)	Energy Charges (Rs. Per kVAh/kWh)	Wheeling Charges (Rs. Per kVAh/kWh)	Green Energy Charges (Rs. Per kWh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU											
HT Category																				
HT - I Industry	36.00		400.00	5.47	0.88	0.25	77612.15	41776.19	144.62	146.27	38.81	0.00	20.05	80.01	-4.93	12.81	0.97	108.91	108.91	7.53
HT - II Commercial	89.83		300.00	5.68	0.88	0.25	172202.42	81890.29	243.70	248.26	50.82	0.00	29.48	141.01	-8.44	21.74	1.27	185.06	185.06	7.59
HT - III Group Housing	12.00		400.00	4.72	0.88	0.25	25465.45	8996.56	44.28	45.30		0.00	4.32	21.38	0.00	3.97	0.00	29.67	29.67	6.70
HT - IV Railways, Metro, Monorail	3.00		200.00	4.86	0.88	0.25	4730.00	2116.38	2.79	3.26		0.00	0.51	1.58	0.00	0.29	0.00	2.38	2.38	8.52
HT - V Public Services	54.00		400.00	5.53	0.88	0.25	145338.40	74922.44	254.06	258.63		0.00	35.96	143.02	-8.54	22.65	0.00	193.10	193.10	7.60
HT - VI Electrical Vehicle Charging	0.67		0.00	6.80	0.88	0.25	3210.00	12091.50	3.61	3.64		0.00	0.00	2.47	-0.15	0.32	0.00	2.64	2.64	7.32
Sub Total	195.50						428558.42	221793.36	693.05	705.36	89.63	0.00	90.32	389.48	-22.07	61.78	2.24	521.76	521.76	7.40
										0.00										
LT Category																				
LT - I (A) Residential (BPL)	45.67	12.00	0.00	1.52	1.82	0.25	11.42		0.04			0.00	0.00	0.01		0.01	0.00	0.01	0.01	3.52
LT - I (B) Residential		0.00	0.00	0.00			2679485.29		2393.04		0.30	116.52	0.00	1382.44	0.00	434.78	0.01	1933.75	1933.75	8.08
0-100 units	222977.33	90.00	0.00	2.02	1.82	0.25			860.69		0.15	24.08	0.00	173.86		156.37	0.00	354.32	354.32	4.12
101-300 units	363178.67	135.00	0.00	5.35	1.82	0.25			819.42		0.12	58.83	0.00	438.39		148.88	0.00	646.10	646.10	7.88
301-500 units	116383.00	135.00	0.00	10.04	1.82	0.25			261.84		0.03	18.85	0.00	262.75		47.57	0.00	329.18	329.18	12.57
>501 units	76836.33	160.00	0.00	11.25	1.82	0.25			451.10		0.01	14.75	0.00	507.44		81.96	0.00	604.15	604.15	13.39
LT - II (a) Commercial <20kW	257135.91	475.00	0.00	6.17	1.82	0.25	754828.40		1088.45		0.39	146.57	0.00	671.57	-39.40	197.75	0.01	976.50	976.50	8.97
LT - II (b) Commercial >20 kW & <=50 kW	5925.83	0.00	300.00	6.18	1.82	0.25	181108.41	108975.59	225.92		1.09		39.23	139.64	-8.75	41.05	0.03	211.19	211.19	9.35
LT - II (c) Commercial >50 kW	3182.50	0.00	300.00	6.15	1.82	0.25	394504.76	204189.62	517.43		12.45		73.51	318.12	-19.75	94.01	0.31	466.20	466.20	9.01
LT - III (A) Industry (upto 20 kW)	7963.33	475.00	0.00	6.02	1.82	0.25	59873.06		119.33		0.06	4.54	0.00	71.84	-3.30	21.68	0.00	94.76	94.76	7.94
LT - III (B) Industrial (above 20 kW)	959.50		400.00	6.07	1.82	0.25	54116.97	26781.04	78.07		0.50		12.85	47.39	-2.97	14.18	0.01	71.47	71.47	9.15
LT - IV Public Services	7979.33	475.00		6.10	1.82	0.25	20788656.00		306.91		0.28	4.55	0.00	187.21	-11.88	55.76	0.01	235.65	235.65	7.68
LT - V (A) Agriculture-Pumpsets	0.00	0.00	45.00	2.52	1.82	0.25	0.00		0.00				0.00	0.00		0.00	0.00	0.00	0.00	
LT - V (B) Agriculture-Others	2.00	0.00	100.00	4.93	1.82	0.25	25.00		0.49				0.00	0.24		0.09	0.00	0.33	0.33	6.83
LT - VI Electrical Vehicle Charging	686.83	0.00	0.00	5.93	1.82	0.25	28866.82	11189.41	70.01		0.02		0.00	41.50	-2.77	12.72	0.00	51.45	51.45	7.35
Sub Total	1063256.24	0.00	0.00	0.00			24941476.13	351135.65	4799.68		15.09	272.18	125.60	2859.95	-88.82	872.03	0.38	4041.32	4041.32	8.42
Impact of Rooftop Solar		0.00	0.00	2.90					4.13					1.20				1.20	1.20	2.90
Total	1063451.74						25370034.55	572929.01	5492.73	705.36	104.72	272.18	215.92	3248.24	-110.89	933.81	2.62	4561.88	4561.88	8.29

Annexure 3:Revenue with Proposed Tariffs for FY 2027-28

Consumer Category	No. of consumers	Components of tariff					Relevant sales & load/demand data for					Green Energy Sales in MU	Full year revenue excluding Government subsidy (Rs. Crore)							Full year revenue (including subsidy) (Rs. Crore)	Average Billing Rate (Rs/kWh)
		Fixed Charges (Per Month Per Connection)	Demand Charges (Per Month Per kVA)	Energy Charges (Rs. Per kVAh/kWh)	Wheeling Charges (Rs. Per kVAh/kWh)	Green Energy Charges (Rs. Per kWh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Sales in MkVAh			Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from ToD Charges	Revenue from Wheeling Charges	Revenue from Green Energy Charges	Total		
HT Category																					
HT - I Industry	36.00		400.00	5.19	0.90	0.25	77612.15	41776.19	144.62	146.27	38.81	0.00	20.05	75.91	-4.68	13.22	0.97	105.48	105.48	7.29	
HT - II Commercial	89.83		300.00	5.54	0.90	0.25	172202.42	86803.71	256.31	261.10	53.44	0.00	31.25	144.65	-8.66	23.60	1.34	192.18	192.18	7.50	
HT - III Group Housing	12.00		400.00	4.56	0.90	0.25	25465.45	9536.36	49.30	50.44		0.00	4.58	23.00	0.00	4.56	0.00	32.14	32.14	6.52	
HT - IV Railways, Metro, Monorail	3.00		200.00	4.73	0.90	0.25	4730.00	2243.36	2.96	3.46		0.00	0.54	1.64	0.00	0.31	0.00	2.49	2.49	8.40	
HT - V Public Services	54.00		400.00	5.24	0.90	0.25	145338.40	79417.78	264.46	269.22			38.12	141.07	-8.42	24.34	0.00	195.11	195.11	7.38	
HT - VI Electrical Vehicle Charging	0.67		0.00	6.84	0.90	0.25	3210.00	12816.99	4.53	4.57		0.00	0.00	3.13	-0.19	0.41	0.00	3.35	3.35	7.39	
Sub Total	195.50						428558.42	232594.39	722.17	735.05	92.26	0.00	94.54	389.40	-21.96	66.45	2.31	530.73	530.73	7.22	
LT Category																					
LT - I (A) Residential (BPL)	45.67	12.00	0.00	1.52	1.87	0.25	11.42		0.05			0.00	0.00	0.01		0.01	0.00	0.02	0.02	3.53	
LT - I (B) Residential		0.00	0.00	0.00			2679485.29		2483.53			116.96	0.00	1472.16	0.00	465.00	0.01	2054.12	2054.12	8.27	
0-100 units	222977.33	90.00	0.00	2.10	1.87	0.25			893.24		0.15	24.08	0.00	187.13		167.24	0.00	378.46	378.46	4.24	
101-300 units	365902.51	135.00	0.00	5.50	1.87	0.25			850.40		0.12	59.28	0.00	467.72		159.22	0.00	686.22	686.22	8.07	
301-500 units	116383.00	135.00	0.00	10.18	1.87	0.25			271.74		0.03	18.85	0.00	276.49		50.88	0.00	346.23	346.23	12.74	
>501 units	76836.33	160.00	0.00	11.55	1.87	0.25			468.15		0.01	14.75	0.00	540.81		87.65	0.00	643.22	643.22	13.74	
LT - II (a) Commercial<20kW	259064.43	475.00	0.00	6.04	1.87	0.25	754828.40		1197.20		0.43	147.67	0.00	723.11	-42.42	224.15	0.01	1052.52	1052.52	8.79	
LT - II (b) Commercial >20 kW & <=50 kW	5925.83		300.00	5.86	1.87	0.25	181108.41	115514.12	247.08		1.19		41.59	144.84	-9.08	46.26	0.03	223.63	223.63	9.05	
LT - II (c) Commercial >50 kW	3182.50		300.00	5.85	1.87	0.25	394504.76	216440.99	580.57		13.97		77.92	339.81	-21.10	108.70	0.35	505.68	505.68	8.71	
LT - III (A) Industry (upto 20 kW)	7963.33	475.00		5.84	1.87	0.25	59873.06		125.24		0.06	4.54	0.00	73.14	-3.36	23.45	0.00	97.77	97.77	7.81	
LT - III (B) Industrial (above 20 kW)	959.50		400.00	5.70	1.87	0.25	54116.97	26781.04	78.25		0.50	0.00	12.85	44.60	-2.79	14.65	0.01	69.33	69.33	8.86	
LT - IV Public Services	7979.33	475.00		5.74	1.87	0.25	207886.56		329.43		0.30	4.55	0.00	189.09	-12.00	61.68	0.01	243.33	243.33	7.39	
LT - V (A) Agriculture-Pumpsets	0.00	0.00	45.00	2.52	1.87	0.25	0.00		0.00				0.00	0.00		0.00	0.00	0.00	0.00		
LT - V (B) Agriculture-Others	2.00	0.00	100.00	4.93	1.87	0.25	25.00		0.91				0.00	0.45		0.17	0.00	0.62	0.62	6.85	
LT - VI Electrical Vehicle Charging	686.83	0.00	0.00	5.94	1.87	0.25	28866.82	11860.77	87.88		0.03		0.00	52.22	-3.48	16.45	0.00	65.19	65.19	7.42	
Sub Total	1067908.60	0.00	0.00	0.00			4360706.69	370596.93	5130.13		16.80	273.72	132.36	3039.42	-94.23	960.52	0.42	4312.22	4312.22	8.41	
Less:Impact of Rooftop Solar		0.00	0.00	2.90					4.44					1.29				1.29	1.29	2.90	
Total	1068104.10						4789265.11	603191.31	5852.30	735.05	109.05	273.72	226.90	3427.53	-116.19	1026.97	2.73	4841.66	4841.66	8.25	

Annexure 4: Revenue with Proposed Tariffs for FY 2028-29

Consumer Category	No. of consumers	Components of tariff					Relevant sales & load/demand data for revenue				Full year revenue excluding Government subsidy (Rs. Crore)									Full year revenue (including subsidy) (Rs. Crore)	Average Billing Rate (Rs/kWh)
		Fixed Charges (Per Month Per Connection)	Demand Charges (Per Month Per kVA)	Energy Charges (Rs. Per kVAh/kWh)	Wheeling Charges (Rs. Per kVAh/kWh)	Green Energy Charges (Rs. Per kWh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Sales in MkVAh	Green Energy Sales in MU	Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from ToD Charges	Revenue from Wheeling Charges	Revenue from Green Energy Charges	Total			
HT Category																					
HT - I Industry	36.00		400.00	5.53	0.91	0.25	77612.15	41776.19	144.62	146.27	38.81	0.00	20.05	80.89	-4.99	13.25	0.97	110.18	110.18	7.62	
HT - II Commercial	89.83		300.00	5.74	0.91	0.25	172202.42	92011.93	269.56	274.61	56.21	0.00	33.12	157.62	-9.44	24.88	1.41	207.60	207.60	7.70	
HT - III Group Housing	12.00		400.00	4.86	0.91	0.25	25465.45	10108.54	54.90	56.16		0.00	4.85	27.29	0.00	5.09	0.00	37.23	37.23	6.78	
HT - IV Railways, Metro, Monorail	3.00		200.00	4.73	0.91	0.25	4730.00	2377.96	3.14	3.67		0.00	0.57	1.74	0.00	0.33	0.00	2.64	2.64	8.40	
HT - V Public Services	54.00		400.00	5.34	0.91	0.25	145338.40	84182.85	275.34	280.30		0.00	40.41	149.68	-8.94	25.40	0.00	206.55	206.55	7.50	
HT - VI Electrical Vehicle Charging	0.67		0.00	7.06	0.91	0.25	3210.00	13586.01	5.68	5.73		0.00	0.00	4.05	-0.25	0.52	0.00	4.32	4.32	7.60	
Sub Total	195.50						428558.42	244043.48	753.24	766.74	95.02	0.00	99.01	421.27	-23.61	69.48	2.38	568.52	568.52	7.41	
LT Category																					
LT - I (A) Residential (BPL)	45.67	12.00	0.00	1.52	1.87	0.25	11.42		0.06			0.00	0.00	0.01		0.01	0.00	0.02	0.02	3.50	
LT - I (B) Residential		0.00	0.00	0.00			2679485.29		2577.44			117.41	0.00	1560.66	0.00	482.99	0.01	2161.07	2161.07	8.38	
0-100 units	222977.33	90.00	0.00	2.09	1.87	0.25			927.01		0.16	24.08	0.00	193.28		173.72	0.00	391.08	391.08	4.22	
101-300 units	368646.78	135.00	0.00	5.62	1.87	0.25			882.55		0.12	59.72	0.00	496.00		165.39	0.00	721.10	721.10	8.17	
301-500 units	116383.00	135.00	0.00	10.48	1.87	0.25			282.01		0.03	18.85	0.00	295.55		52.85	0.00	367.25	367.25	13.02	
>501 units	76836.33	160.00	0.00	11.85	1.87	0.25			485.85		0.01	14.75	0.00	575.84		91.05	0.00	681.63	681.63	14.03	
LT - II (a) Commercial<20kW	261007.41	475.00	0.00	6.54	1.87	0.25	754828.40		1316.83		0.47	148.77	0.00	861.21	-50.53	246.77	0.01	1206.23	1206.23	9.16	
LT - II (b) Commercial >20 kW & <=50 kW	5925.83		300.00	6.08	1.87	0.25	181108.41	122444.97	270.21		1.30		44.08	164.34	-10.30	50.64	0.03	248.79	248.79	9.21	
LT - II (c) Commercial >50 kW	3182.50		300.00	6.15	1.87	0.25	394504.76	229427.45	651.42		15.68		82.59	400.82	-24.88	122.07	0.39	580.99	580.99	8.92	
LT - III (A) Industry (upto 20 kW)	7963.33	475.00		6.14	1.87	0.25	59873.06		131.44		0.07	4.54	0.00	80.70	-3.71	24.63	0.00	106.17	106.17	8.08	
LT - III (B) Industrial (above 20 kW)	959.50		400.00	5.85	1.87	0.25	54116.97	26781.04	78.43		0.50		12.85	45.88	-2.87	14.70	0.01	70.57	70.57	9.00	
LT - IV Public Services	7979.33	475.00		6.02	1.87	0.25	207886.56		353.62		0.32	4.55	0.00	212.88	-13.51	66.27	0.01	270.20	270.20	7.64	
LT - V (A) Agriculture-Pumpsets	0.00	0.00	45.00	2.52	1.87	0.25	0.00		0.00		0.00		0.00	0.00		0.00	0.00	0.00	0.00		
LT - V (B) Agriculture-Others	2.00	0.00	100.00	4.93	1.87	0.25	25.00		1.68		0.00		0.00	0.83		0.32	0.00	1.15	1.15	6.83	
LT - VI Electrical Vehicle Charging	686.83	0.00	0.00	6.17	1.87	0.25	28866.82	12572.42	110.30		0.04		0.00	68.02	-4.54	20.67	0.00	84.15	84.15	7.63	
Sub Total	1072595.86	0.00	0.00	0.00			4360706.69	391225.88	5491.44		18.70	275.27	139.53	3395.36	-110.33	1029.06	0.47	4729.36	4729.36	8.61	
Less: Impact of Rooftop Solar		0.00	0.00	2.90					4.73					1.37				1.37	1.37	2.90	
Total	1072791.36						4789265.11	635269.36	6244.68	766.74	113.72	275.27	238.54	3815.26	-133.95	1098.54	2.84	5296.51	5296.51	8.46	

Annexure 5: Revenue with Proposed Tariffs for FY 2029-30

Consumer Category	No. of consumers	Components of tariff					Relevant sales & load/demand data for				Green Energy Sales in MU	Full year revenue excluding Government subsidy (Rs. Crore)								Full year revenue (including subsidy) (Rs. Crore)	Average Billing Rate (Rs/kWh)
		Fixed Charges (Per Month Per Connection)	Demand Charges (Per Month Per kVA)	Energy Charges (Rs. Per kVAh/kWh)	Wheeling Charges (Rs. Per kVAh/kWh)	Green Energy Charges (Rs. Per kWh)	Sanctioned Load in kW	Billing Demand in KVA/MVA	Sales in MU	Sales in MkVAh		Revenue from Fixed Charges	Revenue from Demand Charges	Revenue from Energy Charges	Revenue from ToD Charges	Revenue from Wheeling Charges	Revenue from Green Energy Charges	Total			
HT Category																					
HT - I Industry	36.00		400.00	4.88	0.90	0.25	77612.15	41776.19	144.62	146.27	38.81	0.00	20.05	71.38	-4.40	13.11	0.97	101.11	101.11	6.99	
HT - II Commercial	89.83		300.00	5.04	0.90	0.25	172202.42	97532.65	283.51	288.81	59.12	0.00	35.11	145.56	-8.72	25.89	1.48	199.32	199.32	7.03	
HT - III Group Housing	12.00		400.00	4.26	0.90	0.25	25465.45	10715.05	61.12	62.53		0.00	5.14	26.64	0.00	5.61	0.00	37.39	37.39	6.12	
HT - IV Railways, Metro, Monorail	3.00		200.00	4.01	0.90	0.25	4730.00	2520.64	3.34	3.90		0.00	0.60	1.56	0.00	0.35	0.00	2.52	2.52	7.54	
HT - V Public Services	54.00		400.00	4.64	0.90	0.25	145338.40	89233.82	286.73	291.90		0.00	42.83	135.44	-8.09	26.17	0.00	196.35	196.35	6.85	
HT - VI Electrical Vehicle Charging	0.67		0.00	6.91	0.90	0.25	3210.00	14401.17	7.13	7.20		0.00	0.00	4.97	-0.31	0.65	0.00	5.31	5.31	7.45	
Sub Total	195.50						428558.42	256179.52	786.45	800.60	97.93	0.00	103.74	385.55	-21.51	71.77	2.45	542.01	542.01	6.77	
LT Category																					
LT - I (A) Residential (BPL)	45.67	12.00	0.00	1.52	1.85	0.25	11.42		0.09			0.00	0.00	0.01		0.02	0.00	0.03	0.03	3.45	
LT - I (B) Residential		0.00					2679485.29		2674.89			117.86	0.00	1464.68	0.00	495.12	0.01	2077.66	2077.66	7.77	
0-100 units	222977.33	90.00	0.00	1.55	1.85	0.25			962.07		0.16	24.08	0.00	148.74		178.08	0.00	350.90	350.90	3.65	
101-300 units	371411.63	135.00	0.00	5.19	1.85	0.25			915.93		0.13	60.17	0.00	475.37		169.54	0.00	705.07	705.07	7.70	
301-500 units	116383.00	135.00	0.00	9.68	1.85	0.25			292.68		0.03	18.85	0.00	283.31		54.17	0.00	356.34	356.34	12.18	
>501 units	76836.33	160.00	0.00	11.05	1.85	0.25			504.23		0.01	14.75	0.00	557.27		93.33	0.00	665.35	665.35	13.20	
LT - II (a) Commercial<20kW	262964.97	475.00	0.00	5.81	1.85	0.25	754828.40		1448.41		0.52	149.89	0.00	841.52	-49.37	268.10	0.01	1210.15	1210.15	8.36	
LT - II (b) Commercial >20 kW & <=50 kW	5925.83		300.00	5.37	1.85	0.25	181108.41	129791.67	295.52		1.42		46.73	158.75	-9.95	54.70	0.04	250.27	250.27	8.47	
LT - II (c) Commercial >50 kW	3182.50		300.00	5.50	1.85	0.25	394504.76	243193.10	730.91		17.59		87.55	402.22	-24.97	135.29	0.44	600.53	600.53	8.22	
LT - III (A) Industry (upto 20 kW)	7963.33	475.00		5.44	1.85	0.25	59873.06		137.95		0.07	4.54	0.00	75.04	-3.45	25.53	0.00	101.67	101.67	7.37	
LT - III (B) Industrial (above 20 kW)	959.50		400.00	5.10	1.85	0.25	54116.97	26781.04	78.61		0.50		12.85	40.09	-2.51	14.55	0.01	65.00	65.00	8.27	
LT - IV Public Services	7979.33	475.00		5.37	1.85	0.25	207886.56		379.61			4.55	0.00	203.85	-12.93	70.26	0.00	265.73	265.73	7.00	
LT - V (A) Agriculture-Pumpsets	0.00	0.00	45.00	2.52	1.85	0.25	0.00		0.00				0.00	0.00		0.00	0.00	0.00	0.00		
LT - V (B) Agriculture-Others	2.00	0.00	100.00	4.63	1.85	0.25	25.00		3.13				0.00	1.45		0.58	0.00	2.03	2.03	6.49	
LT - VI Electrical Vehicle Charging	686.83	0.00	0.00	6.02	1.85	0.25	28866.82	13326.76	138.45		0.05		0.00	83.38	-5.56	25.63	0.00	103.45	103.45	7.47	
Sub Total	1077318.26	0.00	0.00	0.00			4360706.69	413092.57	5887.56		20.49	276.83	147.13	3271.01	-108.75	1089.77	0.51	4676.52	4676.52	7.94	
Less: Impact of Rooftop Solar		0.00	0.00	2.90					5.04					1.46				1.46	1.46	2.90	
Total	1077513.76						4789265.11	669272.09	6674.01	800.60	118.42	276.83	250.88	3655.10	-130.26	1161.54	2.96	5217.06	5217.06	7.80	

Annexure 7 : Tariff Schedule for MYT 5th Control Period - FY 2025-26 to FY 2029-30

**BRIHANMUMBAI ELECTRIC SUPPLY AND TRANSPORT UNDERTAKING
SCHEDULE OF ELECTRICITY TARIFFS
(With effect from 1 April, 2025)**

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 **28 March, 2025** in Case No. 207 of 2024, the Tariffs 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, 2025**.

General

- 1 These Tariffs will 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 / 15 minutes of maximum use, subject to conformity with the Commission's Electricity Supply Code Regulations, 2021 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, 2024 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, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12.00	1.52	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12.00	1.52	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12.00	1.52	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12.00	1.52	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12.00	1.52	1.85

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for LT-BPL Residential				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	Rs. 0.50/kWh (Rebate)	Rs. 0.55/kWh (Rebate)	Rs. 0.60/kWh (Rebate)	Rs. 0.65/kWh (Rebate)	Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

Note:

ToD Rebate applicable to LT I category subject to installation of Smart Meters

LT I (B): LT – Residential

Applicability:

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, Private Corporate bodies staff quarters / Hostels / Rest Houses;
- 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, unless specified in other category;
- c) Government / Private / Co-operative Housing Societies / 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, Teachers, 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;

- i) Home-stay facilities at tourist destinations and religious places.
- j) 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.
- k) 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.
- l) Crematoriums and Burial Grounds for all purposes, including area lighting, Electric Kiln, Water Pumps, etc.
- m) Temporary purposes for public religious functions / festivals like Ganesh Utsav, Navaratri, Eid, Moharrum, Ram Lila, Diwali, Christmas, Guru Nanak Jayanti, Gopalkala Utsav, Dashera, 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, Maharashtra Day, etc.

Provided that such temporary connection shall be subjected to 1.5 times of fixed charges.

Note:

This Tariff category shall also be applicable to consumers who are supplied power at High Voltage for any of the purposes above other than (i) & (j) above.

Tariff Schedule for LT I (B): LT – Residential

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed Charge / Demand Charge^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90.00	1.74	2.10
100-300 units	135.00	5.33	2.10
301-500 units	135.00	9.81	2.10
Above 500 units	160.00	12.01	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed Charge / Demand Charge^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90.00	2.02	1.82
100-300 units	135.00	5.35	1.82
301-500 units	135.00	10.04	1.82
Above 500 units	160.00	11.25	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed Charge / Demand Charge^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90.00	2.10	1.87
100-300 units	135.00	5.50	1.87
301-500 units	135.00	10.18	1.87
Above 500 units	160.00	11.55	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed Charge / Demand Charge^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90.00	2.09	1.87
100-300 units	135.00	5.62	1.87
301-500 units	135.00	10.48	1.87
Above 500 units	160.00	11.85	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed Charge / Demand Charge ^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90.00	1.55	1.85
100-300 units	135.00	5.19	1.85
301-500 units	135.00	9.68	1.85
Above 500 units	160.00	11.05	1.85

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for LT-Residential				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	Rs. 0.50/kWh (Rebate)	Rs. 0.55/kWh (Rebate)	Rs. 0.60/kWh (Rebate)	Rs. 0.65/kWh (Rebate)	Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

Note:

- \$\$: The above Fixed Charges are for single-phase connections. A Fixed Charge of Rs. 160 per month will be levied on Residential consumers availing 3-phase supply. An Additional Fixed Charge of Rs.250 per 10 kW load or part thereof above 10 kW load.*
- Professionals like Lawyers, Teachers, 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.*
- ToD Rebate applicable to LT I category subject to installation of Smart Meters.*

LT II: LT – Non Residential or Commercial

Applicability:

A. 0-20kW

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, Exhibition Centres;
- b) Warehouses / Godowns;
- c) 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;
- d) Offices, including Commercial Establishments;
- e) Marriage Halls, / Restaurants / Canteens / Cafeterias, Ice-cream parlours, Coffee / Tea Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths not covered under the LT I category, and Fax / Photocopy shops;
- f) 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;
- g) Toll Collection plazas;
- h) Tailoring Shops, Computer Training Institutes, Private Training centres, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons, Mobile Shoppe's;
- i) Banks and ATM centres, Telephone Exchanges, TV Stations, Microwave Stations, Radio Stations;
- j) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other

equipment / Street and other common area lighting, etc., in Commercial Complexes;

- k) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;
- l) External illumination of monuments/ historical/ heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;
- m) Construction of all types of structures/ infrastructures 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;

- n) Milk Collection Centres; Standalone milk refrigeration, storage centres;
- o) Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT – Public Services or LT – Industry categories;
- p) 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.
- q) 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 1.25 time applicable 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.

B. 20 kW and ≤ 50 kW and (C) > 50 kW

Applicability:

As per the applicability described in LT II (A) and for the Sanctioned Load in the range applicable in this sub- category, i.e., LT II (B) and LT II (C).

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (Rs/kWh/Rs/kVAh)	Fixed/ Demand Charge	Energy Charge (Rs. kWh/kVAh)	Wheeling Charge (Rs./kWh/ Rs. kVAh)
(A) 0-20 kW	Rs. 475.00 per Month	6.55	2.10
(B) >20 kW and ≤ 50 kW	Rs. 300.00 per kVA	5.81	2.01
(C) > 50 kW	Rs. 300.00 per kVA	5.33	2.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (Rs/kWh/Rs/kVAh)	Fixed/ Demand Charge	Energy Charge (Rs. kWh/kVAh)	Wheeling Charge (Rs./kWh/ Rs. kVAh)
(A) 0-20 kW	Rs. 475.00 per Month	6.17	1.82
(B) >20 kW and ≤ 50 kW	Rs. 300.00 per kVA	5.94	1.74
(C) > 50 kW	Rs. 300.00 per kVA	5.91	1.74

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (Rs/kWh/Rs/kVAh)	Fixed/ Demand Charge	Energy Charge (Rs. kWh/kVAh)	Wheeling Charge (Rs./kWh/ Rs. kVAh)
(A) 0-20 kW	Rs. 475.00 per Month	6.04	1.87
(B) >20 kW and ≤ 50 kW	Rs. 300.00 per kVA	5.63	1.87
(C) > 50 kW	Rs. 300.00 per kVA	5.63	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (Rs/kWh/Rs/kVAh)	Fixed/ Demand Charge	Energy Charge (Rs. kWh/kVAh)	Wheeling Charge (Rs./kWh/ Rs. kVAh)
(A) 0-20 kW	Rs. 475.00 per Month	6.54	1.87
(B) >20 kW and ≤ 50 kW	Rs. 300.00 per kVA	5.85	1.80
(C) > 50 kW	Rs. 300.00 per kVA	5.91	1.80

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (Rs/kWh/Rs/kVAh)	Fixed/ Demand Charge	Energy Charge (Rs. kWh/kVAh)	Wheeling Charge (Rs./kWh/ Rs. kVAh)
(A) 0-20 kW	Rs. 475.00 per Month	5.81	1.85
(B) >20 kW and ≤ 50 kW	Rs. 300.00 per kVA	5.16	1.78
(C) > 50 kW	Rs. 300.00 per kVA	5.29	1.78

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

Note:

- The ToD Tariff is applicable to the LT – II (A) – above 10 KW, LT-II (B) and (C) categories, and optionally available to LT- II (A) (below 10 kW) category consumers having ToD meter installed.
- Tariff in Rs./kWh will be applicable for LT II (A)- Commercial upto 20 kW and Rs./kVAh will be applicable for LT II (B) & (C) - Commercial.

LT III: LT- Industry:

LT III (A): LT - Industry upto 20 kW load

LT III (B): LT - Industry, above 20 kW load

Applicability:

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, 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.

This Tariff Category shall be also applicable to integrated logistics parks under Government of Maharashtra Policy, 2018.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- a) Dhobi/Laundry activities
- b) Flour Mill, Dal Mill, Rice Mill, Poha Mill, Masala Mill, Saw Mill, Cattle / Poultry Feed Manufacturing plants;
- c) Ice Factory, Ice-cream manufacturing units, Milk Processing and Chilling Plants (Dairy);
- d) Hotels / Motels / Youth Clubs / Resorts / Cottages / Service Apartments, Tourist Villas / Tourist Apartments.

- e) District Cooling Solution (DCS) for providing air conditioning services to a cluster of buildings in a centralised manner
- f) Engineering Workshops, Engineering Goods Manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remolding/Rethreading units; and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing,
- g) Ordinance / Ammunition Factories of Defence Establishments;
- h) Mining, Quarrying and Stone Crushing units;
- i) Garment Manufacturing units;
- j) Soap and cosmetics, Deodorant manufacturing, etc.
- k) LPG/CNG bottling plants and associated retail gas filling stations, etc.;
- l) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the LT – Public Service category;
- m) 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);
- n) Brick Kiln (Bhatti), Biomass Pellet;
- o) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
- p) Cold Storages not covered under LT V (B) – Agriculture (Others), Packaged Drinking water plant;
- q) Food (including seafood and meat) Processing units, Khandsari / Jaggery Manufacturing Units;
- r) Stand-alone Research and Development units
- s) Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlets etc.
- t) Powerlooms including other allied activities like, Warping, Doubling,

Twisting, etc., connected at Low/Medium Tension only.

u) Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)

v) Ready-mix Concrete or hot mix plants.

Tariff Schedule for LT III: LT Industry

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh) or (Rs/kVAh)*	Wheeling Charge (Rs./kWh) or (Rs/kVAh)
LT III(A): 0-20 kW	Rs. 475.00 per month	6.30	2.10
LT III(B): Above 20kW	Rs. 400.00 per kVA	6.13	2.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh) or (Rs/kVAh)*	Wheeling Charge (Rs./kWh) or (Rs/kVAh)
LT III(A): 0-20 kW	Rs. 475.00 per month	6.02	1.82
LT III(B): Above 20kW	Rs. 400.00 per kVA	5.87	1.74

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh) or (Rs/kVAh)*	Wheeling Charge (Rs./kWh) or (Rs/kVAh)
LT III(A): 0-20 kW	Rs. 475.00 per month	5.84	1.87
LT III(B): Above 20kW	Rs. 400.00 per kVA	5.51	1.80

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh) or (Rs/kVAh)*	Wheeling Charge (Rs./kWh) or (Rs/kVAh)
LT III(A): 0-20 kW	Rs. 475.00 per month	6.14	1.87
LT III(B): Above 20kW	Rs. 400.00 per kVA	5.66	1.80

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh) or (Rs/kVAh)*	Wheeling Charge (Rs./kWh) or (Rs/kVAh)
LT III(A): 0-20 kW	Rs. 475.00 per month	5.44	1.85
LT III(B): Above 20kW	Rs. 400.00 per kVA	4.93	1.78

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

Note:

- The ToD Tariff is applicable to the LT – III (A) – above 10 KW, LT-III (B) categories, and optionally available to LT- III (A) category (below 10 kW) consumers having ToD meter installed.
- Tariff in Rs./kWh will be applicable for LT III (A)- Industrial upto 20 kW and Rs./kVAh will be applicable for LT III (B) – Industrial.

LT IV: Public Services :

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, Blood Bank and Pathology Laboratories; Libraries and public reading rooms;

It shall also be applicable for electricity used for Hostels / 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.

This Tariff is also applicable for electricity supply at Public Sanitary Conveniences;

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- a) Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks, Laboratories; Libraries and public reading rooms.
- b) 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;
- c) 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/Defense and Para-Military establishments;
- d) Service-oriented Spiritual Organisations;
- e) Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees;
- f) State or Municipal/Local Authority Transport establishments, including their Workshops

- g) Fire Service Stations; Jails, Prisons; Courts;
- h) Airports;
- i) Ports, Jetties and provision for Shore Power Supply;
- j) Railway/Metro/Monorail Stations, including Shops, Workshops, Yards, etc, if the supply is at Low/ Medium Voltage.
- k) All Students Hostels affiliated to Educational Institutions not covered under LT Public Service - Government;
- l) All other Students' or Working Men/Women's/Youth Hostels;
- m) 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;
- n) Dam operation including Lighting and other activities, etc.
- o) Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants, Common Effluent Treatment Plants and waste processing unit.
- p) 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.
- q) Lighting in Public Gardens (i.e. which are open to the general public free of charge);
- r) Traffic Signals and Traffic Islands;
- s) Public Water Fountains;

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	475	6.20	2.01	6.44	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	475	5.87	1.74	6.10	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	475	5.53	1.80	5.74	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	475	5.80	1.80	6.02	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	475	5.17	1.78	5.37	1.85

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

Note:

- The ToD Tariff is compulsorily applicable to the LT IV category with Contract Demand/Sanctioned Load above 10 kW; and optionally available to the LT IV category with Contract Demand/Sanctioned Load up to 10 kW having ToD meter installed.*
- Tariff in Rs./kWh will be applicable for LT IV – Public Services upto 20 kW and Rs./kVAh will be applicable for LT IV – Public Services with load above 20 kW.*

LT V: Agriculture :

LT V (A): 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.

This tariff is also applicable for floriculture, horticulture, nursery and plantation.

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 Schedule for LT V (A): Agriculture – Pumpsets

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (A) Agriculture-Pumpsets	45.00	2.52	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (A) Agriculture-Pumpsets	45.00	2.52	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (A) Agriculture-Pumpsets	45.00	2.52	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (A) Agriculture-Pumpsets	45.00	2.52	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (A) Agriculture-Pumpsets	45.00	2.52	1.85

Note:

Consumers who avail power supply at High Voltage for the above purposes shall also be billed as per this Tariff category.

LT V (B): 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) *Poulties 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) *Aquaculture, Sericulture, Cattle Breeding Farms, etc.*
- e) *Tabela, which involves no associated industrial/commercial activity of sales counter, milk processing or Dairy/Chilling plant.*

Tariff Schedule for LT V (B): Agriculture – Others

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (B) Agriculture-Others	100.00	4.93	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (B) Agriculture-Others	100.00	4.93	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (B) Agriculture-Others	100.00	4.93	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (B) Agriculture-Others	100.00	4.93	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT - V (B) Agriculture-Others	100.00	4.63	1.85

Note:

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. The Consumer has an option to seek a separate connection for EV charging under this category.

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 Schedule for LT VI: LT - Electric Vehicle (EV) Charging Stations

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	-	6.06	2.01	6.31	2.10

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	-	5.69	1.74	5.93	1.82

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	-	5.70	1.80	5.94	1.87

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	-	5.92	1.80	6.17	1.87

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh / kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs. kVAh)	Wheeling Charge (Rs. kVAh)	Energy Charge (Rs. kWh)	Wheeling Charge (Rs. kWh)
All Consumption	-	5.78	1.78	6.03	1.85

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

Note:

- The ToD Tariff is compulsorily applicable to the LT VI category with Contract Demand/Sanctioned Load above 10 kW; and optionally available to the LT VI category with Contract Demand/Sanctioned Load up to 10 kW having ToD meter installed.*
- Tariff in Rs./kWh will be applicable for LT VI – EV Charging Station upto 20 kW and Rs./kVAh will be applicable for LT VI – EV Charging Station with load above 20 kW.*

HIGH TENSION (HT) TARIFF

HT I: 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.

This Tariff Category shall be also applicable to integrated logistics parks under Government of Maharashtra Policy, 2018.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- a) Dhobi and Laundry activities
- b) Flour Mills, Dal Mills, Rice Mills, Poha Mills, Masala Mills, Saw Mills, Cattle / Poultry Feed Manufacturing plants;
- c) Ice Factories, Ice-cream manufacturing units, Milk Processing and Chilling Plants (Dairy);
- d) Hotels / Motels / Youth Clubs / Resorts / Cottages / Service Apartments, Tourist Villas / Tourist Apartments.
- e) District Cooling Solution (DCS) for providing air conditioning services to a cluster of buildings in a centralised manner

- f) Engineering Workshops, Engineering Goods manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding/Rethreading units, and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;
- g) Ordinance / Ammunition Factories of Defense Establishments;
- h) Mining, Quarrying and Stone Crushing units;
- i) Garment Manufacturing units;
- j) Soap and cosmetics, Deodorant manufacturing, etc.
- k) LPG/CNG bottling plants, and associated retail filling stations;
- l) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the HT – Public Services (Others);
- m) 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);
- n) Brick Kiln (Bhatti) / Biomass Pellet;
- o) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
- p) Cold Storages not covered under LT V (B) – Agriculture (Others);
- q) Food (including Seafood and meat) Processing units.
- r) Stand-alone Research and Development units
- s) Seed manufacturing.
- t) Dedicated Water Supply Schemes to Power Plants
- u) Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)
- v) Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlets etc.

w) Ready-mix Concrete or hot mix plants

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - I Industry	400.00	5.70	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - I Industry	400.00	5.47	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - I Industry	400.00	5.19	0.90

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - I Industry	400.00	5.53	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - I Industry	400.00	4.88	0.90

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to	3	0%	0%	0%

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
	09:00 hrs				
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

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.
- b. Data Centres to be provided discount of 10% in wheeling charges on their electricity consumption through 100% Green Energy.

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, 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) Warehouses/Godowns
- c) 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;
- d) Offices, including Commercial Establishments;
- e) Marriage Halls, Restaurants / Canteens / Cafeterias, Ice-cream parlours, Coffee Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths and Fax / Photocopy shops;
- f) 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, Toll Collection plazas;
- g) Tailoring Shops, Computer Training Institutes, Typing Institutes, Private Training centres, Photo Laboratories, Beauty Parlours and Saloons;
- h) Banks and ATM centres, Telephone Exchanges, TV Stations, Micro Wave Stations, Radio Stations;
- i) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;
- j) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not

covered under any other category;

- k) External illumination of monuments/ historical/heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;
- l) Construction of all types of structures/ infrastructures such as buildings, bridges, flyovers, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

Note:

Residential HT 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 HT-II Commercial Tariff;

- m) Milk Collection Centres, standalone milk refrigeration and storage centres;
- n) Sewage Treatment Plant/ Common Effluent Treatment Plant for Commercial Complexes, not covered under the Public Services or Industrial category;
- o) 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
- p) 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 times applicable Energy Charges.

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - II Commercial	300.00	5.85	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - II Commercial	300.00	5.68	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - II Commercial	300.00	5.54	0.90

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - II Commercial	300.00	5.74	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - II Commercial	300.00	5.04	0.90

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

Note:

- 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;
- b) a person, for making electricity available to its employees residing in the same premises for residential purposes.
- c) Serving Armed Forces/Paramilitary forces residential establishments. These consumers shall be eligible for 20% discount on energy charges including FAC. This 20% discount is also applicable to defence.

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - III Group Housing Society	400.00	5.10	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - III Group Housing Society	400.00	4.72	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - III Group Housing Society	400.00	4.86	0.91

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - III Group Housing Society	400.00	4.86	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - III Group Housing Society	400.00	4.26	0.90

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for HT Group Housing Society				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	Rs. 0.50/kWh (Rebate)	Rs. 0.55/kWh (Rebate)	Rs. 0.60/kWh (Rebate)	Rs. 0.65/kWh (Rebate)	Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

HT IV- Railway/ Metro/Monorail

Applicability:

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, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - IV Railways, Metro, Monorail	200.00	5.18	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - IV Railways, Metro, Monorail	200.00	4.86	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - IV Railways, Metro, Monorail	200.00	4.73	0.90

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - IV Railways, Metro, Monorail	200.00	4.73	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - IV Railways, Metro, Monorail	200.00	4.01	0.90

HT V- Public Services

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, Blood Banks and Pathology Laboratories; Libraries and public reading rooms ;

It shall also be applicable for electricity used for Hostel, 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.

This Tariff is also applicable for electricity supply at Public Sanitary Conveniences.

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, Blood Banks, and Pathology Laboratories; Libraries and public reading rooms
- b) Sports Clubs and facilities / Health Clubs, Student / working Men / Women / Youth hostel 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;
- c) 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 / Defense and Para- Military establishments;
- d) Service-oriented Spiritual Organisations;
- e) Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees. State or Municipal/Local Authority Transport establishments, including their Workshops;

- f) Fire Service Stations; Jails, Prisons; Courts;
- g) Airports;
- h) Ports, Jetties and provision for Shore Power Supply.
- i) Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and Common Effluent Treatment Plants;
- j) Waste processing units and Water ATM not covered under HT IV category;
- k) Dam operation including Lighting and other activities, etc
- l) 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.

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - V Public Services	400.00	5.80	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - V Public Services	400.00	5.53	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - V Public Services	400.00	5.24	0.90

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - V Public Services	400.00	5.34	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - V Public Services	400.00	4.64	0.90

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

HT VI: HT - Electric Vehicle (EV) Charging Stations Applicability

Applicability:

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. The Consumer has an option to seek a separate connection for EV charging under this category.

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, 2025 to 31 March, 2026

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - VI Electrical Vehicle Charging	-	7.23	1.01

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - VI Electrical Vehicle Charging	-	6.71	0.88

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./ kVAh)	Wheeling Charge (Rs./kVAh)
HT - VI Electrical Vehicle Charging	-	6.75	0.90

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - VI Electrical Vehicle Charging	-	6.98	0.91

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kVAh)	Fixed/ Demand Charge ((Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
HT - VI Electrical Vehicle Charging	-	6.82	0.90

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

MISCELLANEOUS AND GENERAL CHARGES

Fuel Adjustment Charge (FAC) / Power Purchase Cost Adjustment (PPCA) Component of Z-factor Charge

The Fuel Adjustment Charge (FAC) will be termed as Power Purchase Cost Adjustment (PPCA). PPCA 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 PPAC 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 = $\sqrt{\sum(\text{KWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$

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.”

Rebate on Bulk Consumption

Rebate for Bulk consumption for eligible consumers within HT-Industrial category shall be governed as per following conditions:

- a. All HT-Industrial consumers with monthly consumption in excess of 1 lakh units per month (0.1 MU per month) shall be eligible to avail Rebate on Bulk Consumption with a reverse telescopic slab structure as outlined below: Thus, the Commission has decided to introduce “Bulk Consumption” rebate in a reverse telescopic manner for HT Industrial consumers in following manner:

- I. For monthly consumption (> 1 Lakh units to 1 MU) per month: 2%

- II. For monthly consumption (> 1 MU to 5 MU) per month: 1.5%

- III. For monthly consumption (> 5 MU) per month: 1%

(Note – Units referred are in kVAh such as Lakh kVAh or Million kVAh)

- b. Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC of the Bill excluding taxes and duty.

Illustration:

Say a consumer consumes 15 MU during month then, its consumption more than 1 Lakh units upto 1 MU units rebate will be 2%/unit, for next 4 MU (i.e. upto consumption of 5 MU) rebate will be 1.5%/unit and for consumption in excess of 5 MU upto 15 MU, rebate will be 1%/unit.

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 percent on the billed for the first 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 and up to 180 days from the date of billing	15%

Rebate for consumers with Prepaid connections

Consumers with prepaid metered connections shall be entitled for rebate of 2% in the Energy Charge Rate (incl FAC) applicable for the consumer category.

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 VI: Public Services - HT VI (A) and HT VI (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:

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

Maximum consumption possible = Contract Demand (kVA) × 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.

In case any consumer exceeds the Contract Demand on more than three occasions in a calendar year, the action taken in such cases would be governed by the Supply Code.

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

As specified under Regulations 13 of the MERC (Supply Code Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, Consumer shall pay Security Deposit and will be entitle for interest on such Security Deposit.

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) 75% 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 of Contract Demand is effected.