

Petition for Truing up of the Aggregate Revenue Requirement (ARR) and Revenue for FY 2022-23 & FY 2023-24, Provisional Truing up for FY 2024-25, and Multi Year Tariff for the Fifth Control Period from FY 2025-26 to FY 2029-30

Main Petition



Brihanmumbai Electric Supply & Transport
Undertaking
(of the Brihanmumbai Mahanagarpalika)

Volume I of IV
January 2025

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List of Abbreviations

A&G	Administrative and General
ABT	Availability Based Tariff
ACoS	Average Cost of Supply
APDRP	Accelerated Power Development & Reform Programme
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AT&C	Aggregate Technical & Commercial Losses
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BPL	Below Poverty Line
CAGR	Compounded 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
G.A	General Administration
GFA	Gross Fixed Assets
Hosp	Hospital
HT	High Tension
HV	High Voltage
IDC	Interest During Construction
InSTS	Intra-State Transmission System
IoWC	Interest on Working Capital
IPDS	Integrated Power Development Scheme
kVAh	kilo-Volt Ampere hour
kW	kilo Watt
kWh	kilo Watt hour
LT	Low Tension
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 Ltd.
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.
MSETCL	Maharashtra State Electricity Transmission Company Limited
MSLDC	Maharashtra State Load Despatch Centre
MTR	Mid-Term Review
MU	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
NCLT	National Company Law Tribunal
NEF	National Electricity Fund
O&M	Operation and Maintenance
PF	Power Factor
PPA	Power Purchase Agreement
PWW	Public Water Works
R&M	Repair and Maintenance
RCoS	Retail Cost of Supply
RDSS	Revamped Distribution Sector Scheme
RE	Renewable Energy
REC	Renewable Energy Certificate
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RPS	Renewable Power Source
Rs.	Rupees
RSS	Receiving Sub-Station
SCADA	Supervisory Control and Data Acquisition
SECI	Solar Energy Corporation of India
SLDC	State Load Despatch Centre
SWPGPL	Sai Wardha Power Generation Pvt. Ltd.
ToD	Time of Day
TPC-G	The Tata Power Company-Generation Business
w.e.f.	With Effect From
WPI	Wholesale Price Index
WRPC	Western Regional Power Committee
YoY	Year on Year



1. Background

1.1 Background

- 1.1.1** The Hon'ble Maharashtra Electricity Regulatory Commission ('MERC' or 'Commission') has notified the MERC (Multi Year Tariff) Regulations, 2019 ('MYT Regulations, 2019') and its Amendments. These Regulations are applicable for the Fourth MYT Control Period from FY 2020-21 to FY 2024-25.
- 1.1.2** The Hon'ble Commission has notified the MERC (Multi Year Tariff) Regulations, 2024 ('MYT Regulations, 2024'). These Regulations are applicable for the Fifth MYT Control Period from FY 2025-26 to FY 2029-30.
- 1.1.3** In accordance with Regulation 5 of the MYT Regulations, 2024, Brihanmumbai Electric Supply and Transport Undertaking (BEST) is hereby submitting its Multi Year Tariff Petition for approval of Truing up for FY 2022-23 and FY 2023-24, Provisional Truing up for FY 2024-25, and determination of Aggregate Revenue Requirement (ARR) and Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30 along with Proforma accounts for FY 2022-23 and FY 2023-24 and the details in the stipulated formats. The extract of the relevant Regulations is reproduced below for ready reference:

“Petitions to be filed in the Control Period

5.1 The Petitions to be filed in the Control Period under these Regulations are as under:

a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and STU, and by November 30, 2024, by Distribution Licensees, comprising:

i. Truing-up for FY 2022-23 and FY 2023-24 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019:

Provided that the Commission may, if it considers appropriate, carry out the Truing-up for years prior to FY 2022-23 under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019, along with the Truing-up for FY 2022-23, in case such Truing-up is yet to be completed;

ii. Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;



- iii. Aggregate Revenue Requirement for each year of the Control Period under these Regulations;*
 - iv. Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;*
 - v. Proposed category-wise Tariff or Fees & Charges for each year of the Control Period under these Regulations;*
-”

1.2 Special Status of BEST Undertaking

- 1.2.1** The erstwhile Bombay Electric Supply & Tramways Company started supplying electricity to the Mumbai city in 1905. In 1947, the Company was municipalized and came to be known as Bombay Electric Supply & Transport Undertaking (‘BEST Undertaking’ or ‘BEST’). BEST is an undertaking of Brihanmumbai Mahanagarpalika and is in the business of providing electricity in the old city limits (The area from Colaba up to Mahim and Sion) and public transport (bus transport) covering the entire city and suburbs and some areas of the Mumbai Metropolitan Region.
- 1.2.2** BEST is recognised as a ‘Local Authority’ under the Electricity Act, 2003 (‘the Act’ or ‘EA 2003’). Historically, there was a common administration set up for both the business activities, i.e., the Electric Supply division and the Transport division. Prior to enactment of the Act, the revenue of electricity utilities was approved under provisions of Schedule VI of the Electricity Supply Act, 1948, however, the ‘Local Authority’ was exempted from applicability of provisions of Schedule VI of the Electric Supply Act, 1948. Thus, BEST is a ‘Local Authority’, and has the objective of providing better and essential services of electricity supply and transport to the citizens of Mumbai as its social obligation.

1.3 Exemptions granted to a Local Authority in Electricity Act, 2003

- 1.3.1** BEST submits that the EA 2003 grants certain exemptions to Local Authorities engaged in the business of electricity distribution under Sections 51 and 42(3), as reproduced below:

“Section 51. (Other businesses of distribution licensees):



A distribution licensee may, with prior intimation to the Appropriate Commission, engage in any other business for optimum utilisation of its assets: Provided that a proportion of the revenue derived from such business shall, as may be specified by the concerned State Commission, be utilised for reducing its charges for wheeling:

Provided further that the distribution licensee shall maintain separate accounts for each such business undertaking to ensure that distribution business neither subsidises in any way such business undertaking nor encumbers its distribution assets in any way to support such business.

Provided also that nothing contained in this section shall apply to a local authority engaged, before the commencement of this Act, in the business of distribution of electricity.” (emphasis added)

- 1.3.2** BEST, being a local authority, has been exempted from offering its network for wheeling of electricity. The relevant section of Electricity Act, 2003 is reproduced below:

“Section 42 (3): (Duties of distribution licensee and open access):

Where any person, whose premises are situated within the area of supply of a distribution licensee, (not being a local authority engaged in the business of distribution of electricity before the appointed date) requires a supply of electricity from a generating company or any licensee other than such distribution licensee, such person may, by notice, require the distribution licensee for wheeling such electricity in accordance with regulations made by the State Commission and the duties of the distribution licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.”

1.4 Past Performance

- 1.4.1** Since its incorporation, BEST has been constantly taking measures and initiatives to improve the electric supply to its consumers, while trying to keep the rates affordable. This can only be achieved through the overall improvement of both the technical and financial parameters of the Company. The table below summarizes the growth in the key performance indicators of BEST:



Table 1: Historical Performance of BEST

Sl. No.	Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Consumers	No. Lakhs	10.39	10.44	10.46	10.48	10.50
2	Connected Load	MW	4276.75	4356.90	4465.96	4643.96	4724.22
3	Energy Input	MU	4792.25	3931.42	4266.59	4678.68	4944.96
4	Energy Sold	MU	4569.34	3776.84	4068.97	4483.32	4740.15
5	Distribution Losses	%	4.65	3.93	4.63	4.18	4.12
6	Collection Efficiency	%	97.99%	94.13%	101.25%	100.46%	100.46%
7	Turnover/ Revenue from Sale of power	Rs. Cr.	3466.68	2792.74	2995.19	3527.52	4188.89

1.4.2 BEST has constantly endeavoured to upgrade its infrastructure to widen its network of electric supply at affordable rates to its customers. The growth of the electricity distribution network of BEST is given below:

Table 2: Historical Growth of Infrastructure

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Receiving Sub-stations					
No. of Receiving Sub-stations	64	64	64	65	65
No. of Power Transformers	152	153	153	155	155
Capacity of Power Transformers (MVA)	2255.20	2283.20	2289.20	2321.20	2327.20
Distribution Sub-stations					
No. of Distribution Sub-stations	2428	2451	2477	2507	2538
No. of Distribution Transformers	3264	3298	3334	3430	3470
Capacity of Distribution Transformers (MVA)	2645.23	2682.24	2717.01	2841.92	2892.44
Cable Length					
Length of EHV cable (km)	525.95	536.85	543.17	559.12	578.03
Length of HV cable (km)	2116.52	2150.10	2173.86	2212.52	2257.35
Length of LV cable (km)	8923.66	9025.41	9147.55	9340.28	9495.43

1.4.3 The category-wise growth in the number of customers, sales, and the demand served by BEST is shown in the Tables below:

Table 3: Historical Growth in category-wise No. of Consumers

Consumer Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
HT Category					
HT - I Industry	40	39	38	37	37
HT - II Commercial	87	95	95	93	90



Consumer Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
HT - III Group Housing	8	12	12	12	12
HT - IV Railways, Metro, Monorail	3	3	3	3	3
HT - V (A) Educational Institutions)	4	4	4	4	4
HT - V (B) Public services (Others)	43	33	45	46	49
HT - VI Electric Vehicle (EV) Charging	0	0	0	0	0
Sub-total	185	197	197	195	195
LT Category					
LT - I (A) Residential (BPL)	58	53	52	68	70
LT - I (B) Residential	760041	764271	767460	769247	770751
LT - II (a) Commercial <20 kW	254593	253654	252847	252552	252839
LT - II (b) Commercial >20 & <=50 kW	6075	5955	5846	5809	5852
LT - II (c) Commercial >50 kW	2923	3087	3051	3068	3118
LT - III (A) Industry (up to 20 kW)	6893	7921	8109	8108	8033
LT - III (b) Industrial (above 20 kW)	1007	1102	1042	1002	977
LT - IV (A) Public Services (Govt. Hospitals & Educational Institutions)	637	648	658	664	677
LT - IV (B) Public Services -others	7020	6974	6936	6933	6853
LT - IV (B) Street Ltg.	500	497	497	497	495
LT - V (A) Agriculture - Pumpsets	0	0	0	0	0
LT - V (B) Agriculture - Others	0	0	1	1	2
LT - VI Electric Vehicle (EV) Charging	7	9	17	23	290
Sub-total	1039754	1043674	1046019	1047971	1049955
Total	1039939	1043871	1046216	1048166	1050150

Table 4: Historical Growth in Category wise Sales

Consumer Category	FY 2019-20*	FY 2020-21*	FY 2021-22	FY 2022-23	FY 2023-24
HT Category^s					
HT - I Industry	178.86	143.87	146.25	165.58	172.20
HT - II Commercial	246.64	158.07	189.38	219.93	214.45
HT - III Group Housing	30.03	28.49	25.87	32.40	35.07
HT IV- Railways, Metro, Monorail	2.22	1.62	2.07	2.11	2.32
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	25.84	23.31	25.73	27.76	30.24
HT V-(B) Public services (Others)	197.20	180.44	182.78	188.73	201.53
HT - VI Electric Vehicle (EV) Charging Stations	0	0	0	0	0
Sub-total	680.80	535.80	572.08	636.52	655.82
LT Category					
LT-I (A) Residential (BPL)	0.03	0.02	0.01	0.03	0.04
LT - I(B) Residential	2,036.33	1,898.06	1,987.73	2,041.47	2,160.05
LT - II (a) Commercial <20 kW	897.92	540.02	676.08	820.09	873.49
LT - II (b) Commercial >20 & <=50 kW	209.25	164.01	144.39	172.67	184.37



Consumer Category	FY 2019-20*	FY 2020-21*	FY 2021-22	FY 2022-23	FY 2023-24
LT - II (c) Commercial >50	369.41	305.17	290.96	365.79	393.86
LT - III (A) Industry (upto 20 kW)	46.88	71.58	93.72	103.11	106.72
LT-III (b) Industrial above 20 kW	84.49	76.89	77.18	79.53	78.82
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	56.79	66.51	54.39	61.03	64.41
LT - IV (B) Public Services -others	170.84	153.06	145.92	169.04	178.79
LT - IV (B) Public Ltg.	15.98	15.92	15.23	15.49	16.62
LT-V (A) Agriculture- Pumpsets	0	0	0	0	0
LT-V (B) Agriculture- Others	-	-	0.02	0.05	0.16
LT VI Electric Vehicle (EV) Charging Stations	0.62	2.77	11.25	18.49	27.00
Sub-total	3,888.54	3,294.02	3,496.89	3,846.80	4,084.34
Total	4569.34	3829.81	4068.97	4483.32	4740.15

\$HT Sales in kVAh

**Sales are merged into respective categories for FY 2019-20 & FY 2020-21 as per the rationalization approved by the Hon'ble Commission in MYT Order.*

- 1.4.4** Efforts to reduce distribution losses have been at the forefront for BEST to reduce costs and provide affordable electricity to the consumers, while increasing its revenue. The year-wise reduction in distribution losses is shown below:

Table 5: Approved vs. Actual Distribution Loss

Year	Approved by MERC	Actual submitted by BEST for Truing-up	Approved by Commission under Truing-up
2017-18	5.82%	5.82%	5.39%
2018-19	5.70%	4.18%	4.18%
2019-20	5.60%	4.65%	4.65%
2020-21	4.18%	3.93%	3.93%
2021-22	4.18%	4.63%	4.63%
2022-23	4.18%	4.18%	-
2023-24	4.18%	4.12%	-
2024-25	4.18%	4.18%*	-

** Estimated for Provisional truing-up*

1.5 Overview of the MYT Petition for 5th Control Period

- 1.5.1** The Hon'ble Commission has notified the MYT Regulations, 2019, which are applicable for the Fourth MYT Control Period from FY 2020-21 to FY 2024-25.
- 1.5.2** The Hon'ble Commission has notified the MYT Regulations, 2024, which are applicable for the Fifth MYT Control Period from FY 2025-26 to FY 2029-30.



1.5.3 In accordance with Regulation 5 of the MYT Regulations, 2024, BEST is hereby submitting its Multi Year Tariff Petition for approval of Truing up for FY 2022-23 and FY 2023-24, Provisional Truing up for FY 2024-25, and determination of ARR and Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30, along with Proforma accounts for FY 2022-23 and FY 2023-24 and the details in the stipulated formats. The Petition comprises the following:

- i. True-up of ARR and revenue for FY 2022-23 and FY 2023-24, in accordance with MYT Regulations, 2019, read with its amendments;
- ii. Provisional Truing up of ARR for FY 2024-25, in accordance with MYT Regulations, 2019, read with its amendments;
- iii. ARR Projection and Tariff for FY 2025-26 to FY 2029-2030, in accordance with MYT Regulations, 2024.

1.5.4 The present Petition has been prepared in accordance with the following Acts, Regulations, Tariff Orders issued by the Hon'ble Commission, and Policies:

- i. Electricity Act, 2003;
- ii. National Electricity Policy;
- iii. Tariff Policy, 2016;
- iv. MYT Regulations, 2019, read with its amendments;
- v. MYT Regulations, 2024;
- vi. MTR Order issued for 4th Control Period in Case No. 212 of 2022;
- vii. MERC (Approval of Capital Investment Schemes) Regulations, 2022.

1.6 Structure of the Petition

The Petition consists of the following Chapters:

Chapter 1: Background (Present Chapter)

Chapter 2: Truing up for FY 2022-23 and FY 2023-24

Chapter 3: Provisional Truing up for FY 2024-25

Chapter 4: Determination of ARR for FY 2025-26 to FY 2029-30

Chapter 5: Cumulative Revenue Gap/(Surplus), Tariff Philosophy, Tariff Design, and Wheeling Charges for FY 2025-26 to FY 2029-30

Chapter 6: Changes Proposed to Schedule of Charges

Chapter 7: Proposed Tariff Schedule for FY 2025-26 to FY 2029-30

Chapter 8: Summary of Directives and Compliance



Chapter 9: Prayers to the Hon'ble Commission



2. Truing up for FY 2022-23 and FY 2023-24

2.1 Truing up Details

- 2.1.1** The Hon'ble Commission has approved Provisional True-up for FY 2022-23 vide MTR Order in Case No. 212 of 2022 dated 31st March 2023 in accordance with MYT Regulations, 2019.
- 2.1.2** BEST is hereby filing the Truing-up for FY 2022-23 and FY 2023-24 in accordance with MYT Regulations, 2019, as specified in Regulation 5.1 (a) of the MYT Regulations, 2024.
- 2.1.3** The Annual Accounts of BEST for FY 2022-23 and FY 2023-24 have been audited by the Municipal Auditor, which is being submitted along with the proforma accounts for FY 2022-23 and FY 2023-24 and Cost Audit Reports for FY 2022-23 and FY 2023-24, as **Annexure 1** to **Annexure 6**, respectively.
- 2.1.4** BEST has proposed Truing up of its expenses and revenue for FY 2022-23 and FY 2023-24 based on the audited Accounts, as per the MYT Regulations, 2019 and other aspects as submitted in the Petition.
- 2.1.5** The variation in expenses and revenue for FY 2022-23 and FY 2023-24 with respect to expenses and revenue approved by the Hon'ble Commission in the MTR Order No. 212 of 2022 dated 31st March 2023 are detailed out in subsequent sections.
- 2.1.6** BEST has allocated the cost between the Wires Business and Supply Business for FY 2022-23 and FY 2023-24 in accordance with Regulation 71 of the MYT Regulations, 2019.

2.2 Energy Sales

- 2.2.1** The Hon'ble Commission, in the MTR Order in Case No. 212 of 2022, approved the energy sales of 4537.98 MU and 4772.81 MU for FY 2022-23 and FY 2023-24, respectively.
- 2.2.2** BEST has submitted the actual month-wise and category-wise energy sales for FY 2022-23 and FY 2023-24 in Form F1, along with the Petition. 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.

2.2.3 The actual sales of BEST for FY 2022-23 is 4483.32 MU as against sales of 4537.98 MU approved in the MTR Order. The actual energy sales for FY 2023-24 is 4740.15 MU as against approved sales of 4772.81 MU.

2.2.4 BEST has considered the actual sales for the purpose of Truing up for FY 2022-23 and FY 2023-24. Accordingly, the energy sales for FY 2022-23 and FY 2023-24 are shown in the following Table:

Table 6: Tariff Category-wise energy consumption for FY 2022-23 and FY 2023-24 (HT in MkVAh and LT in MU)

Consumer Category	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
HT Category				
HT - I Industry	190.39	166.44	194.20	175.25
HT - II Commercial	208.45	224.31	245.97	218.21
HT - III Group Housing	32.12	33.16	32.12	35.86
HT IV- Railways, Metro, Monorail	2.57	2.52	2.57	2.66
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	27.78	28.28	27.78	30.84
HT V-(B) Public services (Others)	186.01	191.78	197.17	205.45
HT – VI Electric Vehicle (EV) Charging Stations	0	-	0	-
Sub-total	647.33	646.49	699.82	668.26
LT Category				
LT-I (A) Residential (BPL)	0.04	0.03	0.04	0.04
LT - I(B) Residential	2103.76	2041.47	2166.88	2160.05
LT - II (a) Commercial <20 kW	826.49	820.09	909.14	873.49
LT - II (b) Commercial >20 & <=50 kW	170.76	172.67	179.30	184.37
LT - II (c) Commercial >50	358.23	365.79	365.40	393.86
LT - III (A) Industry (up to 20 kW)	105.74	103.11	112.08	106.72
LT-III (b) Industrial above 20 kW	79.81	79.53	83.80	78.82
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	61.40	61.03	61.40	64.41
LT - IV (B) Public Services -others	178.82	169.04	187.76	178.79
LT - IV (B) Public Ltg.		15.49		16.62
LT-V (A) Agriculture- Pumpsets	0	0	-	0
LT-V (B) Agriculture- Others	0.05	0.05	0.05	0.16
LT VI Electric Vehicle (EV) Charging Stations	18.17	18.49	20.90	27.00



Consumer Category	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
Sub-total	3903.27	3,846.80	4,086.73	4,084.34
Total (HT in MkVAh and LT in MU)	4550.60	4493.29	4,786.55	4752.60

Table 7: Tariff Category-wise energy consumption for FY 2022-23 and FY 2023-24 (MU)

Consumer Category	FY 2022-23	FY 2023-24
	Actual	Actual
HT Category		
HT - I Industry	165.58	172.20
HT - II Commercial	219.93	214.45
HT - III Group Housing	32.40	35.07
HT IV- Railways, Metro, Monorail	2.11	2.32
HT V-(A) Public services (Govt. Hospitals and Educational Institutions)	27.76	30.24
HT V-(B) Public services (Others)	188.73	201.53
HT – VI Electric Vehicle (EV)Charging Stations	0	0
Sub-total	636.52	655.82
LT Category		
LT-I (A) Residential (BPL)	0.03	0.04
LT - I(B) Residential	2041.47	2160.05
LT - II (a) Commercial<20 kW	820.09	873.49
LT - II (b) Commercial >20 & <=50 kW	172.67	184.37
LT - II (c) Commercial >50	365.79	393.86
LT - III (A) Industry (up to 20 kW)	103.11	106.72
LT-III (b) Industrial above 20 kW	79.53	78.82
LT - IV (A) Public Services -Govt. Hosp. & Edu. Institutions	61.03	64.41
LT - IV (B) Public Services -others	169.04	178.79
LT - IV (B) Public Ltg.	15.49	16.62
LT-V (A) Agriculture- Pumpsets	0	0
LT-V (B) Agriculture- Others	0.05	0.16
LT VI Electric Vehicle (EV) Charging Stations	18.49	27.00
Sub-total	3,846.80	4,084.34
Total	4483.32	4740.15

2.2.5 The actual energy sales of FY 2022-23 and FY 2023-24 are slightly lower than the energy sales approved by the Hon’ble Commission in the MTR Order.

2.2.6 BEST requests the Hon’ble Commission to true-up the actual energy sales for FY 2022-23 FY 2023-24, as shown the above tables.



2.3 Distribution Loss

2.3.1 After considering the actual energy sales and the actual energy drawal at the interface point (T\leftrightarrowD 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 in the truing up for FY 2022-23 and FY 2023-24, respectively. The MSLDC certificate for FY 2022-23 and FY 2023-24 are attached along with this Petition as **Annexure 7 and Annexure 8**.

2.3.2 The Hon'ble Commission had approved Distribution Loss of 4.18% for FY 2022-23 and 4.18% for FY 2023-24 in the MTR Order dated 31 March, 2023. The actual Distribution Loss for FY 2022-23 is same as approved by the Hon'ble Commission in the MTR Order. However, for FY 2023-24, the actual Distribution Loss is slightly lower than that approved by the Hon'ble Commission in the MTR Order.

2.3.3 BEST submits that its 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.

2.3.4 The Distribution Loss for FY 2022-23 and FY 2023-24 is shown in the following Table:

Table 8: Distribution Loss for FY 2022-23 and FY 2023-24

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

2.3.5 BEST hence, requests the Hon'ble Commission to approve the Distribution Losses of 4.18% and 4.12% in the true-up for FY 2022-23 and FY 2023-24, respectively.

2.4 Energy Balance

2.4.1 The Petitioner has considered the Energy Balance for FY 2022-23 and FY 2023-24 after considering the actual energy sales, actual Distribution Loss and actual energy



purchased. Further, BEST has considered the actual InSTS loss for FY 2022-23 and FY 2023-24 based on the State Grid Loss account maintained by the Maharashtra State Load Despatch Centre (MSLDC).

2.4.2 BEST submits that the Hon'ble Commission had approved InSTS losses of 3.18% for FY 2022-23 and FY 2023-24. However, the actual InSTS losses in FY 2022-23 and FY 2023-24 were 3.26% and 3.29%, respectively, as recorded by MSLDC for the respective year.

2.4.3 BEST's monthly energy drawal 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 months' energy drawal at T< >D Interface and summation of 12 months' energy drawal 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 drawal 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 drawal of 12 months of 4836.32 MU for FY 2022-23 and 5112.02 MU for FY 2023-24 at G< >T interface.

2.4.4 BEST submits the signed copy of the Bulk Power Transmission Agreement (BPTA) as **Annexure 9**.

2.4.5 The Energy Balance for FY 2022-23 and FY 2023-24 is as summarized in the Table below:

Table 9: Energy Balance for FY 2022-23 and FY 2023-24

Sr. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	Actual	MYT Order	Actual
1	Energy Sales (MU)	4537.98	4483.32	4772.81	4740.15
2	Distribution Loss (%)	4.18%	4.18%	4.18%	4.12%
3	Energy Requirement at T-D interface (MU)	4735.94	4678.66	4981.02	4944.06
4	Intra-State Transmission Loss (%)	3.18%	3.26%	3.18%	3.29%
5	Energy Requirement at G-T interface (MU)	4891.49	4836.32	5144.61	5112.02



2.4.6 BEST requests the Hon'ble Commission to approve the actual Energy Balance in the true-up for FY 2022-23 and FY 2023-24, as shown in the above Table.

2.5 Power Purchase expense for FY 2022-23 and FY 2023-24

2.5.1 The power purchase quantum and cost include the purchase from 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.

2.5.2 The details of month-wise and source-wise power purchase quantum and cost for FY 2022-23 and FY 2023-24 are provided in Forms F2 and F2.1 of the Formats prescribed by the Hon'ble Commission, submitted along with the Petition.

2.5.3 BEST submits that 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

2.5.4 BEST 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 Hon'ble Commission in its Order in Case No. 249 of 2018.

2.5.5 BEST has procured power primarily from TPC-G. Power purchase expense has been considered as per Accounts for FY 2022-23 and FY 2023-24. The comparison of the actual quantum and cost of power purchase from TPC-G vis-à-vis the quantum and



cost of power purchase from TPC-G approved by the Hon'ble Commission for FY 2022-23 and FY 2023-24 in the MTR Order is given in the Table below:

Table 10: Summary of Power Purchase from TPC-G for FY 2022-23 and FY 2023-24

TPC-G	Units	FY 2022-23		FY 2023-24	
		MTR Order	Actual	MTR Order	Actual
Power Purchase Quantum	MU	3012.62	3029.98	3231.37	3335.24
Fixed/Capacity Charges	Rs. Crore	462.76	443.16	414.89	414.72
Total Variable Charges	Rs. Crore	1918.44	2080.52	1915.10	1612.55
Variable Charge Rate	Rs./kWh	6.37	6.87	5.93	4.83
Incentive	Rs. Crore	-	7.88	-	8.67
Other Charges, if any	Rs. Crore	-	-	(36.64)	-
Total Power Purchase Cost	Rs. Crore	2381.20	2531.56	2293.36	2035.93
TPC-G Credit Bill	Rs. Crore	(0.35)	(1.31)	-	(33.48)
Net Power Purchase Cost	Rs. Crore	2380.85	2530.25	2293.36	2002.46
Average Cost of Power Purchase	Rs./kWh	7.90	8.35	7.10	6.00

2.5.6 As can be seen from the above Table, in FY 2022-23, the actual quantum of purchase from TPC-G 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. The break-up of Unit-wise power purchase from TPC-G for FY 2022-23 is shown in the table below:

Table 11: Unit-wise Summary of Power Purchase Expenses from TPC-G for FY 2022-23

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charge 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

2.5.7 BEST requests the Hon'ble Commission to approve the actual quantum and cost of power purchase from TPC-G as shown in the Table above for FY 2022-23.



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

Table 12: Summary of Power Purchase Expenses from TPC-G for FY 2023-24

Unit of TPC-G	Power Purchase Quantum	Fixed/ Capacity Charges	Fixed/ Capacity Charges Rate	Total Variable Cost	Variable Charge 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

2.5.9 BEST requests the Hon'ble Commission to approve the actual quantum and cost of power purchase from TPC-G as shown above for FY 2023-24.

Manikaran Power Ltd. (MPL)

2.5.10 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 as per PPA.

2.5.11 The comparison of the actual quantum and cost of power purchase from Manikaran vis-à-vis the quantum and cost of power purchase from Manikaran approved by the Hon'ble Commission for FY 2022-23 and FY 2023-24 in the MTR Order is given in the Table below:



Table 13: Power Procurement from M/s. Manikaran Pvt. Ltd. for FY 2022-23 and FY 2023-24

Manikaran Power Ltd.	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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 Rate (Rs./kWh)	4.22	4.29	4.35	4.25

2.5.12 BEST has procured Power from M/s Manikaran Power Ltd. 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 M/s Manikaran Power Ltd. for FY 2022-23 and FY 2023-24 is shown in the Table below:

Table 14: Power Procurement from M/s. Manikaran Pvt. Ltd. for FY 2022-23 and FY 2023-24

Manikaran Power Ltd.	Energy Quantum	Fixed Charges	Energy Charges	Incentive	Other Charges*	Total Power Purchase Cost	Avg. Power Purchase Rate
	(MU)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs./kWh)
FY 2022-23	714.66	140.38	157.49	3.61	5.10	306.58	4.29
FY 2023-24	827.19	155.56	186.95	8.75	0.20	351.45	4.25

**Other Charges include Yearly Reconciliation Charges, Damage Charges and Supplementary Bills*

2.5.13 BEST requests the Hon’ble Commission to approve the actual quantum and cost of power purchase from M/s. Manikaran Power Ltd. as shown in the above table for FY 2022-23 and FY 2023-24.

Renewable Power Purchase

2.5.14 BEST procured 65.52 MU and 35.58 MU of RE power through short-term and long-term PPA in FY 2022-23 and FY 2023-24, respectively. The comparison of the actual quantum and cost of RE power purchase vis-à-vis the quantum and cost of RE power purchase approved by the Hon’ble Commission for FY 2022-23 and FY 2023-24 in the MTR Order is given in the Table below:



Table 15: RE Power Purchased in FY 2022-23 and FY 2023-24

Particulars	Details	FY 2022-23		FY 2023-24	
		MTR Order	Actual	MTR Order	Actual
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

2.5.15 As can be seen from the above Table, in FY 2022-23, BEST procured 29.13 MU of RE-Solar Power from the Indian Energy Exchange (IEX) at an average rate of Rs. 4.33/kWh, in line with the rate approved by the Hon'ble Commission in the MTR Order. In FY 2022-23, BEST also procured 5.26 MU of RE-Non-Solar Power from IEX at an average rate of Rs. 4.32/kWh, in line with the rate approved by the Hon'ble Commission in the MTR Order. The solar power purchase from Walwhan Solar was also in accordance with the rate approved by the Hon'ble Commission in the MTR Order.

2.5.16 The summary of RE power procurement from various sources in FY 2022-23 is provided in the Table below:

Table 16: RE Power Purchased in FY 2022-23

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	31.13	26.64	8.56	(0.35)	0.10	26.39	8.48
RPS – Solar- IEX	29.13	12.63	4.33	-	-	12.63	4.33
RPS – Non-Solar- IEX	5.26	2.27	4.32	-	-	2.27	4.32
Total	65.52	41.54	6.34	(0.35)	0.10	41.29	6.30



2.5.17 In FY 2023-24, BEST 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. The solar power purchase from Walwhan Solar in FY 2023-24 was in accordance with the rate approved by the Hon'ble Commission in the MTR Order.

2.5.18 The summary of RE power procurement from various sources in FY 2023-24 is provided in the Table below:

Table 17: RE Power Purchased in FY 2023-24

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	31.50	26.96	8.56	(0.27)	-	26.69	8.47
RPS – Solar-IEX	3.33	1.32	3.97	-	-	1.32	3.97
RPS – Non-Solar- IEX	0.75	0.31	4.14	-	-	0.31	4.14
Total	35.58	28.60	8.04	-	-	28.33	7.96

2.5.19 Hence, BEST requests the Hon'ble Commission to approve the actual quantum and cost of power purchase cost from RE sources for FY 2022-23 and FY 2023-24, as shown in the above tables.

RPO Compliance for FY 2022-23 and FY 2023-24

RPO Compliance for FY 2022-23

2.5.20 BEST submits that the power from 400 MW PSA signed with Solar Energy Corporation of India Ltd. (SECI) for Hybrid Wind/Solar power, which was scheduled to be operational from February 2023, was delayed due to transmission constraints. Accordingly, the Hon'ble Commission in the MTR Order dated 31.03.2023, 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.

2.5.21 BEST submits that the Hon'ble Commission has approved the RPO shortfall for FY 2022-23 as shown in the Table below:



Table 18: RPO Shortfall at the end of FY 2022-23 as approved by the Hon'ble Commission

RPO Targets & Achievement	Units	FY2022-23
Total Energy Requirement	MU	4,891.49
Less: Hydro	MU	743.00
Net Energy Requirement	MU	4,148.49
Solar RPO target	%	8.00%
Solar RPO target	MU	331.88
Solar Rooftop	MU	
Solar RPO Achievement	MU	145.33
Op. Balance of Solar RPO	MU	106.12
Solar RPO Shortfall/(Surplus)during the year	MU	186.55
Cl. Balance of Solar RPO	MU	292.67
Non-Solar RPO target	%	11.50%
Non-Solar RPO target	MU	477.08
Non-Solar RPO Achievement	MU	20.56
Op. Balance of Non-Solar RPO	MU	256.99
Non-Solar RPO Shortfall/(Surplus)	MU	456.52
Cl. Balance of Non-Solar RPO	MU	713.51
Total Shortfall	MU	1,006.18

2.5.22 BEST submits that it has partially fulfilled its RPO targets by procuring solar energy of 31.13 MU from Walwhan Solar MH Ltd., solar energy generation of 11.80 MU from Net Metering Consumers, 29.13 MU of Solar RE and 5.26 MU of Non-Solar RE purchased from Power Exchange (GDAM). However, in FY 2022-23, BEST has a standalone solar RPO shortfall of 252.52 MU and a cumulative solar RPO shortfall of 358.32 MU. Furthermore, in FY 2022-23, 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 as against the approved RPO shortfall of 1006.18 MU.

2.5.23 BEST submits that the Hon'ble Commission in Table No. 79 (Energy Balance for FY 2021-22) of the MTR Order, has approved a total energy requirement of 4407.20 MU at the G-T interface. Additionally, in Table No. 84 (Power purchase from TPC-G for FY 2021-22) of the MTR Order, the Hon'ble Commission has 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 Hon'ble Commission has approved a net energy requirement (excluding Hydro) of 3622.49 MU (Table No.94- RPO shortfall as on FY 2021-22). Accordingly, the Hon'ble Commission has approved the closing



balance of Solar RPO and Non-Solar RPO as 106.12 MU and 256.99 MU, respectively.

2.5.24 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. The RPO compliance status of FY 2022-23 is as shown in the table below:

Table 19: Details of RPO Compliance for FY 2022-23

Particulars	Actual RPO for FY 22-23
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



2.5.25 BEST submits that, the RPO compliance Report submitted to MEDA for FY 2022-23 is attached as **Annexure-10**.

RPO Compliance for FY 2023-24

2.5.26 BEST submits that considering the fact that the power from SECI will not be available, the Hon'ble 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 Hon'ble Commission has considered the quantum of RE purchase such that BEST meets its standalone RPO for FY 2023-24 and FY 2024-25.

2.5.27 The Hon'ble 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 Hon'ble 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.

2.5.28 Accordingly, the Hon'ble Commission has approved the cost of power purchase from RE sources (both solar as well as Non-Solar) of Rs. 485.89 Crore for FY2023-24. For FY 2023-24, the Hon'ble Commission has approved the RPO compliance as shown in the Table below:



Table 20: RPO Shortfall at the end of FY 2023-24 as approved by the Hon'ble Commission

RPO Targets & Achievement	Units	FY2023-24
Total Energy Requirement	MU	5,144.61
Less: Hydro	MU	744.49
Net Energy Requirement	MU	4,400.12
Solar RPO target	%	10.50%
Solar RPO target	MU	462.01
Solar RPO Achievement	MU	462.01
Op. Balance of Solar RPO	MU	292.67
Solar RPO Shortfall/(Surplus)during the year	MU	-
Cl. Balance of Solar RPO	MU	292.67
Non-Solar RPO target	%	11.50%
Non-Solar RPO target	MU	506.01
Non-Solar RPO Achievement	MU	506.01
Op. Balance of Non-Solar RPO	MU	713.51
Non-Solar RPO Shortfall/(Surplus)during the year		-
Cl. Balance of Non-Solar RPO	MU	713.51
Total Short fall allowed to be carry forward	MU	1,006.18

2.5.29 BEST submits 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.

2.5.30 BEST submits that the main reason for the RPO shortfall in FY 2023-24 is the non-availability 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 the Supreme Court 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.

2.5.31 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 fulfill the cumulative RPO up to FY 2023-24. However, no bidders have participated in all three tenders.

2.5.32 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 Hon'ble 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 fulfill 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.

2.5.33 The RPO compliance status of FY 2023-24 is as shown in the table below:



Table 21: Details of RPO Compliance for FY 2023-24

Particulars	FY 23-24
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)	
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

2.5.34 BEST submits that, the RPO compliance Report submitted to MEDA for FY 2023-24 is attached as **Annexure-11**.

2.5.35 Therefore, **BEST requests the Hon'ble 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.**



Short-Term Power

2.5.36 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 Hon'ble Commission has approved certain quantum of purchase from short-term sources for FY 2022-23 and FY 2023-24 in the MTR Order.

2.5.37 The comparison of the actual quantum and cost of short-term power purchase vis-à-vis the quantum and cost of short-term power purchase approved by the Hon'ble Commission for FY 2022-23 and FY 2023-24 in the MTR Order is given in the Table below:

Table 22: Summary of Short-term Power Procurement in FY 2022-23

Short Term Sources	FY 2022-23	
	MTR Order	Actual
Traders/ Bilateral Purchase		
Energy Quantum (MU)	297.75	174.75
Total Power Purchase Cost (Rs. Crore)	167.24	120.07
Average Power Purchase Rate (Rs./kWh)	5.61	6.87
IEX Purchase		
Energy Quantum (MU)	670.33	822.96
Total Power Purchase Cost (Rs. Crore)	379.41	457.20
Average Power Purchase Rate (Rs./kWh)	5.66	5.56
Inter Discom Transaction (IDT)		
Energy Quantum (MU)	(1.14)	(1.95)
Total Power Purchase Cost (Rs. Crore)	(1.37)	(2.32)
Average Power Purchase Rate (Rs./kWh)	11.98	11.90

Table 23: Summary of Short-term Power Procurement in FY 2023-24

Sl. No.	Source	FY 2023-24	
		MTR Order	Actual
1	Quantum (MU)	198.58	918.02
2	Total Cost (Rs. Crore)	147.54	467.61
3	Average Rate (Rs./kWh)	7.43	5.09

2.5.38 Regulation 22 of 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. The relevant extract of the Regulation is as given below:



“22. Additional power procurement—

22.1 The Distribution Licensee may undertake additional power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.

22.2 Where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply during the Year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources, the Distribution Licensee may enter into additional agreement or arrangement for procurement of power.

.....

22.4 Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a Tariff that reduces its approved total power procurement cost, it may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.

21.5 The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system, or when directed to do so by the MSLDC to prevent grid failure.

...”

2.5.39 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.

2.5.40 BEST procured short-term power from various power Traders/Generators, in FY 2022-23 and FY 2023-24, after inviting e-tender through Ministry of Power's DEEP e-portal, in line with the MoP Guidelines on short-term competitive bidding. The results of the competitive bidding are attached as **Annexure 12**.

2.5.41 BEST had filed a Petition before the Hon'ble 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 Hon'ble



Commission on 24.08.2022. After the receipt of the Hon'ble Commission's Order in Case No.151 of 2022, short-term bilateral power was scheduled from 25.08.2022.

2.5.42 Since there was delay in commencement of short-term bilateral power due to the absence of the Hon'ble Commission's Order/approval, power procurement was carried out through IEX for meeting BEST's shortfall, as well as for backing down of costly thermal generation.

2.5.43 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.

2.5.44 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 24: Short-term Power Procurement in FY 2022-23

Sl. No.	Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
1	TPTCL	117.47	82.64	7.04
2	DIL	27.22	13.23	4.86
3	AEL	1.68	0.98	5.86
4	MPL	28.39	23.22	8.18
5	IEX Purchase	822.96	457.20	5.56
6	Inter Discom Sale (IDT)	(1.95)	(2.32)	11.90
7	Inter Discom Purchase (IDT)	0.00	0.00	0.00
8	STOA Application Processing Fee		0.01	
	Total	995.76	574.96	5.77

Table 25: Short-term Power Procurement in FY 2023-24

Sl. No.	Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
1	TPTCL	19.94	16.38	8.21
2	DIL	2.99	3.06	10.25
3	MPL	53.61	46.03	8.59
4	KEIPL	97.56	74.17	7.60
5	IEPL	34.93	21.16	6.06
6	IEX Purchase	723.82	321.16	4.44
7	Inter Discom Sale (IDT)	(16.08)	(15.52)	9.65



Sl. No.	Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
8	Inter Discom Purchase (IDT)	1.24	1.16	9.38
9	STOA Application Processing Fee		0.01	
	Total	918.02	467.61	5.09

2.5.45 Hence, BEST requests the Hon'ble Commission to approve the actual quantum and cost of short-term power purchase for FY 2022-23 and FY 2023-24, as shown in the above Tables.

Sale of Surplus Power

2.5.46 For FY 2022-23 and FY 2023-24, BEST has considered the actual quantum and revenue from sale of surplus power. The Hon'ble Commission had approved sale of surplus power of 5.26 MU at the average rate of Rs. 11.14/kWh. During FY 2022-23, BEST sold 11.30 MU at an average rate of Rs. 10.48/kWh, which led to realisation of revenue of Rs. 11.85 Crore. During FY 2023-24, BEST sold 46.92 MU at an average rate of Rs. 9.09/kWh, which led to realisation of revenue of Rs. 42.63 Crore.

2.5.47 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) is shown in the Table below:

Table 26: Sale of Surplus Power (IEX) in FY 2022-23 and FY 2023-24

Year	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (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

Prior Period Payment and Other Costs

2.5.48 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 27: Summary of Prior Period Payments and other charges for FY 2022-23

Sr. No.	Particulars	Approved (Rs. Crore)	Actual Amount (Rs. Crore)
1	Bilateral Rebate		(2.12)
2	DSM Energy	5.12	(17.12)
3	Net DSM Charges		
4	Prior Period Payment of DSM Bills	0.01	(0.98)
5	Prior Period (RPS) - Walwhan for Additional power in March 2022	0.01	
	Total	5.14	(20.23)

Table 28: Summary of Prior Period Payment and other charges for FY 2023-24

Sr. No.	Particulars	Approved (Rs. Crore)	Amount (Rs. Crore)
1	Bilateral Rebate		(3.21)
2	DSM Energy		10.52
3	Scheduling and Rescheduling Charges (From October 2021)		0.11
4	Prior Period payment of Standby energy purchased in FY 2016-17 and FY 2017-18		23.18
5	Provisional fixed charge bills under intra-State ABT for FY 2011-12 to FY 2017-18		0.01
6	Past Period Imbalance Pool	61.97	
	Total	61.97	30.61

2.5.49 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.

Purchase Quantum through MSLDC Pool Imbalance

2.5.50 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.



2.5.51 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).

MSEDCL Standby Support

2.5.52 BEST submits 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 Hon'ble 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.

Intra-State Transmission Charges and MSLDC Charges

2.5.53 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.

2.5.54 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.

Summary of Power Purchase Expenses

2.5.55 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 29: Summary of Power Purchase Expenses for FY 2022-23

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



2.5.56 BEST requests the Hon'ble Commission to approve the actual quantum and cost of power purchase from various sources for FY 2022-23, as given in the Table above.

Table 30: Summary of Power Purchase Expenses for FY 2023-24

Particulars	Approved in 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	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	



Particulars	Approved in MTR Order			Actual		
	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)					(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

2.5.57 BEST requests the Hon’ble Commission to approve the actual quantum and cost of power purchase for FY 2023-24, as given in the Table above.

2.6 Operation and Maintenance Expenses

2.6.1 Regulation 75.3 of the MYT Regulations, 2019 specifies that 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. Similar provisions are applicable for Retail Supply Business also. The relevant extract is as follows:

“75.3 The Operation and Maintenance expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2019-20 by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:

Provided that, in the Truing-up of the O&M expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past



five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year.”

2.6.2 In line with the above provisions, 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.

2.6.3 The data on WPI and CPI for the last five years is shown in the table below:

Table 31: WPI data for past six years

Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Apr	117.3	121.1	119.20	132.00	152.30	151.10
May	118.3	121.6	117.50	132.70	155.00	149.40
Jun	119.1	121.5	119.30	133.70	155.40	148.90
Jul	119.9	121.2	121.00	135.00	154.00	152.10
Aug	120.1	121.50	122.00	136.20	153.20	152.50
Sep	120.9	121.30	122.90	137.40	152.10	151.80
Oct	122.0	122.00	123.60	140.7	152.50	152.50
Nov	121.6	122.30	125.10	143.7	152.50	152.90
Dec	119.7	123.00	125.40	143.3	150.50	151.60
Jan	119.2	123.40	126.50	143.8	150.70	151.20
Feb	119.5	122.20	128.10	145.3	150.90	151.20
Mar	119.9	120.40	129.90	148.9	151.00	151.40
Average	119.79	121.79	123.38	139.39	152.51	151.38
YoY	4.28%	1.67%	1.30%	12.98%	9.41%	-0.74%

Table 32: CPI data for past six years

Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Apr	288	312	329	346	367.78	386.50
May	289	314	330	347	371.52	387.94
Jun	291	316	332	350	372.10	392.83
Jul	301	319	336	354	374.11	402.34
Aug	301	320	338	354	374.98	400.90
Sep	301	322	340	355	378.14	396.00
Oct	302	325	344	360	381.60	398.59
Nov	302	328	345	362	381.60	400.61
Dec	301	330	342	361	381.02	399.74
Jan	307	330	340	360	382.46	400.03
Feb	307	328	343	360	382.18	400.90



Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Mar	309	326	344	363	383.90	400.03
Average	299.92	322.50	338.69	356.06	377.62	397.20
YoY	5.45%	7.53%	5.02%	5.13%	6.05%	5.19%

2.6.4 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 33: 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%

2.6.5 As per the above cited Regulations, 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 34: Efficiency Factor for FY 2022-23 and FY 2023-24

Year	Efficiency Factor (%)	3-Year CAGR in number of consumers (%)
FY 2022-23	0.86%	0.28%
FY 2023-24	0.90%	0.20%

2.6.6 Based on the above-computed Efficiency Factor, the effective escalation rate to be considered for estimating the revised normative O&M expenses for FY 2022-23 and FY 2023-24 and its computation is shown in the Table below:

Table 35: Escalation rate for O&M Expenses

	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%



2.6.7 Hence, 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 has been escalated at a rate of 4.63% to arrive at the revised normative O&M expenses for FY 2023-24.

2.6.8 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 36: Revised Normative O&M Expenses (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Revised Normative	MTR Order	Revised Normative
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

2.6.9 **BEST requests the Hon'ble Commission to approve the revised normative O&M Expenses for FY 2022-23 and FY 2023-24 as shown in the Table above.**

2.6.10 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.

2.6.11 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 37: Actual O&M Expenses for Wires Business for FY 2022-23 and FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	Actual	MTR Order	Actual
1	Employee Expenses	412.96	309.10	430.39	305.60
2	R&M Expenses		39.86		62.56
3	A&G Expenses		89.27		85.20
4	Total O&M	412.96	438.24	430.39	453.37



Table 38: Operation and Maintenance Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	Actual	MTR Order	Actual
1	Employee Expenses	222.36	166.44	231.75	164.56
2	R&M Expenses		21.46		33.69
3	A&G Expenses		48.07		45.88
4	Total O&M	222.36	235.97	231.75	244.12

Employee Expenses

2.6.12 BEST has incurred 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 39: Actual Employee Expenses for Wires Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Basic Salary	168.75	166.52
2	Dearness Allowance (DA)	41.17	43.86
3	House Rent Allowance	23.48	21.51
4	Conveyance Allowance	0.55	0.51
5	Leave Travel Allowance	3.14	1.76
6	Earned Leave Encashment	-	-
7	Other Allowances	-	-
8	Medical Reimbursement	2.04	1.87
9	Overtime Payment	9.53	11.08
10	Bonus/Ex-Gratia Payments	8.92	9.13
11	Interim Relief / Wage Revision	-	2.61
12	Functional Allowance, Incentive, EDIE	3.93	3.41
13	Provident Fund Contribution	22.85	22.40
14	Provision for PF Fund	-	-
15	Pension Payments	-	-
16	Gratuity Payment	59.12	56.20
17	Gross Employee Expenses	343.47	340.85
18	Less: Expenses Capitalised		
19	Less: Estb. of CAS, T&E & St. Ltg. Dept.	34.37	35.25
20	Net Employee Expenses	309.10	305.60

Table 40: Actual Employee Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Basic Salary	90.87	89.67
2	Dearness Allowance (DA)	22.17	23.61
3	House Rent Allowance	12.64	11.58
4	Conveyance Allowance	0.29	0.27
5	Leave Travel Allowance	1.69	0.95
6	Earned Leave Encashment	-	-



Sl. No.	Particulars	FY 2022-23	FY 2023-24
7	Other Allowances	-	-
8	Medical Reimbursement	1.10	1.01
9	Overtime Payment	5.13	5.96
10	Bonus/Ex-Gratia Payments	4.80	4.92
11	Interim Relief / Wage Revision	-	1.41
12	Functional Allowance, Incentive, EDIE	2.12	1.84
13	Provident Fund Contribution	12.30	12.06
14	Provision for PF Fund	-	-
15	Pension Payments	-	-
16	Gratuity Payment	31.83	30.26
17	Gross Employee Expenses	184.94	183.54
18	Less: Expenses Capitalised	-	-
19	Less: Estb. of CAS, T&E & St. Ltg. Dept.	18.50	18.98
20	Net Employee Expenses	166.44	164.56

2.6.13 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.

2.6.14 In this regard, Regulation 75.4 of the MYT Regulations, 2019 specifies as under for the Wires Business and Regulation 84.4 of the MYT Regulations, 2019 for the Supply Business:

“75.4 The impact of Wage Revision, if any, may be considered at the time of true-up for any Year, based on documentary evidence and justification to be submitted by the Petitioner:

Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent:

Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.



84.4 The impact of Wage Revision, if any, may be considered at the time of true-up for any Year, based on documentary evidence and justification to be submitted by the Petitioner: Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent: Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.”

2.6.15 BEST craves leave for claiming the impact of the actual Wage Revision, as and when it is made effective.

2.6.16 BEST submits 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.

A&G Expenses

2.6.17 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 41: Actual A&G expense for Wires Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Rent Rates & Taxes	4.03	3.28
2	Insurance	0.31	0.39
3	Telephone & Postage, etc.	3.56	3.73
4	Legal charges & Audit fee	0.40	0.63
5	Professional, Consultancy, Technical fee	0.21	0.24
6	Electricity charges	2.60	2.22
7	Security arrangements	6.28	5.46
8	Printing & Stationery	0.86	0.87
9	Advertisements	0.42	1.03



Sl. No.	Particulars	FY 2022-23	FY 2023-24
10	License Fee and other related fee	1.34	0.01
11	Vehicle Running Expenses Truck / Delivery Van	10.38	8.80
12	Miscellaneous Expenses	5.60	6.99
13	Share of General Administration Expenses	53.27	51.57
14	Gross A &G Expenses	89.27	85.20
15	Less: Expenses Capitalised		
16	Net A &G Expenses	89.27	85.20

Table 42: Actual A&G expense for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Rent Rates & Taxes	2.17	1.77
2	Insurance	0.17	0.21
3	Telephone & Postage, etc.	1.92	2.01
4	Legal charges & Audit fee	0.22	0.34
5	Professional, Consultancy, Technical fee	0.11	0.13
6	Electricity charges	1.40	1.19
7	Security arrangements	3.38	2.94
8	Printing & Stationery	0.46	0.47
9	Advertisements	0.22	0.55
10	License Fee and other related fee	0.72	0.00
11	Vehicle Running Expenses Truck / Delivery Van	5.59	4.74
12	Miscellaneous Expenses	3.02	3.76
13	Share of General Administration Expenses	28.68	27.77
14	Gross A &G Expenses	48.07	45.88
15	Less: Expenses Capitalised		
16	Net A &G Expenses	48.07	45.88

Share of General Administration expense

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



Table 43: Allocation of General Administration expenses between Electricity Supply and Transport Division for FY 2022-23 and FY 2023-24

Sl. No.	Particulars	FY 2022-23		FY 2023-24	
		Transport	Supply	Transport	Supply
1	Security and Vigilance	75%	25%	80%	20%
2	Civil Engineering Department	55%	45%	55%	45%
3	Time keeping, Personnel, Welfare, Medical etc.	81%	19%	81%	19%
4	EDP Department	35%	65%	35%	65%
5	Legal, Audit, Account, Cash, MMD, Secretarial, PRO etc.	50%	50%	50%	50%

2.6.19 The 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 44: Details of allocation of General Administration expenses to Supply Division for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
		Supply	Supply
1	Establishment Cost	63.59	57.35
2	Administration & General Expense	12.57	12.95
3	Repair and Maintenance Work	9.17	7.83
4	Other Expenses	0.19	0.15
5	Depreciation	1.56	4.26
6	Miscellaneous Expenses	4.53	5.17
7	Sub-total	91.61	87.73
8	(less) Security Expenses	9.66	8.40
	Net Share of General Administration	81.96	79.34

2.6.20 Security Expenses has been deducted from Share of General Expenses as these are considered separately in A&G Expenses.

R&M Expenses

2.6.21 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 45: Actual R&M Expenses for Wires Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Plant & Machinery	4.65	2.27
2	Buildings	-	-
3	Civil Works	18.40	34.63
4	Hydraulic Works	-	-
5	Lines & Cable Networks	11.16	21.29
6	Vehicles	-	-
7	Furniture & Fixtures	0.11	0.08
8	Office Equipment	3.21	2.23
9	Meter & Equipment	2.33	2.05
10	Gross R&M Expenses	39.86	62.56
11	Less: R&M Expenses Capitalised		
12	Net R&M Expenses	39.86	62.56

Table 46: Actual R&M Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Plant & Machinery	2.50	1.22
2	Buildings	-	-
3	Civil Works	9.91	18.65
4	Hydraulic Works	-	-
5	Lines & Cable Networks	6.01	11.47
6	Vehicles	-	-
7	Furniture & Fixtures	0.06	0.04
8	Office Equipment	1.73	1.20
9	Meter & Equipment	1.25	1.10
10	Gross R&M Expenses	21.46	33.69
11	Less: R&M Expenses Capitalised		
12	Net R&M Expenses	21.46	33.69

2.6.22 BEST submits 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.

2.6.23 Hence, BEST requests the Hon'ble 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.

2.7 Capital Expenditure and Capitalisation

2.7.1 The Hon'ble 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.

2.7.2 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 47: Details of Capital expenditure and capitalization for FY 2022-23 and FY 2023-24 (Rs Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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

2.7.3 BEST submits 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 Hon'ble Commission in Case No.212 of 2022 dtd. 31.03.2023, 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 Hon'ble Commission in Case No.212 of 2022 dtd. 31.03.2023, 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*".

Therefore, **BEST requests the Hon'ble Commission to consider the revised Capitalisation** as shown in the table above.

- 2.7.4** BEST has not claimed any amount against IDC for FY 2022-23 and FY 2023-24.
- 2.7.5** BEST submits 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.
- 2.7.6** 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 Hon'ble Commission.
- 2.7.7** Further, BEST has received a capital connection fee, Grant for street lighting from MCGM amounting to Rs. 17.04 Crore for FY 2022-23. 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.

2.7.8 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.

2.7.9 BEST submits the detailed justification for the delay in completion of the schemes as **Annexure 13**. Further, BEST submits that most of the schemes are completed and closure report of the schemes have been submitted to the Hon'ble Commission.

2.8 Funding of Capitalization

2.8.1 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.

2.8.2 The funding of capitalisation is shown below including Nil IDC for FY 2022-23 and FY 2023-24:

Table 48: Funding of Capitalisation for FY 2022-23 and FY 2023-24 (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

2.9 Depreciation



2.9.1 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 Hon'ble Commission in the previous Orders.

2.9.2 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 Hon'ble 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 49: Depreciation for FY 2022-23 and FY 2023-24 (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

2.9.3 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 as **Annexure 3 and Annexure 4** along with this MYT Petition. Further, Asset Register for FY 2022-23 and FY 2023-24 are submitted as **Annexure 14** along with this Petition. However, details of GFA and



depreciation are submitted in **Form-5** of the Tariff Formats submitted by BEST along with this Petition. All Annexures are submitted in Volume IV of the MYT Petition.

2.9.4 BEST requests the Hon'ble Commission to approve the depreciation for FY 2022-23 and FY 2023-24 as submitted in the table above.

2.10 Interest on Long-term loan

2.10.1 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 Hon'ble 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 as calculated in this Petition 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.

2.10.2 The interest on long-term loan capital for FY 2022-23 and FY 2023-24 is shown in the following Tables:

Table 50: Normative Interest Expenses for Wires Business for FY 2022-23 and FY 2023-24 (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	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



Source of Loan	FY 2022-23		FY 2023-24	
	MTR Order	True-up	MTR Order	True-up
Finance Charges		3.50		3.67
Total Interest and Financing Expenses	0.00	3.81	0.00	3.98

Table 51: Normative Interest Expenses for Retail Supply Business for FY 2022-23 and FY 2023-24 (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

2.10.3 BEST submits 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.

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

Table 52: Details of Actual Interest Expenses for FY 2022-23 (Rs. Crore)

Sl. No.	Source	Opening Balance	Addition	Repayment	Closing Balance	Average Balance	Interest Expense	Interest Rate (%)
1	APDRP	6.76	0.00	2.22	4.54	5.65	0.60	11.50%
2	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 53: Details of Actual Interest Expenses for FY 2023-24 (Rs. Crore)

Sl. No.	Source	Opening Balance	Addition	Repayment	Closing Balance	Average Balance	Interest Expense	Interest Rate (%)
1	APDRP	4.54	0.00	2.22	2.32	3.43	0.37	11.50%
2	REC	237.19	0.00	39.53	197.66	217.43	22.47	10.75%



Sl. No.	Source	Opening Balance	Addition	Repayment	Closing Balance	Average Balance	Interest Expense	Interest Rate (%)
	Total	241.73	0.00	41.75	199.98	220.86	22.84	10.34%

2.10.5 BEST has submitted the details of the actual interest paid in the Form F6 of the Formats submitted along with the MYT Petition.

2.10.6 BEST submits 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.

2.10.7 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.

2.10.8 BEST humbly submits that approving normative interest on loan as per Regulations is hampering BEST's financial position adversely. Hence, **BEST requests the Hon'ble Commission to consider allowing interest on actual basis rather than normative basis.** BEST also requests the Hon'ble Commission to exercise its powers available under Regulation 106 of 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. The relevant extract is given below:

“106. Power to remove difficulties—

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.”

2.11 Interest on Working Capital (IoWC)

2.11.1 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. The relevant extract is as follows:

“(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.”

2.11.2 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 54: Normative Interest on Working Capital for Distribution Wires Business FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Revised Normative	MTR Order	Revised Normative
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 55: Normative Interest on Working Capital for Retail Supply Business FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Revised Normative	MTR Order	Revised Normative
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
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC charges	306.64	314.58	286.67	263.87



Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Revised Normative	MTR Order	Revised Normative
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

2.11.3 BEST submits 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.

2.11.4 BEST submits 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.

2.11.5 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.

2.11.6 BEST submits that it has made maximum efforts to lower the working capital requirement and has paid lower interest on working capital as compared to FY 2021-22.



2.11.7 BEST submits that 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.

2.11.8 Hence, BEST humbly requests the Hon’ble Commission to approve the interest on working capital on actual basis, rather than normative basis.

2.12 Interest on Consumer Security Deposit

2.12.1 BEST submits that interest on CSD amount claimed is on actual paid basis, which is adjusted in the consumers’ bills. BEST humbly requests the Hon’ble Commission to approve actual interest on CSD as shown in the table below:

Table 56: Interest on Consumer Deposit for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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

2.12.2 BEST humbly requests the Hon’ble Commission to approve the actual interest on consumer security deposit for FY 2022-23 and FY 2023-24 as shown in table above.

2.13 Contribution to Contingency Reserves

2.13.1 As per the MYT Regulations, 2019, the Hon’ble 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. The relevant extract from the Regulations is reproduced below:

“35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:



Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

...”

2.13.2 BEST submits that the Hon'ble 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 Hon'ble Commission, BEST has invested in Contingency Reserves for FY 2022-23 and FY 2023-24 in a timely manner.

2.13.3 BEST submits the actual Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24 as shown in the following table:

Table 57: Contribution to Contingency Reserve for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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

2.13.4 BEST has invested combined amount for Wires Business and Supply Business of Rs. 7.62 Crore for FY 2022-23 and Rs. 7.98 Crore in FY 2023-24. The proof of the investment made against contingency reserves is attached as **Annexure 15**.

2.13.5 BEST requests the Hon'ble Commission to approve the actual Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24, as shown in the Table above.

2.14 Other Expenses

2.14.1 BEST submits that it 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 as given below:

Table 58: Other Expenses in FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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

2.14.2 BEST submits that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses, and **BEST requests the Hon'ble Commission to approve the actual Other Expenses as submitted in the above table.**

2.15 Provision for Bad and doubtful Debts

2.15.1 BEST submits 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.

2.15.2 BEST submits that the Hon'ble 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 this, 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.

2.15.3 BEST submits that 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.

2.15.4 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.

2.15.5 BEST humbly requests the Hon'ble Commission to approve the actual bad and doubtful debts written off as shown above.

2.16 Return on Equity

2.16.1 BEST has computed the Return on Equity (RoE) in accordance with Regulation 29 of the MYT Regulations, 2019.

2.16.2 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.

2.16.3 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.

2.16.4 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 as **Annexure 16**. 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 59: Details of Assessed Bills during FY 2022-23

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

2.16.5 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 as **Annexure 16**. 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.

2.16.6 Under the RDSS project, BEST has commenced installation of Smart Meters to its retail consumers from 02.12.2023. 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 60: Increase in Assessed Bills in FY 2023-24 due to Smart Metering

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	

2.16.7 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%.

2.16.8 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 also.

2.16.9 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.

2.16.10 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 61: Base Return on Equity for Wires Business for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
Regulatory Equity at the beginning of the year	871.62	871.62	898.00	912.01



Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
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 62: Base Return on Equity for Retail Supply Business for FY 2022-23 and FY 2023-24 (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%
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



Additional Return on Equity for FY 2022-23 and FY 2023-24

2.16.11 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 63: Additional Return on Equity for Wires Business for FY 2022-23 and FY 2023-24 (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 64: Additional Return on Equity for Retail Business for FY 2022-23 and FY 2023-24 (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

§ - Pls refer explanation given above for the Additional RoE claimed against assessed bills parameter for FY 2023-24

2.16.12 Hence, BEST requests the Hon'ble Commission to approve Return on Equity on normative basis as shown in tables above for FY 2022-23 and FY 2023-24.

2.17 Return as Interest on Internal Funds

2.17.1 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal No. 13 of 2007 had directed the Hon'ble 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.

2.17.2 Accordingly, BEST submits the Interest on internal funds as under:

Table 65: Return on Internal Fund Detail for FY 2022-23 and FY 2023-24 (Rs. Crore)

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

2.17.3 BEST requests the Hon’ble Commission to approve the above Return on Internal Funds for FY 2022-23 and FY 2023-24 as shown above.

2.18 Sharing of gain and losses on account of Controllable Factors

2.18.1 Regulation 11 of the MYT Regulations, 2019 specifies the mechanism for sharing of gains and losses on account of controllable factors. The relevant Regulations are as follows:

“11.1 The approved aggregate gain to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:

- (a) Two-third of the amount of such gain shall be passed on as a rebate in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;*
- (b) The balance amount of such gain shall be retained by the Generating Company or Licensee or MSLDC.*

11.2 The approved aggregate loss to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:

- (a) One-third of the amount of such loss may be passed on as an additional charge in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;*
- (b) The balance amount of such loss shall be absorbed by the Generating Company or Licensee or MSLDC.”*

2.18.2 The heads included in the controllable expenses comprise the following:



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

2.18.3 In view of the above Regulations, 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 66: Sharing of (Gains)/Losses in O&M Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
1	O&M Expenses for Wires Business	416.07	438.24	22.16	7.38
2	O&M Expenses for Retail Supply Business	224.04	235.97	11.93	3.98
3	Total Sharing to be claimed/(adjusted) in ARR				11.37

Table 67: Sharing of (Gains)/Losses in O&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed through in the ARR
1	O&M Expenses for Wires Business	435.32	453.37	18.04	6.01
2	O&M Expenses for Retail Supply Business	234.40	244.12	9.72	3.24
3	Total Sharing to be claimed/(adjusted) in ARR				9.25

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

2.18.5 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 68: Incentive on reduction of Distribution loss

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



Particulars	Units	FY 2022-23	FY 2023-24
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)

2.18.6 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 69: Sharing of (gains)/losses in IoWC for FY 2022-23 (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 70: Sharing of (gains)/losses in IoWC for FY 2023-24 (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

2.18.7 The calculations of sharing of gain/(loss) on account of O&M expenses and IoWC are provided in Form F20 submitted along with the Petition.



2.18.8 BEST requests the Hon'ble 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.

2.19 Non-Tariff Income

2.19.1 BEST has considered Non-Tariff Income for FY 2022-23 and FY 2023-24, in accordance with the Audited Accounts of the respective year.

2.19.2 BEST has earned Non-Tariff Income of Rs. 57.52 Crore in FY 2022-23 and Rs. 47.30 Crore in FY 2023-24. The details of Non-Tariff Income under various sub-heads are as given below:

Table 71: Details of the Non-Tariff income for Combined Distribution Business for FY 2022-23 and FY 2023-24 (Rs. Crore)

Non-Tariff Income	FY 2022-23		FY 2023-24	
	MTR Order	Actual for Truing up	MTR Order	Actual for Truing up
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

Table 72: Details of the Non-Tariff income for Wires Business for FY 2022-23 and FY 2023-24 (Rs. Crore)

Non-Tariff Income	FY 2022-23		FY 2023-24	
	MTR Order	Actual for Truing up	MTR Order	Actual for Truing up
Rents of land or buildings		0.19		0.19
Sale of Scrap		0.51		0.24
Interest on advances to suppliers/contractors		0.47		0.55



Non-Tariff Income	FY 2022-23		FY 2023-24	
	MTR Order	Actual for Truing up	MTR Order	Actual for Truing up
Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission		0.06		0.04
Income from recovery against theft and/or pilferage of electricity		1.08		0.75
Income from advertisements		0.24		0.73
Income from sale of tender documents		0.03		0.02
Others		0.12		
Share of General Administration		3.35		2.14
Total	3.96	6.06	6.04	4.64

Table 73: Details of the Non-Tariff income for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. Crore)

Non-Tariff Income	FY 2022-23		FY 2023-24	
	MTR Order	Actual for Truing up	MTR Order	Actual for Truing up
Rents of land or buildings		1.74		1.67
Sale of Scrap		4.63		2.16
Interest on advances to suppliers/contractors		4.26		4.96
Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission		0.57		0.32
Income from recovery against theft and/or pilferage of electricity		9.74		6.74
Income from advertisements		2.14		6.56
Income from sale of tender documents		0.23		0.15
Others		1.12		
Share of General Administration		30.11		19.23
Total	35.64	54.52	54.32	41.80

2.19.3 BEST requests the Hon'ble Commission to approve actual Non-Tariff Income as shown in the table above for FY 2022-23 and FY 2023-24.

2.20 Revenue for FY 2022-23 and FY 2023-24

2.20.1 The Hon'ble Commission 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. The Hon'ble Commission approved the category-wise tariff applicable for BEST for FY 2023-24 vide its MTR Order dated 31 March, 2023 in Case No. 212 of 2022.



2.20.2 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 provided in Form F13 of the Formats, submitted along with the Petition.

2.20.3 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 74: Revenue from Sale of Power for FY 2022-23 and FY 2023-24

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual for Truing up	MTR Order	Actual for Truing up
Revenue from Sale of Electricity	3667.98	3527.48	3537.03	4188.88

2.20.4 BEST submits 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.

2.20.5 **BEST requests the Hon’ble Commission to approve the actual Revenue from sale of electricity in the truing up for FY 2022-23 and FY 2023-24, as shown in the above Table.**

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

2.21.1 BEST submits the Truing up for FY 2022-23 and FY 2023-24 based on comparison of the actual expense incurred and the revenue earned during the year vis-à-vis the figures approved by the Hon’ble Commission in the MTR Order.

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



Table 75: True-up of ARR for FY 2022-23 (Rs. Crore) – Wires Business

Sr. No.	Particulars	FY 2022-23		
		MTR Order	Actual for Truing up	True-up Requirement
1	O&M Expenses	412.96	416.07	3.11
2	Depreciation	97.60	97.44	(0.16)
3	Interest on Loan Capital	-	3.81	3.81
4	Interest on Working Capital	6.09	1.21	(4.88)
5	Interest on CSD	1.85	1.58	(0.27)
6	Provision for bad and doubtful debts	0.80	0.57	(0.23)
7	Contribution to Contingency Reserves	-	6.78	6.78
8	Total Revenue Expenditure	519.30	527.46	8.16
9	Add: Return on Equity capital	123.87	134.07	10.20
10	Add: Return on Internal Fund	4.75	4.75	-
11	Add: Sharing of Gains/Losses on O&M expenses & IoWC		7.92	
12	Aggregate Revenue Requirement	647.93	674.20	26.27
13	Less: Non-Tariff Income	3.96	6.06	2.10
14	Less: Income from Other Businesses	-	-	-
15	Aggregate Revenue Requirement from Distribution Wires	643.97	668.14	24.18
16	Revenue from existing/approved tariff	601.21	592.70	(8.51)
17	Revenue Gap/(Surplus) of Licensed Business	42.76	75.44	32.69

Table 76: True-up of ARR for FY 2023-24 (Rs. Crore) – Wires Business

Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
1	O&M Expenses	430.39	435.32	4.94
2	Depreciation	101.37	101.10	(0.27)
3	Interest on Loan Capital	-	3.98	3.98
4	Interest on Working Capital	6.96	1.50	(5.45)
5	Interest on CSD	2.68	3.26	0.58
6	Provision for bad and doubtful debts	0.80	0.66	(0.14)
7	Contribution to Contingency Reserves	-	7.15	7.15
8	Total Revenue Expenditure	542.19	552.98	10.79
9	Add: Return on Equity capital	128.06	139.28	11.21
10	Add: Return on Internal Fund	4.75	4.75	-



Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
	Add: Sharing of Gains/Losses on O&M expenses & IoWC		7.10	
12	Aggregate Revenue Requirement	675.01	704.11	29.10
13	Less: Non-Tariff Income	6.04	4.64	(1.39)
14	Less: Income from other businesses		-	-
15	Aggregate Revenue Requirement from Distribution Wires	668.97	699.47	30.50
16	Revenue from existing/approved tariff		746.53	
17	Revenue Gap/(Surplus) of Licensed Business		(47.06)	

2.21.3 The summary of the ARR claimed by BEST in the true-up for the Retail Supply Business for FY 2022-23 and FY 2023-24, is as shown in the Tables below:

Table 77: True-up of ARR for FY 2022-23 (Rs. Crore) – Retail Supply Business

Sr. No.	Particulars	FY 2022-23		
		MTR Order	Actual for Truing up	True-up Requirement
1	Power Purchase Expenses	3,421.68	3,519.53	97.86
2	Operation & Maintenance Expenses	222.36	224.04	1.68
3	Depreciation	10.84	10.83	(0.02)
4	Interest on Loan Capital	-	0.01	0.01
5	Interest on Working Capital	-	10.90	10.90
6	Interest on Consumer Security Deposit	16.68	14.22	(2.46)
7	Write-off of Provision for bad and doubtful debts	7.18	5.09	(2.09)
8	Contribution to contingency reserves	-	0.75	0.75
9	Intra-State Transmission Charges	256.72	254.20	(2.52)
10	MSLDC Fees & Charges	1.27	1.26	(0.01)
11	Other Expenses	24.19	34.97	10.78
12	Total Revenue Expenditure	3,960.93	4,075.79	114.87
13	Add: Return on Equity Capital	15.24	16.37	1.13
14	Add: Return on Internal Fund	0.53	0.53	-
15	Add: Sharing of Gain/(Loss) on Distribution Loss		0.06	
16	Add: Sharing of Gains/Losses on O&M expenses & IoWC		3.98	



Sr. No.	Particulars	FY 2022-23		
		MTR Order	Actual for Truing up	True-up Requirement
17	Aggregate Revenue Requirement	3,976.69	4,096.73	120.03
18	Less: Non-Tariff Income	35.64	54.52	18.88
19	Less: Income from Other Business			-
20	Aggregate Revenue Requirement from Retail Supply	3,941.05	4,042.20	101.15
21	Revenue from existing tariff	3,066.77	2,934.78	(131.99)
22	Revenue Gap/(Surplus) of Licensed Business	874.28	1,107.42	233.14

Table 78: True-up of ARR for FY 2023-24 (Rs. Crore) – Retail Supply Business

Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
1	Power Purchase Expenses	3,207.05	2,931.86	(275.20)
2	Operation & Maintenance Expenses	231.75	234.40	2.66
3	Depreciation	11.26	11.23	(0.03)
4	Interest on Loan Capital	-	0.01	0.01
5	Interest on Working Capital	-	13.54	13.54
6	Interest on Consumer Security Deposit	24.14	29.32	5.18
7	Write-off of Provision for bad and doubtful debts	7.18	5.94	(1.24)
8	Contribution to contingency reserves	-	0.79	0.79
9	Intra-State Transmission Charges	232.10	233.64	1.54
10	MSLDC Fees & Charges	0.93	0.92	(0.01)
11	Other Expenses	24.19	42.23	18.03
12	Total Revenue Expenditure	3,738.60	3,503.87	(234.73)
13	Add: Return on Equity Capital	15.75	17.69	1.94
14	Add: Return on Internal Fund	0.53	0.53	-
15	Add: Sharing of Gain/(Loss) on Distribution Loss		0.57	
16	Add: Sharing of Gains/Losses on O&M expenses & IoWC		3.24	
17	Aggregate Revenue Requirement	3,754.88	3,525.90	(228.99)
18	Less: Non-Tariff Income	54.32	41.80	(12.53)
19	Less: Income from Other Business			-



Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
20	Aggregate Revenue Requirement from Retail Supply	3,700.56	3,484.10	(216.46)
21	Revenue from existing tariff		3,442.35	
22	Revenue Gap/(Surplus) of Licensed Business		41.76	

2.21.4 BEST requests the Hon'ble Commission to approve the ARR for Distribution Wires Business and Retail Supply Business in the truing up for FY 2022-23 and FY 2023-24, as shown in the above Tables.

2.21.5 BEST has also shown the summary of the ARR claimed by BEST in the true-up for the combined Wires Business and Supply Business for FY 2022-23 and FY 2023-24, as shown in the Tables below:

Table 79: True-up of ARR for FY 2022-23 (Rs. Crore) – Combined Distribution Business

Sr. No.	Particulars	FY 2022-23		
		MTR Order	Actual for Truing up	True-up Requirement
1	Power Purchase Expenses	3,421.68	3,519.53	97.86
2	Operation & Maintenance Expenses	635.33	640.11	4.79
3	Depreciation	108.45	108.27	(0.18)
4	Interest on Loan Capital	-	3.82	3.82
5	Interest on Working Capital	6.09	12.11	6.03
6	Interest on Consumer Security Deposit	18.54	15.80	(2.74)
7	Write-off of Provision for bad and doubtful debts	7.97	5.65	(2.32)
8	Contribution to contingency reserves	-	7.53	7.53
9	Intra-State Transmission Charges	256.72	254.20	(2.52)
10	MSLDC Fees & Charges	1.27	1.26	(0.01)
11	Other Expenses	24.19	34.97	10.78
12	Total Revenue Expenditure	4,480.23	4,603.25	123.02
13	Add: Return on Equity Capital	139.11	150.44	11.32
14	Add: Return on Internal Fund	5.28	5.28	-
15	Add: Sharing of Gain/(Loss) on Distribution Loss	-	0.06	
16	Add: Sharing of Gains/Losses on O&M expenses & IoWC	-	11.90	
17	Aggregate Revenue Requirement	4,624.62	4,770.93	146.31
18	Less: Non-Tariff Income	39.60	60.58	20.98



Sr. No.	Particulars	FY 2022-23		
		MTR Order	Actual for Truing up	True-up Requirement
19	Less: Income from Other Business	-	-	-
20	ARR of Combined Distribution Business	4,585.02	4,710.35	125.33
21	Past Period Revenue Gap/(Surplus)	(206.65)	(206.65)	-
22	Net ARR of Combined Distribution Business	4,378.37	4,503.70	125.33
23	Revenue from existing tariff	3,667.98	3,527.48	(140.50)
24	Revenue Gap/(Surplus) of Licensed Business	710.39	976.21	265.83

Table 80: True-up of ARR for FY 2023-24 (Rs. Crore) – Combined Distribution Business

Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
1	Power Purchase Expenses	3,207.05	2,931.86	(275.20)
2	Operation & Maintenance Expenses	662.13	669.72	7.59
3	Depreciation	112.63	112.34	(0.30)
4	Interest on Loan Capital	-	3.99	3.99
5	Interest on Working Capital	6.96	15.04	8.09
6	Interest on Consumer Security Deposit	26.82	32.57	5.75
7	Write-off of Provision for bad and doubtful debts	7.97	6.60	(1.37)
8	Contribution to contingency reserves	-	7.94	7.94
9	Intra-State Transmission Charges	232.10	233.64	1.54
10	MSLDC Fees & Charges	0.93	0.92	(0.01)
11	Other Expenses	24.19	42.23	18.03
12	Total Revenue Expenditure	4,280.79	4,056.85	(223.95)
13	Add: Return on Equity Capital	143.82	156.97	13.15
14	Add: Return on Internal Fund	5.28	5.28	-
15	Add: Sharing of Gain/(Loss) on Distribution Loss	-	0.57	
16	Add: Sharing of Gains/Losses on O&M expenses & IoWC	-	10.34	
17	Aggregate Revenue Requirement	4,429.89	4,230.01	(199.88)
18	Less: Non-Tariff Income	60.36	46.44	(13.92)
19	Less: Income from Other Business	-	-	-



Sr. No.	Particulars	FY 2023-24		
		MTR Order	Actual for Truing up	True-up Requirement
20	ARR of Combined Distribution Business	4,369.53	4,183.57	(185.96)
21	Revenue from existing tariff		4,188.88	
22	Revenue Gap/(Surplus) of Licensed Business		(5.31)	

2.21.6 BEST requests the Hon'ble Commission to approve the ARR for Combined Distribution Business in the truing up for FY 2022-23 and FY 2023-24, as shown in the above Tables.

2.21.7 The above Revenue Gap/(Surplus) after truing up for Wires Business and Supply Business for FY 2022-23 and FY 2023-24, has been adjusted along with the projected Revenue Requirement for the MYT 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 Chapter of Cumulative Revenue Gap/(Surplus) and Tariff Philosophy.



3. Provisional Truing up for FY 2024-25

3.1 Truing up details

3.1.1 BEST has sought Provisional Truing-up for FY 2024-25 in accordance with the MYT Regulations, 2024, as specified in Regulation 5.1 (a) (ii) of the MYT Regulations, 2024, which provides for provisional truing up to be filed for FY 2024-25 along with the MYT Petition for the period from FY 2025-26 to FY 2029-30. The relevant extract of the Regulations is reproduced below:

“5.1.....

(a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and STU, and by November 30, 2024, by Distribution Licensees, comprising:

i.

ii. Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;

.....”

3.1.2 BEST would like to submit that since FY 2024-25 is ongoing, it has considered latest available actual unaudited figures for first half (H1) of FY 2024-25 and estimated values for second half (H2) of FY 2024-25. The details are explained in subsequent sections. BEST submits the Provisional Accounts for H1 of FY 2024-25 as **Annexure 17**.

3.1.3 BEST has presented the comparison of expenditure and revenue approved by the Hon’ble Commission for FY 2024-25 in the MTR Order dated 31 March, 2023 in Case No. 212 of 2022 vis-à-vis the estimated performance. BEST has considered the values approved in the MTR Order wherever applicable, for the purpose of providing justification for variation between the approved and estimated values in Provisional Truing up of FY 2024-25.

3.2 Energy Sales



3.2.1 The Hon'ble Commission, in the MTR Order in Case No. 212 of 2022, approved the energy sales of 5023.20 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.

3.2.2 BEST has submitted the actual month-wise and category-wise energy sales for H1 of FY 2024-25 and estimated sales for H2 of FY 2024-25 in Form F1, along with the Petition. 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 81: Tariff Category-wise energy consumption for FY 2024-25 (MkVAh+MU)

Consumer Category	FY 2024-25	
	MTR Order	Estimated
HT Category		
HT - I Industry	203.91	180.05
HT - II Commercial	290.25	224.59
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 Ltg.		16.68
LT-V (A) Agriculture- Pumpsets		-



Consumer Category	FY 2024-25	
	MTR Order	Estimated
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 82: Tariff Category-wise energy consumption for FY 2024-25 (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
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 Ltg.	16.68
LT-V (A) Agriculture- Pumpsets	-
LT-V (B) Agriculture- Others	0.16
LT VI Electric Vehicle (EV) Charging Stations	31.41
Sub-total	4,102.10
Total	4781.20

3.2.3 The estimated energy sales of FY 2024-25 are lower than the energy sales approved by the Hon'ble Commission in the MTR Order.

3.2.4 **BEST requests the Hon'ble Commission to consider the revised estimated energy sales for FY 2024-25, as shown in the above tables.**



3.3 Distribution Loss

3.3.1 The Hon'ble Commission approved Distribution Loss of 4.18% for FY 2024-25 in the MTR Order dated 31 March, 2023. For provisional true-up for FY 2024-25, BEST has considered the Distribution loss of 4.18%, same as approved by the Hon'ble Commission in the MTR Order.

3.3.2 BEST submits 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.

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

Table 83: Distribution Loss for FY 2024-25 (%)

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

3.3.4 In the MTR Order, the Hon'ble Commission ruled that the Distribution Losses approved in the MYT Order shall continue and shall not be restated in the MTR Order. **BEST hence, requests the Hon'ble Commission to approve the Distribution Losses of 4.18% as approved in the MYT Order and claimed by BEST for provisional true-up for FY 2024-25.**

3.4 Energy Balance

3.4.1 BEST 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 Hon'ble Commission for FY 2024-25 in the MTR Order. The estimated Energy Balance for FY 2024-25 is shown in the following Table:



Table 84: Energy Balance for FY 2024-25

Sr. No.	Particulars	MTR Order	Estimated
1	Energy Sales (MU)	5023.20	4781.20
2	Distribution Loss (%)	4.18%	4.18%
3	Energy Requirement at T-D interface (MU)	5242.33	4989.77
4	Intra-State Transmission Loss (%)	3.18%	3.18%
5	Energy Requirement at G-T interface (MU)	5414.52	5153.66
6	Impact of Rooftop Solar		(3.82)
7	Net Energy Requirement at G-T interface (MU)		5149.84

3.4.2 BEST requests the Hon'ble Commission to approve the Energy Balance in the provisional truing up for FY 2024-25, as shown in the Table above.

3.5 Quantum and Cost of Power Purchase for FY 2024-25

3.5.1 The power purchase quantum and cost include the purchase from 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.

3.5.2 Based on the energy balance submitted above, BEST has estimated the power purchase expenses for FY 2024-25.

3.5.3 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

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

Table 85: Summary of estimated Power Purchase Expenses from TPC-G for FY 2024-25

TPC-G	Unit	MTR Order	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

3.5.5 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 86: Summary of estimated Power Purchase Expenses from TPC-G for FY 2024-25

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



TPC-G	Unit	FY 2024-25	
		Actual Apr-Sept	Estimated Oct-Mar
Average Cost of Power Purchase	Rs./kWh	5.60	5.84

3.5.6 BEST requests the Hon'ble Commission to approve the estimated quantum and cost of power purchase from TPC-G as shown in the Table above for FY 2024-25.

Manikaran Power Ltd. (MPL)

3.5.7 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.

3.5.8 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 Hon'ble Commission for FY 2024-25 in the MTR Order is given in the Table below:

Table 87: Power Procurement from M/s. Manikaran Pvt. Ltd. For FY 2024-25

Manikaran Power Ltd.	MTR Order	Estimated
Energy Quantum (MU)	744.60	760.56
Total Power Purchase Cost (Rs. Crore)	330.05	333.99
Average Power Purchase Rate (Rs./kWh)	4.43	4.39

3.5.9 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 88: Summary of estimated Power Procurement from M/s. Manikaran Pvt. Ltd. for FY 2024-25

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



3.5.10 BEST requests the Hon'ble Commission to approve the estimated quantum and cost of power purchase from M/s. Manikaran Power Ltd. as shown in the above table for FY 2024-25.

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

3.5.11 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.

3.5.12 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.

3.5.13 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.

3.5.14 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.

3.5.15 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.

3.5.16 As per the Hon'ble 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 15.10.2024. 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 89: Summary of estimated Power Procurement from SWPGPL for FY 2024-25

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

3.5.17 BEST requests the Hon'ble Commission to approve the estimated quantum and cost of power purchase from SWPGPL as shown in the above table for FY 2024-25.

Renewable Power Purchase

3.5.18 BEST intends 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 Hon'ble Commission for FY 2024-25 in the MTR Order is given in the Table below:

Table 90: Estimated RE Power Purchase in FY 2024-25

Particulars	Source	MTR Order	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*

3.5.19 As can be seen from the above Table, in FY 2024-25, BEST intends 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 Hon'ble 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.

3.5.20 The solar power purchase from Walwhan Solar was also in accordance with the rate approved by the Hon'ble Commission in the MTR Order.

3.5.21 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).

3.5.22 The summary of RE power procurement from various sources in H1 of FY 2024-25 is provided in the Table below:

Table 91: Actual RE Power Purchase in H1 of FY 2024-25

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

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



Table 92: Estimated RE Power Purchase in H2 of FY 2024-25

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

3.5.24 BEST requests the Hon'ble Commission to approve the estimated quantum and cost of power purchase from Renewable Energy Sources for FY 2024-25 as shown in the above tables.

RPO Compliance for FY 2024-25

3.5.25 BEST submits that considering the fact that the power from SECI will not be available, the Hon'ble Commission has considered that RE power will be procured from GDAM/GTAM or through a competitive bidding process for FY 2024-25. The Hon'ble Commission has considered the quantum of RE purchase such that BEST meets its standalone RPO for FY 2024-25. The Hon'ble 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 Hon'ble Commission has considered the average rate of July 22 to December 22, i.e., Rs. 4.90/kWh, discovered on the IEX - GDAM market for both the years. Accordingly, the Hon'ble 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 Hon'ble Commission has approved the RPO compliance as shown in the Table below:

Table 93: RPO Shortfall for FY 2024-25 (MU) as approved by the Hon'ble Commission

RPO Targets & Achievement	FY 2024-25
Total Energy Requirement	5,414.52
Less: Hydro	751.59
Net Energy Requirement	4,662.92



RPO Targets & Achievement	FY 2024-25
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

3.5.26 MOP vide its Notification dated 20.10.2023 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 94: 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%

3.5.27 BEST submits that, in line with the MoP's Notification dated 20.10.2023, the Hon'ble Commission has notified the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024 on 23.02.2024 and as per the Regulation 7.5 (A), the revised the RPO target for FY 2024-25 is 29.91%.

3.5.28 BEST submits 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.

3.5.29 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 Hon'ble 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.

3.5.30 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.

3.5.31 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:

1. The existing tie-up of BEST with RE developers (only 20 MW Solar power) is not sufficient to fulfil the RPO.
2. 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.
3. 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.
4. The procurement of RE power from Power Exchange at rates approved by the Hon'ble Commission is not sufficient to meet the cumulative RPO of BEST up to March 2025.
5. 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.

3.5.32 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.

3.5.33 BEST submits that the details of RECs purchased during H1 of FY 2024-25 is attached as **Annexure 18**.

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

Table 95: Details of RPO Shortfall for FY 2024-25 (MU)

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
Solar energy from 234 MW Solar project	0	0	0



Particulars	FY 2024-25		
	Apr-Sep Actual	Oct-Mar Estimated	Apr-Mar Estimated
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

3.5.35 BEST submits that the MEDA Certificate for RPO Compliance for H1 of FY 2024-25 is attached as **Annexure 19**.

3.5.36 BEST requests the Hon'ble Commission to approve the RPO compliance for FY 2024-25 as shown in the tables above.

Short-Term Power

3.5.37 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 Hon'ble Commission has approved certain quantum of purchase from short-term sources for FY 2024-25 in the MTR Order.

3.5.38 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 Hon'ble Commission for FY 2024-25 in the MTR Order is given in the Table below:



Table 96: Summary of estimated Short-term Power Procurement in FY 2024-25

Sl. No.	Source	FY 2024-25	
		MTR Order	Estimated
1	Quantum (MU)	315.59	518.67
2	Total Cost (Rs. Crore)	161.90	225.01
3	Average Rate (Rs./kWh)	5.13	4.34

3.5.39 Regulation 22 of the MYT Regulations, 2019 allows the Distribution Licensee to procure additional power procurement. The relevant extract of the Regulation is as given below:

“22. Additional power procurement—

22.1 The Distribution Licensee may undertake additional power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.

22.2 Where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply during the Year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources, the Distribution Licensee may enter into additional agreement or arrangement for procurement of power.

.....

22.4 Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a Tariff that reduces its approved total power procurement cost, it may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.

21.5 The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system, or when directed to do so by the MSLDC to prevent grid failure.

...”

3.5.40 BEST submits 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.



3.5.41 BEST submits 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.

3.5.42 The details of short-term power procurement by BEST from various sources in FY 2024-25 is given in the Tables below:

Table 97: Actual Short-term Power Procurement for H1 of FY 2024-25

Sl. No.	Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
1	IEX Purchase	289.09	126.53	4.38
2	Inter Discom Sale (IDT)	(5.96)	(5.06)	8.49
3	Inter Discom Purchase (IDT)	0.71	0.75	10.49
4	STOA Application Processing Fee		0.01	
	Total	283.84	122.23	4.31

Table 98: Estimated Short-term Power Procurement for H2 of FY 2024-25

Sl. No.	Source	Quantum (MU)	Total Cost (Rs. Crore)	Avg. Rate (Rs./kWh)
1	IEX Purchase	234.84	102.79	4.38
	Total	234.84	102.79	4.38

3.5.43 Hence, BEST requests the Hon'ble Commission to approve the estimated quantum and cost of short-term power purchase for FY 2024-25, as shown in the above Tables.

Sale of Surplus Power

3.5.44 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.

3.5.45 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) is shown in the Table below:

Table 99: Sale of Surplus Power (IEX) for FY 2024-25

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

3.5.46 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 100: Summary of Prior Period Payment and other charges for FY 2024-25

Sr. No.	Particulars	Quantum (MU)	Actual Amount (Rs. Crore)
1	DSM Energy	(24.63)	(1.93)
2	RTDA - MSLDC (FBSM) UI Payment		0.55
3	Prior Period Payment of DSM Bills		30.44
	Total	(24.63)	29.05

3.5.47 BEST requests the Hon'ble Commission to approve the estimated prior period payment and other charges as shown in the table above.

Power Purchase Quantum through MSLDC Pool Imbalance

3.5.48 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.

3.5.49 BEST submits 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

3.5.50 BEST submits that Standby support power was utilized to the extent of 3.78 MU during H1 of FY 2024-25. In accordance with the Hon'ble 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

3.5.51 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 101: Summary of Transmission Charges and MSLDC Charges for FY 2024-25

Particulars	MTR Order	Provisional Truing up
Intra-State Transmission Charges	299.32	297.56
MSLDC Charges	0.99	0.98

3.5.52 BEST requests the Hon'ble Commission to approve the estimated Intra-State Transmission and MSLDC charges as shown in the table above.

NLDC Legacy Fees

3.5.53 Recently, vide letter dated 11th November 2024, Western Region Load Despatch Centre (WRLDC) 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.

3.5.54 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 24th March 2025. The copies of the relevant letters received by the Petitioner in this regard are given at **Annexure 20**, which will make it clear that this is a completely uncontrollable cost for the Petitioner, and not envisaged by anyone.



3.5.55 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

3.5.56 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 102: Summary of Power Purchase Expenses for FY 2024-25

Particulars	Approved in 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



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

3.5.57 BEST requests the Hon'ble Commission to approve the estimated quantum and cost of power purchase for FY 2024-25, as given in the Table above.

3.6 Operation and Maintenance Expenses

3.6.1 Regulation 75.3 of the MYT Regulations, 2019 specifies that 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. Similar provisions are applicable for Retail Supply Business also. The relevant extract is as follows:

“75.3 The Operation and Maintenance expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2019-20 by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time



to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:

Provided that, in the Truing-up of the O&M expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year.”

3.6.2 In line with the above provisions, 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.

3.6.3 The data on WPI and CPI for the last five years is shown in the Table below:

Table 103: WPI data for past five years

Month	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Apr	119.20	132.00	152.30	151.10	152.90
May	117.50	132.70	155.00	149.40	153.50
Jun	119.30	133.70	155.40	148.90	154.00
Jul	121.00	135.00	154.00	152.10	155.20
Aug	122.00	136.20	153.20	152.50	154.50
Sep	122.90	137.40	152.10	151.80	154.60
Oct	123.60	140.7	152.50	152.50	
Nov	125.10	143.7	152.50	152.90	
Dec	125.40	143.3	150.50	151.60	
Jan	126.50	143.8	150.70	151.20	
Feb	128.10	145.3	150.90	151.20	
Mar	129.90	148.9	151.00	151.40	
Average	123.38	139.39	152.51	151.38	154.12
YoY	1.30%	12.98%	9.41%	-0.74%	1.81%

Table 104: CPI data for past five years

Month	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Apr	329	346	367.78	386.50	401.47
May	330	347	371.52	387.94	402.91
Jun	332	350	372.10	392.83	407.23



Month	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Jul	336	354	374.11	402.34	410.98
Aug	338	354	374.98	400.90	410.69
Sep	340	355	378.14	396.00	412.70
Oct	344	360	381.60	398.59	
Nov	345	362	381.60	400.61	
Dec	342	361	381.02	399.74	
Jan	340	360	382.46	400.03	
Feb	343	360	382.18	400.90	
Mar	344	363	383.90	400.03	
Average	338.69	356.06	377.62	397.20	407.66
YoY	5.02%	5.13%	6.05%	5.19%	2.63%

3.6.4 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 105: 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%

3.6.5 As per the above cited Regulations, 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 0.87% FY 2024-25, as shown in the Table below:

Table 106: Efficiency Factor for FY 2024-25

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

3.6.6 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 107: Escalation Rate for O&M Expenses

	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%

3.6.7 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.

3.6.8 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 108: Revised Normative O&M Expenses for FY 2024-25 (Rs. Crore)

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

Smart Meter Scheme

3.6.9 BEST submits 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 29.07.2021. 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.....”



3.6.10 Further, BEST submits that, as per Regulation 84.7 of the MYT Regulations, 2019, a Distribution Licensee may undertake Opex schemes over and above normative O&M expenses subject to prudence check by the Hon’ble Commission. The relevant extract from the Regulation is reproduced below:

“84.7 A Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc. and, such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any.”

3.6.11 BEST submits 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. DPR for Smart Metering Scheme is attached as **Annexure 21**. A copy of the DPR approval letter is attached as **Annexure 22**. As directed by the Commission in the MTR Order dated 31.03.2023, BEST is submitting the Cost-Benefit Analysis (CBA) of the Smart Metering scheme as **Annexure 21**.

3.6.12 The details of the number of meters to be installed under Smart Metering Scheme is shown in the Table below:

Table 109: Details of Meters to be installed under Smart Metering Scheme

Meter Type	No. of meters
Single Phase Whole Current Consumer Meter	901212
Three Phase Whole Current Consumer Meter	168419
Three Phase LT CT Consumer Meter	6053
Three Phase HT meter	206
Three Phase LT CT - DT Meter	3398
Three Phase HT Feeder Meter	1255
Three Phase CT/PT Operated ABT Meter	133
Total	10,80,676

3.6.13 BEST submits 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 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 110: Detailed Break up of Awarded Rate of AMISP: M/s Adani Transmission Ltd.

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
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		



Sr. No.	Category	Quantity (Nos.)	Unit Price (Rs.) inclusive GST	Total Price (Rs.) inclusive of GST	PMPM Cost (Rs.)	PMPM Cost (Rs.) excl. GST
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		

3.6.14 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.

3.6.15 BEST submits 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.

3.6.16 BEST submits 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.



- 3.6.17** BEST submits 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.
- 3.6.18** BEST submits that despite the project commencing on 2nd 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.
- 3.6.19** 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.
- 3.6.20** Further BEST submits 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.
- 3.6.21** 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 111: Revised Normative O&M Expenses including Opex for wires business (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 112: Revised Normative O&M Expenses including Opex for retail supply business (Rs. Crore)

Particulars	FY 2024-25	
	MTR Order	Revised Normative
Retail Supply Business	241.52	243.72
Opex		47.93



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

3.6.22 BEST requests the Hon'ble 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.

3.6.23 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.

3.6.24 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 113: Estimated O&M Expenses for Wires Business for FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	FY 2024-25			
		MTR Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Apr - Mar (Estimated)
1	Employee Expenses	448.54	170.20	170.20	340.41
2	R&M Expenses		26.70	26.70	53.40
3	A&G Expenses		35.40	35.40	70.81
4	Opex				1.18
5	Total O&M	448.54	232.31	232.31	465.79

Table 114: Estimated O&M Expenses for Retail Supply Business for FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	FY 2024-25			
		MTR Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Apr - Mar (Estimated)
1	Employee Expenses	241.52	91.65	91.65	183.30
2	R&M Expenses		14.38	14.38	28.75
3	A&G Expenses		19.06	19.06	38.13
4	Opex				47.93
5	Total O&M	241.52	125.09	125.09	298.10

Employee Expense

3.6.25 BEST has estimated to incur employee expenses of Rs. 523.70 Crore in FY 2024-25.



The details of actual employee expense for H1 of FY 2024-25 and estimated employee expense for H2 of FY 2024-25 are given in the table below:

Table 115: Estimated Employee Expenses for Wires Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Basic Salary	100.09	100.09	200.18
2	Dearness Allowance (DA)	18.09	18.09	36.19
3	House Rent Allowance	2.43	2.43	4.85
4	Conveyance Allowance	0.07	0.07	0.14
5	Leave Travel Allowance	0.04	0.04	0.08
6	Earned Leave Encashment	2.06	2.06	4.13
7	Other Allowances			
8	Medical Reimbursement	0.20	0.20	0.39
9	Overtime Payment	1.49	1.49	2.98
10	Bonus/Ex-Gratia Payments	2.38	2.38	4.76
11	Interim Relief / Wage Revision	44.89	44.89	89.78
12	Functional Allowance, Incentive, EDIE	1.07	1.07	2.13
13	Provident Fund Contribution	11.45	11.45	22.89
14	Provision for PF Fund			
15	Pension Payments			
16	Gratuity Payment	3.58	3.58	7.16
17	Gross Employee Expenses	187.83	187.83	375.66
18	Less: Expenses Capitalised			
19	Less: Estb. of CAS, T&E & St. Ltg. Dept.	17.63	17.63	35.26
20	Net Employee Expenses	170.20	170.20	340.41

Table 116: Estimated Employee Expenses for Retail Supply Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Basic Salary	53.89	53.89	107.79
2	Dearness Allowance (DA)	9.74	9.74	19.49
3	House Rent Allowance	1.31	1.31	2.61
4	Conveyance Allowance	0.04	0.04	0.07
5	Leave Travel Allowance	0.02	0.02	0.04
6	Earned Leave Encashment	1.11	1.11	2.22
7	Other Allowances			
8	Medical Reimbursement	0.11	0.11	0.21
9	Overtime Payment	0.80	0.80	1.60
10	Bonus/Ex-Gratia Payments	1.28	1.28	2.57
11	Interim Relief / Wage Revision	24.17	24.17	48.35
12	Functional Allowance, Incentive, EDIE	0.57	0.57	1.15
13	Provident Fund Contribution	6.16	6.16	12.33



Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
14	Provision for PF Fund			
15	Pension Payments			
16	Gratuity Payment	1.93	1.93	3.86
17	Gross Employee Expenses	101.14	101.14	202.28
18	Less: Expenses Capitalised			
19	Less: Estb. of CAS, T&E & St. Ltg. Dept.	9.49	9.49	18.98
20	Net Employee Expenses	91.65	91.65	183.30

3.6.26 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. 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.

3.6.27 In this regard, Regulation 75.4 of the MYT Regulations, 2019 specifies as under for the Wires Business and Regulation 84.4 of the MYT Regulations, 2019 for the Supply Business:

“75.4 The impact of Wage Revision, if any, may be considered at the time of true-up for any Year, based on documentary evidence and justification to be submitted by the Petitioner:

Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent:

Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.

84.4 The impact of Wage Revision, if any, may be considered at the time of true-up for any Year, based on documentary evidence and justification to be submitted by the Petitioner:



Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent:

Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.”

3.6.28 BEST craves leave for claiming the impact of the actual Wage Revision, as and when it is made effective.

3.6.29 BEST submits 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.

3.6.30 BEST requests the Hon’ble Commission to approve estimated Employee Expenses for FY 2024-25 for the Wires Business and Supply Business, as shown in the above tables.

A&G Expenses

3.6.31 BEST has estimated to incur A&G expenses of Rs. 108.93 Crore in FY 2024-25. The details of actual A&G expense for H1 of FY 2024-25 and estimated A&G expense for H2 of FY 2024-25 are given in the table below:

Table 117: Estimated A&G Expenses for Wires Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Rent Rates & Taxes	0.30	0.30	0.59
2	Insurance	0.15	0.15	0.30
3	Telephone & Postage, etc.	0.48	0.48	0.97



Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
4	Legal charges & Audit fee	0.42	0.42	0.85
5	Professional, Consultancy, Technical fee	0.27	0.27	0.53
6	Electricity charges	1.07	1.07	2.15
7	Security arrangements	2.73	2.73	5.46
8	Printing & Stationery	0.30	0.30	0.60
9	Advertisements	0.07	0.07	0.13
10	License Fee and other related fee	1.16	1.16	2.31
11	Vehicle Running Expenses Truck / Delivery Van	2.47	2.47	4.94
12	Miscellaneous Expenses	5.47	5.47	10.93
13	Share of General Administration Expenses	20.52	20.52	41.04
14	Gross A &G Expenses	35.40	35.40	70.81
15	Less: Expenses Capitalised	0.00	0.00	0.00
16	Net A &G Expenses	35.40	35.40	70.81

Table 118: Estimated A&G Expenses for Retail Supply Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Rent Rates & Taxes	0.16	0.16	0.32
2	Insurance	0.08	0.08	0.16
3	Telephone & Postage, etc.	0.26	0.26	0.52
4	Legal charges & Audit fee	0.23	0.23	0.46
5	Professional, Consultancy, Technical fee	0.14	0.14	0.29
6	Electricity charges	0.58	0.58	1.16
7	Security arrangements	1.47	1.47	2.94
8	Printing & Stationery	0.16	0.16	0.32
9	Advertisements	0.04	0.04	0.07
10	License Fee and other related fee	0.62	0.62	1.25
11	Vehicle Running Expenses Truck / Delivery Van	1.33	1.33	2.66
12	Miscellaneous Expenses	2.94	2.94	5.89
13	Share of General Administration Expenses	11.05	11.05	22.10
14	Gross A &G Expenses	19.06	19.06	38.13
15	Less: Expenses Capitalised			
16	Net A &G Expenses	19.06	19.06	38.13

3.6.32 BEST requests the Hon'ble Commission to approve estimated A&G Expenses for FY 2024-25 for the Wires Business and Supply Business, as shown in the above tables.



R&M Expenses

3.6.33 BEST has estimated to incur R&M expenses of Rs. 82.15 Crore in FY 2024-25. The details of actual R&M expense for H1 of FY 2024-25 and estimated R&M expense for H2 of FY 2024-25 are given in the table below:

Table 119: Estimated R&M Expenses for Wires Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Plant & Machinery	0.77	0.77	1.54
2	Buildings	-	-	-
3	Civil Works	8.93	8.93	17.85
4	Hydraulic Works	-	-	-
5	Lines & Cable Networks	15.21	15.21	30.41
6	Vehicles	-	-	-
7	Furniture & Fixtures	0.02	0.02	0.03
8	Office Equipment	0.91	0.91	1.81
9	Meter & Equipment	0.87	0.87	1.74
10	Gross R&M Expenses	26.70	26.70	53.40
11	Less: R&M Expenses Capitalised			
12	Net R&M Expenses	26.70	26.70	53.40

Table 120: Estimated R&M Expenses for Retail Supply Business for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2024-25		
		Apr-Sep (Actual)	Oct-Mar (Estimated)	Apr-Mar (Estimated)
1	Plant & Machinery	0.41	0.41	0.83
2	Buildings	-	-	-
3	Civil Works	4.81	4.81	9.61
4	Hydraulic Works	-	-	-
5	Lines & Cable Networks	8.19	8.19	16.38
6	Vehicles	-	-	-
7	Furniture & Fixtures	0.01	0.01	0.02
8	Office Equipment	0.49	0.49	0.98
9	Meter & Equipment	0.47	0.47	0.94
10	Gross R&M Expenses	14.38	14.38	28.75
11	Less: R&M Expenses Capitalised			
12	Net R&M Expenses	14.38	14.38	28.75

3.6.34 BEST submits that projected O&M expenses are Rs. 763.90 Crore (including Opex of 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.

3.7 Capital Expenditure and Capitalisation

3.7.1 BEST endeavours to develop adequate system capacity that meets the entire requirement and builds 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.

3.7.2 BEST submits that it has been providing 24×7 uninterrupted, reliable and economical electricity supply to the consumers and striving to meet their high expectations.

3.7.3 BEST's distribution network comprises 11000 km of underground cable network, which is very old and 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 improve the quality of supply further and continue to provide reliable continuous electric supply to BEST's esteemed consumers.

3.7.4 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.

3.7.5 To achieve the above goal and to utilize the opportunity provided by the Central Government in form of Grant under RDSS, an Action Plan and DPR was prepared. 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).



- 3.7.6** The grant to be provided is in the ratio of 60:40 for the component of Distribution Infrastructure works wherein 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 met through internal funds of the Utility. BEST further submits that according to the Sanction Letter received from Power Finance Corporation Ltd. (PFC) dt. 21.11.2022, PFC has approved Rs. 978.22 Crore in the 13th Monitoring Committee meeting of RDSS held under the chairmanship of Secretary (Power) on 22.08.2022. Accordingly, BEST has considered grant funding equal to 60% of the approved expenses.
- 3.7.7** BEST submits that the DPR for implementation of various schemes under RDSS was approved by the Hon'ble Commission on 09 January 2024, with a total approval value of Rs. 1711.21 Crore. A copy of the DPR approval letter along with the DPR is attached as **Annexure 23**.
- 3.7.8** BEST expects to incur total capital expenditure of Rs. 579.61 Crore and capitalise assets of Rs. 585.83 Crore in FY 2024-25.
- 3.7.9** BEST submits that the Hon'ble 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.
- 3.7.10** The detailed break-up of Capex and Capitalisation estimated for FY 2024-25 is shown in the table below:

Table 121: Proposed Capex and Capitalisation for Wires business for FY 2024-25 (Rs. Crore)

Sr. No.	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					
1	BEST/FY16/01	MERC/CAPEX /FY 2016-17/00770	28.09.2016	82.23	5.00	11.22
2	BEST/FY21/01	MERC/CAPEX /FY 2020-21/	16.07.2020	27.40	4.00	4.00
	<u>Augmentation/Replacement at Existing RSS</u>					



Sr. No.	Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
3	BEST/FY16/02	MERC/TECH_V/ CAP/DPR/ 20122013/02688	22.02.2013	36.63	0.00	0.00
4	BEST/FY17/02	MERC/CAPEX/20 17-18/4706	16.11.2017	64.09	0.00	0.00
5	BEST/FY18/02	MERC/CAPEX/20 17-18/4706	16.11.2017	58.86	0.00	0.00
6	BEST/FY18/02A	MERC/CAPEX/20 19-20/ 135	10.05.2019	15.58	0.00	0.00
6	BEST/FY20/02	MERC/CAPEX/DP R/2020-21/553	15.12.2021	40.60	0.00	0.00
7	BEST/FY21/02	MERC/CAPEX/DP R/2022-23/0556	14.11.2022	56.07	0.00	0.00
New DSS & Aug. & Alt. to exist. DSS						
8	BEST/FY21/03	MERC/CAPEX/20 21-22/552	15.12.2021	150.00	36.94	36.94
Extension of Distribution Network						
9	BEST/FY21/04	MERC/CAPEX/20 20-21/	22.06.2020	246.20	39.62	39.62
RDSS						
11	RDSS /BEST/FY 2023- 2024/01(R)	MERC/CAPEX/20 23-24/0023 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						
12	Revamping of RSS & other schemes(Non- DPR)	-	-		12.00	12.00
15	Business Process Automation (BPA)				0.05	0.05
13	Street Lighting (lamps & Cables)	-	-		15.00	15.00
14	Furniture, Office Eq., Tools, Civil Engg. Works, Motor Vehicle etc. & Share of G A	-	-		2.50	2.50
15	GFA				1.50	1.50
	Total				569.61	575.83

Table 122: Proposed Capex and Capitalisation for Retail Supply business for FY 2024-25 (Rs. Crore)

Sr. No.	Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
	FY 2024-25					
	a) DPR Schemes					



Sr. No.	Project Code	MERC Approval No.	MERC Approval Date	Approved Project Cost	Investment during the year	Works Capitalised
	(i) In-principle approved by MERC					
RDSS						
11	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

3.7.11 BEST humbly submits 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.

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

Table 123: Details of estimated Capital expenditure and capitalization for FY 2024-25 (Rs Crore)

Particulars	FY 2024-25	
	MTR Order	Estimated
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

3.7.13 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 Hon'ble Commission.

3.7.14 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.

3.7.15 **BEST requests the Hon'ble Commission to approve the capex and capitalisation for FY 2024-25 as submitted in the table above.**

3.8 Funding of Capitalisation

3.8.1 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.

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

Table 124: Funding of Capitalisation for FY 2024-25 (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

3.9 Depreciation

3.9.1 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.

3.9.2 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 Hon'ble 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 125: Depreciation for FY 2024-25 (Rs. crore)

Particulars	FY 2024-25
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

3.9.3 BEST therefore requests the Hon'ble Commission to approve the depreciation as above for FY 2024-25.

3.10 Interest on Long term loan

3.10.1 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.



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

Table 126: Normative Interest Expenses for Wires Business for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Provisional True-up
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	-	-
Finance Charges	-	1.06
Total Interest and Financing Expenses	-	1.06

Table 127: Normative Interest Expenses for Retail Supply Business for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Provisional True-up
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	-	-

3.10.3 BEST requests the Hon'ble Commission to approve the interest expense on normative basis for FY 2024-25 as computed in the Table above.

3.11 Interest on Working Capital (IoWC)

3.11.1 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. The relevant extract is as follows:

“(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:”

3.11.2 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.

Table 128: Normative Interest on Working Capital for Wires Business for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Revised Normative
O&M expenses for a month	37.38	42.15
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 129: Normative Interest on Working Capital for Retail Supply for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Revised Normative
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%	10.45%
Interest on Working Capital	-	-

3.11.3 For provisional true-up of FY 2024-25, BEST requests the Hon'ble Commission to approve the interest on Working Capital on normative basis in accordance



with the MYT Regulations, 2019.

3.12 Interest on consumer security deposit

3.12.1 BEST submits 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 requests the Hon'ble Commission to approve interest on consumer security deposit as shown in the table below:

Table 130: Interest on Consumer Deposit for FY 2024-25 (Rs. crore)

Particulars	FY 2024-25	
	MTR Order	Actual
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

3.12.2 BEST humbly requests the Hon'ble Commission to approve interest on consumer security deposit as shown in the table above for FY 2024-25.

3.13 Contribution to Contingency Reserves

3.13.1 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 131: Contribution to Contingency Reserve for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
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

3.13.2 BEST requests the Hon'ble Commission to approve the Contribution to Contingency Reserves for FY 2024-25 as shown in the Table above.

3.14 Other Expenses

3.14.1 BEST submits 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 132: Other Expenses for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
Other Expenses	24.19	42.27

3.14.2 BEST submits that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses, and **BEST requests the Hon'ble Commission to approve the Other Expenses as submitted in the above table.**

3.15 Provision for Bad and Doubtful Debts

3.15.1 BEST submits 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 133: Provision for Bad and Doubtful Debts for FY 2024-25 (Rs. Crore)

Provision for Bad and Doubtful Debts	FY 2024-25	
	MTR Order	Estimated
Distribution Wires Business	0.80	0.79
Retail Supply Business	7.18	5.94

3.15.2 **BEST humbly requests the Hon'ble Commission to approve the provision for bad and doubtful debts for FY 2024-25, as shown above.**

3.16 Return on Equity

3.16.1 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.

3.16.2 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 Hon'ble 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 True-up.

3.16.3 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.

3.16.4 The RoE claimed by BEST for FY 2024-25 for the Wires Business and Retail Supply Business is shown in the following Tables:

Table 134: Base Return on Equity for Wires Business for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
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%
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 135: Base Return on Equity for Retail Supply Business for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
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



3.16.5 Hence, BEST requests the Hon’ble Commission to approve Return on Equity on normative basis as shown in the tables above for FY 2024-25.

3.17 Return as Interest on Internal Funds

3.17.1 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal 13 of 2007 had directed the Hon’ble 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.

3.17.2 Accordingly, BEST submits the Interest on Internal Funds for FY 2024-25 as under:

Table 136: Return on Internal Fund Detail for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
Distribution Wires Business	4.75	4.75
Retail Supply Business	0.53	0.53

3.17.3 BEST requests the Hon’ble Commission to approve the above Return on Internal Funds of Rs. 5.28 crore for FY 2024-25.

3.18 Non-Tariff Income

3.18.1 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.

3.18.2 The Non-Tariff Income claimed by BEST for FY 2024-25 is shown in the following Table:

Table 137: Non-Tariff Income for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	Estimated
Non-Tariff Income	62.17	46.44

3.18.3 BEST requests the Hon’ble Commission to approve the Non-Tariff income as shown in the table above for FY 2024-25.

3.19 Revenue for FY 2024-25

3.19.1 The Hon’ble 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.



3.19.2 BEST has considered actual tariff approved by the Hon'ble 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.

3.19.3 The category-wise break-up of revenue from Fixed Charges, Demand Charges, Energy Charges, etc., for FY 2024-25 is provided in Form F13 of the Formats, submitted along with the Petition.

3.19.4 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 138: Estimated Revenue from Sale of electricity for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	MTR Order	Provisional Truing up
1	Revenue from Sale of Electricity	4828.20	4478.63

3.20 True-up of Aggregate Revenue Requirement for FY 2024-25

3.20.1 The ARR claimed by BEST in the provisional true-up for the Distribution Wires Business for FY 2024-25, is as shown in the Table below:

Table 139: True-up of ARR for FY 2024-25 (Rs. Crore) – Wires Business

Sr. No.	Particulars	MTR Order	Provisional Truing up	True-up Requirement
1	O&M Expenses	448.54	505.81	57.27
2	Depreciation	105.04	107.54	2.50
3	Interest on Loan Capital	-	1.06	1.06
4	Interest on Working Capital	7.75	12.81	5.06
5	Interest on CSD	2.68	3.68	1.00
6	Provision for bad and doubtful debts	0.80	0.79	(0.01)
7	Contribution to Contingency Reserves	-	7.40	7.40
8	Total Revenue Expenditure	564.82	639.10	74.29
9	Add: Return on Equity capital	132.43	133.90	1.47
10	Add: Return on Internal Funds	4.75	4.75	-
11	Aggregate Revenue Requirement	701.99	777.76	75.76
12	Less: Non-Tariff Income	6.22	4.64	(1.57)
13	Less: Income from Other Businesses		-	-
14	Aggregate Revenue Requirement from Distribution Wires	695.78	773.11	77.33
15	Revenue from existing/approved tariff		854.72	
16	Revenue Gap/(Surplus) of Wires Business		(81.61)	



3.20.2 The summary of the ARR claimed by BEST in the provisional true-up for the Retail Supply Business for FY 2024-25 is as shown in the Table below:

Table 140: True-up of ARR for FY 2024-25 (Rs. Crore) – Retail Supply Business

Sr. No.	Particulars	MTR Order	Provisional Truing up	True-up Requirement
1	Power Purchase Expenses	3,433.38	2,814.51	(618.87)
2	Operation & Maintenance Expenses	241.52	319.65	78.13
3	Depreciation	11.67	11.95	0.28
4	Interest on Loan Capital	-	-	-
5	Interest on Working Capital	-	-	-
6	Interest on Consumer Security Deposit	24.14	33.11	8.97
7	Write-off of Provision for bad and doubtful debts	7.18	5.94	(1.24)
8	Contribution to contingency reserves	-	0.82	0.82
9	Intra-State Transmission Charges	299.32	297.56	(1.76)
10	MSLDC Fees & Charges	0.99	0.98	(0.01)
11	Other Expenses	24.19	42.27	18.08
12	Total Revenue Expenditure	4,042.39	3,526.79	(515.60)
13	Add: Return on Equity Capital	16.29	15.72	(0.57)
14	Add: Return on Internal Fund	0.53	0.53	-
15	Aggregate Revenue Requirement	4,059.21	3,543.03	(516.17)
16	Less: Non-Tariff Income	55.95	41.80	(14.16)
17	Less: Income from Other Business		-	
18	Aggregate Revenue Requirement from Retail Supply	4,003.26	3,501.24	(502.02)
19	Revenue from existing tariff		3,623.92	
20	Revenue Gap/(Surplus) of Supply Business		(122.68)	

Table 141: True-up of ARR for FY 2024-25 (Rs. Crore) – Combined Distribution Business

Sr. No.	Particulars	MTR Order	Provisional Truing up	True-up Requirement
1	Power Purchase Expenses	3,433.38	2,814.51	(618.87)
2	Operation & Maintenance Expenses	690.07	825.47	135.40
3	Depreciation	116.71	119.49	2.77
4	Interest on Loan Capital	-	1.06	1.06
5	Interest on Working Capital	7.75	12.81	5.06
6	Interest on Consumer Security Deposit	26.82	36.79	9.97
7	Write-off of Provision for bad and doubtful debts	7.97	6.73	(1.24)



Sr. No.	Particulars	MTR Order	Provisional Truing up	True-up Requirement
8	Contribution to contingency reserves	-	8.23	8.23
9	Intra-State Transmission Charges	299.32	297.56	(1.76)
10	MSLDC Fees & Charges	0.99	0.98	(0.01)
11	Other Expenses	24.19	42.27	18.08
12	Total Revenue Expenditure	4,607.21	4,165.89	(441.32)
13	Add: Return on Equity Capital	148.72	149.62	0.90
14	Add: Return on Internal Fund	5.28	5.28	-
15	Aggregate Revenue Requirement	4,761.20	4,320.79	(440.41)
16	Less: Non-Tariff Income	62.17	46.44	(15.73)
17	Less: Income from Other Business			
18	ARR of Combined Distribution Business	4,699.03	4,274.35	(424.68)
19	Revenue from existing tariff		4478.63	
20	Revenue Gap/(Surplus) of Licensed Business		(204.29)	

3.20.3 The above estimated Revenue Gap/(Surplus) of the Wires Business and Supply Business has been addressed in the Cumulative Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30, as elaborated in Chapter 5 of this Petition.



4. Projected Aggregate Revenue Requirement for the Control Period from FY 2025-26 to FY 2029-30

4.1 Background

4.1.1 The Hon'ble Commission notified the MYT Regulations, 2024 for the fifth MYT Control Period from FY 2025-26 to FY 2029-30 on 19th August 2024. In accordance with the provisions of the MYT Regulations, 2024, BEST has filed the projected ARR for the MYT Control Period from FY 2025-26 to FY 2029-30.

4.2 Energy Sales

4.2.1 BEST's energy demand predominantly comprises sales to residential and commercial category consumers.

4.2.2 BEST submitted the Resource Adequacy Plan to the Hon'ble Commission in accordance with the MERC (Framework for Resource Adequacy) Regulations, 2024, which includes the demand forecast also. The Hon'ble Commission, vide its letter 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.

4.2.3 As regards the Hon'ble 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 Hon'ble 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 18th October 2024. BEST respectfully submits 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.



- 4.2.4 BEST respectfully submits 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 submits 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.
- 4.2.5 Further, the methodologies specified in MERC RA Regulations 2024 and Guidelines issued by CEA differ from those in the Discussion Paper. BEST would like to humbly request the Hon'ble Commission that until methodologies specified in the Discussion Paper are finalized and incorporated into the regulatory framework, the RA Plan submitted by BEST should be considered as it is in alignment with the prevailing Regulations and Guidelines, ensuring consistency and adherence to established procedures.
- 4.2.6 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 Hon'ble 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 shall be submitted within two weeks of submission of the revised MYT Petition. BEST requests the Hon'ble 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.
- 4.2.7 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 142: Category-wise growth rate considered for projection of Sales from FY 2025-26 to FY 2029-30

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%



4.2.8 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 Hon'ble Commission in the MTR Order. BEST respectfully submits that it is necessary to project sales more realistically, as there is not much scope for increase in sales in BEST's licence area, given the boundary limits and very low scope for expansion.

4.2.9 Hence, BEST believes that these growth rates are most realistic and requests the Hon'ble 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.

4.2.10 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 143: Projected Category-wise energy sales in (HT in MkVAh and LT in MU) from FY 2025-26 to FY 2029-30

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



Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
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
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

4.2.11 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 is shown in the table below:

Table 144: Projected Category-wise energy sales in MU from FY 2025-26 to FY 2029-30

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					



Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
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
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

4.3 Growth in number of Consumers

4.3.1 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 < 20kW

4.3.2 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 145: Projected Category-wise consumer growth for FY 2025-26 to FY 2029-30

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 kW & <=50 kW	5926	5926	5926	5926	5,926	5926
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-Pumpsets			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



Consumer Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total	10,54,251	10,58,834	10,63,452	10,68,104	10,72,791	10,77,514

4.4 Energy Balance

- 4.4.1** 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.
- 4.4.2** BEST has achieved distribution loss level of 4.18% and 4.12% for FY 2022-23 and FY 2023-24, respectively.
- 4.4.3** 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.
- 4.4.4** 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 Hon'ble Commission approves 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 Hon'ble 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 Hon'ble Commission is requested to consider BEST's loss target proposal and leave room for performing at efficient levels.

4.4.5 The Hon'ble 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.

4.4.6 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 146: Historical Performance

Particulars	Actual				
	2019-20	2020-21	2021-22	2022-23	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
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%

*Note: * Considering Rebate*

Table 147: Proposed Performance Trajectory

Particulars	Estimated					
	2024-25	2025-26	2026-27	2027-28	2028-29	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%



- 4.4.7** BEST has considered the InSTS losses in line with the STU Petition admitted by the Hon'ble Commission for estimating the Energy Balance for the Control Period from FY 2025-26 to FY 2029-30. The Hon'ble 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.
- 4.4.8** BEST submits that it has worked out the Power Purchase requirement at G-T Periphery after accounting for the quantum available from Rooftop Solar.
- 4.4.9** 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 148: Energy Balance for FY 2025-26 to FY 2029-30 (Sales in kWh)

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
Net Energy Requirement at G-T interface (MU)	%	5,194.11	5,234.70	5,278.49	5,327.41	5,381.34

4.5 Power Purchase Expenses

4.5.1 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:

- Power Purchase from TPC-G;
- Walwhan Solar Energy Maharashtra (Erstwhile Welspun);
- SECI Hybrid - Solar;



- d) SECI Standalone Solar
- e) SECI Hybrid – Wind
- f) M/s Sai Wardha Power Generation Pvt. Ltd. (SWPGPL)
- g) Power Purchase from external sources (Energy Exchange);
- h) Transmission Charges, MSLDC charges.
- i) Others

Power Purchase from TPC-G

4.5.2 BEST Undertaking had 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 Hon'ble 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 Hon'ble 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.

4.5.3 However, later on the Hon'ble 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 Hon'ble 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 31.03.2029. Accordingly, as per Hon'ble 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 06.03.2024 for 5 years from 1st April 2024 to 31st March 2029.'

4.5.4 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.

- 4.5.5** 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.
- 4.5.6** 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 149: Power Purchase from TPC-G from FY 2025-26 to FY 2029-30

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 Pvt. Ltd. (SWPGPL)

4.5.7 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.

4.5.8 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 150: Bidder details

Sl. No.	Bidder Name	Project
1	M/s Jindal India Thermal Power Limited	Project 1
2	M/s OPG Power Generation Pvt. Ltd.	Project 1
3	M/s Sai Wardha Power Generation Pvt. Ltd.	Project 1

4.5.9 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.

4.5.10 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 Hon'ble MERC Orders in Case No. 135 of 2024, BEST Undertaking has signed Agreement for Procurement Power (APP) from M/s Sai Wardha on 15.10.2024. 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.

4.5.11 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.

Power Purchase from Walwhan Solar Energy Maharashtra (Erstwhile Welspun)

4.5.12 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

4.5.13 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 151: Details of RE Power – PSA with SECI

Sr. No.	Name of Generator	Generating Plant	Scheduled COD	Capacity (MW)	Rate (Rs./kWh)
1	Adani Green Energy Twenty Six A Limited	Solar Plant at Khavda RE Park, Gujarat	Jan 2026	234	2.71
2	ABC Renewable Energy Private Limited	Hybrid (Solar and Wind)		136.94	2.48
3	Adani Renewable Holding Eight Limited	Hybrid (Solar and Wind) at Khavda RE Park, Gujarat	April 2025	216.22	2.48
4	AMP Energy Green Private Limited	Hybrid (Solar and Wind)	April 2025	46.85	2.48

4.5.14 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.

4.5.15 Also, BEST would like to apprise 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 be happy to procure and schedule the power from this source and thus optimize the overall power purchase cost.

- 4.5.16** 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 shall 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

- 4.5.17** In the RA Plan submitted to the Hon'ble 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.
- 4.5.18** BEST respectfully submits that the Hon'ble 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 152: 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%



4.5.19 In this regard, BEST respectfully submits 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 Hon'ble 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.

4.5.20 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 requests the Hon'ble 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.

4.5.21 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 Sources

4.5.22 BEST submits that the PPA with TPC-G is expiring on 31st March 2029. For the purpose of this 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 the Hon'ble Commission's directions in this regard.

4.5.23 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 submits 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.

4.5.24 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, and MSLDC Charges

4.5.25 For the purpose of this Petition, 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 153: Projected Transmission Charges and MSLDC Charges from FY 2025-26 to FY 2029-30 (Rs. Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
2	InSTS True-up Gap	28.87				
3	MSLDC Charges	1.15	1.59	2.33	2.83	3.19



Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
4	STU Charges	0.28	0.28	0.27	0.26	0.25

Standby Charges

4.5.26 In its MTR Petition, 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 Hon'ble 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.

4.5.27 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 Hon'ble Commission for de-novo reconsideration of the matter of relevance and share of Standby Charges to be paid by the Distribution Licensees in Mumbai.

4.5.28 Subsequently, this matter has been taken up by the Hon'ble 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 Hon'ble Commission issues its Order in this matter and the matter achieves finality, BEST shall comply with the Order appropriately.

Total Power Purchase Cost

4.5.29 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 154: Summary of Power Purchase Expenses from FY 2025-26 to FY 2029-30

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	
STU Charges		0.28			0.28			0.27			0.26			0.25	



4.5.30 BEST requests the Hon’ble 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

4.5.31 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 Hon’ble Commission has modified the RPO basket and RPO target percentage in line with the MoP ‘Renewable Purchase Obligation (RPO) and Energy Storage Obligation Trajectory till 2029-30’ Order dated 22nd July, 2022 and its Corrigendum on 19th September 2022, as shown in the table below:

Table 155: RPO Target for FY 2025-26 to FY 2029-30 (in %) as per MERC RPO Regulations, 2022

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%

4.5.32 It may be noted that as per Regulation 10.2 of the MERC RPO Regulations, 2019, the RPO compliance excludes the power procurement from Hydro power plants. The relevant extract of the Regulation is reproduced below for ready reference:

“10.2 The estimated quantum of RE purchase shall be in accordance with Regulation 7.1 corresponding to the approved power purchase quantity excluding Hydro power for each year of the Operating Period.”

4.5.33 Therefore, BEST has estimated the RPO requirement excluding estimated power procurement from TPC-G Hydro.



4.5.34 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 156: Details of RPO Achievement for FY 2025-26 to FY 2029-30 (MU)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
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%
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



Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
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%

4.5.35 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.

4.5.36 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 section 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.

4.6 Operation and Maintenance Expenses

Wires Business

4.6.1 BEST has projected the normative O&M expenses for the Control Period from FY 2025-26 to FY 2029-30 in accordance with Regulation 93.1 and 93.2 of the MYT Regulations 2024. The relevant extract from the Regulations is reproduced below:

“93.1. The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Distribution Wires Business as specified in the norms below for each year of the Control Period:

Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Distribution Wires Business (in INR Crore) shall be multiplied by the O&M Norms in terms of “percentage of Average GFA”, for the respective years.

93.2 For applying normative O&M expenses with respect to Consumer's growth, the O&M Norms in terms of “INR Lakhs/'000 Consumers” or “INR Lakhs/'00 Consumers” (in case of Deemed Distribution Licensees) shall be multiplied by the closing total Wheeling Consumers inclusive of full Open Access Consumers, if any, of the Distribution Wires Business, during the respective financial year.

Provided that the Partial Open Access consumers are embedded within the Wheeling Consumers of the Distribution Wires Business, hence, no separate



addition of such Partial Open Access consumers will be allowed to avoid double accounting:

Provided further that the Distribution Licensee shall submit the details of its consumer base having the break-up of its direct consumers, Partial Open Access consumers and Full Open Access consumers for the respective years at the time of filing MYT Petition for Distribution Wires Business.

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Norms					
O&M (% of opening GFA)	14.43%	15.08%	15.76%	16.46%	17.20%
O&M (INR Lakhs/000 consumers)	4.43	4.63	4.84	5.06	5.28

.....”

4.6.2 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 pertaining to this is mentioned in the para of 4.7.11 of the subsequent section of Capital expenditure and capitalisation.

4.6.3 The computation of normative O&M expenses for the Wires Business of BEST is shown in the Table below:

Table 157: Normative O&M Expenses for Wire Business for FY 2025-26 to FY 2029-30

Particulars	FY 26	FY 27	FY 28	FY 29	FY 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



Retail Supply Business

- 4.6.4** BEST has projected the normative O&M expenses for the Control Period from FY 2025-26 to FY 2029-30 in accordance with Regulation 103.1 and 103.2 of the MYT Regulations 2024. The relevant extract from the Regulations is reproduced below:

“103.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Retail Supply of electricity as specified in the norms below for each year of the Control Period:

Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Retail Supply Business (in INR Crore) shall be multiplied by the O&M Norms in terms of “percentage of Average GFA”, for the respective years.

103.2 For applying normative O&M expenses with respect to Consumer’s growth, the O&M Norms in terms of “INR Lakhs/’000 Consumers” or “INR Lakhs/’00 Consumers” (in case of Deemed Distribution Licensees) shall be multiplied by the closing total Retail Supply Consumers, if any, of the Retail Supply Business, for the respective financial year.

BEST	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<i>O&M (% of Average GFA - Retail Supply)</i>	7.77%	8.12%	8.48%	8.87%	9.26%
<i>O&M (INR Lakhs/’000 Consumers)</i>	21.48	22.44	23.45	24.50	25.60

-----”

- 4.6.5** For projecting O&M expenses for the MYT Control Period, the closing GFA of Supply Business as claimed in the true-up for FY 2024-25, has been considered as the opening GFA of Supply 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.
- 4.6.6** The computation of normative O&M expenses for the Supply Business of BEST is shown in the Table below:



Table 158: Normative O&M Expenses for Retail Supply Business for FY 2025-26 to FY 2029-30

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 Scheme

4.6.7 BEST submits 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 29.07.2021. 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.....”

4.6.8 Further, BEST submits 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 Hon’ble Commission. The relevant extract from the Regulations is reproduced below:

“93.5 A Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:



Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis, and life-cycle cost analysis of such schemes as against capex schemes, and savings in O&M expenses, if any”.

4.6.9 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. The relevant extract from the Regulations is reproduced below:

*“3.11 The Distribution Business/Licensees may consider implementation of Smart Meters and/or Prepaid meters under Total Expenses or TOTEX (Capex Expenditure + Opex Expenditure) model:
Provided that the prudence of the TOTEX scheme shall be evaluated in accordance with the framework laid down by the relevant Guidelines of Government of India.”*

4.6.10 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*

..... ”

4.6.11 BEST submits that the Detailed Project Report (DPR) for the Smart Metering scheme was approved by the Hon’ble Commission on 22 November 2023, with a total approved value of Rs. 1303.16 Crore. A copy of the DPR approval letter is attached as **Annexure 22**. As directed by the Commission in the MTR Order dated 31.03.2023, BEST is submitting the Cost-Benefit Analysis (CBA) of the Smart Metering scheme as **Annexure 21**.

4.6.12 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 submits



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.

- 4.6.13** BEST would like to apprise the Hon'ble Commission that it has already started the implementation of the Smart Meters from FY 2023-24 onwards and submits 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.
- 4.6.14** 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.
- 4.6.15** BEST submits 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.
- 4.6.16** 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 159: 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

- 4.6.17** BEST will make the payment as per schedule and methodology defined in the contract agreement along with terms and conditions with Adani Transmission Limited (ATL). 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. Hence, the payment has been



considered for the MYT Control Period as per the above methodology based on projected year-wise meter installation.

4.6.18 BEST has considered only two types of meters under the Wire Business, viz.,

- Three phase CT/PT operated - Feeder meter
- Three phase CT/PT operated - ABT meter

4.6.19 Accordingly, the payment to the AMISP towards Smart Meters installed has been considered under Opex head in the total O&M cost of Wires Business. The total normative O&M expenses including Smart Meter OPEX scheme for the Wires Business is given in the Table below:

Table 160: Total O&M Expenses for Wires Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

	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

4.6.20 Further, as per MYT Regulations, 2024, BEST has calculated the cost-benefit analysis of the Opex vs. Capex scheme, which is attached as **Annexure 21**.

4.6.21 BEST submits 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.



4.6.22 BEST requests the Hon’ble Commission to consider the Smart Meter Project expenses over and above normative O&M expenses under OPEX scheme for the Wires Business.

Details of Smart Meter for Retail Supply Business

4.6.23 BEST has considered the following five types of meters under the Supply Business:

Table 161: Type and quantity of Smart meter details for Retail Supply Business

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
TOTAL	10,79,288

4.6.24 As stated earlier, 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 above methodology based on projected year-wise meter installation.

4.6.25 Accordingly, the payment to the AMISP towards Smart Meters installed has been considered under Opex head in the total O&M cost of Supply Business. The total normative O&M expenses including Smart Meter OPEX scheme for the Supply Business is given in the Table below:

Table 162: Total O&M Expenses for Supply Business from FY 2025-26 to FY 2029-30 (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

4.6.26 BEST requests the Hon’ble Commission to consider the Smart Meter Project expenses over and above normative O&M expenses under OPEX scheme for the Supply Business.



4.7 Capital Expenditure and Capitalization

- 4.7.1** 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.
- 4.7.2** BEST submits 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.
- 4.7.3** BEST's distribution network comprises around 11000 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.
- 4.7.4** 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 31-03-2026.
- 4.7.5** 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. 3460.98 Crore and Action Plan on 25.08.2022 and presently BEST's proposal is under consideration of Govt. of India. The GR of GoM approval of RDSSS Plan is attached as **Annexure 24**. 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.

- 4.7.6** BEST further submits that according to the Sanction Letter received from Power Finance Corporation (PFC) dt. 21.11.2022, PFC has approved Rs. 978.22 Crore in the 13th Monitoring Committee meeting of RDSS held under the chairmanship of Secretary (Power) on 22.08.2022. 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. The copy of PFC approval letter is attached as **Annexure 25**.
- 4.7.7** BEST submits that the DPR for implementation of various Schemes under RDSS was approved by the Hon'ble Commission on 9th January 2024, with a total approval value of Rs. 1711.21 Crore. A copy of the DPR approval letter is attached as **Annexure 23**.
- 4.7.8** 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.
- 4.7.9** The detailed Scheme-wise break-up of Capex and Capitalisation proposed for FY 2025-26 to FY 2029-30 is shown in the table below:



Table 163: Proposed Capex and Capitalisation for Wires Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Project code	Type of scheme	Approved Cost	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
			CAPE X	Capitalis ation	CAPE X	Capitalis ation	CAPE X	Capitalis ation	CAPE X	Capitalis ation	CAPE X	Capitalis ation
a) DPR Schemes												
<u>(i) In-principle approved by MERC</u>												
New RSS												
BEST/FY21/01		27.40	10.00	6.00	13.40	12.00	0.00	9.40	0.00	0.00	0.00	0.00
RDSS												
RDSS /BEST/FY 2023-2024/01(R)	RSS	504.91	150.00	150.00	92.61	92.61	0.00	0.00	0.00	0.00	0.00	0.00
	DSS	690.93	300.00	300.00	320.93	320.93	0.00	0.00	0.00	0.00	0.00	0.00
	ADMS	182.15	80.00	80.00	22.15	22.15	0.00	0.00	0.00	0.00	0.00	0.00
	Aux. Equip.	82.05	60.00	60.00	12.04	12.04	0.00	0.00	0.00	0.00	0.00	0.00
	ERP	235.93	100.00	100.00	85.93	85.93	0.00	0.00	0.00	0.00	0.00	0.00
	PMA	15.24	5.00	5.00	7.24	7.24	0.00	0.00	0.00	0.00	0.00	0.00
<u>(ii) Yet to submit for in-principle MERC approval</u>												
RDSS Modernisation												
RDSS Modernisation	RSS						150.00	150.00	150.00	150.00	150.00	150.00
	DSS		50.00	50.00	50.00	50.00	300.00	300.00	300.00	300.00	300.00	300.00
b) Non-DPR Schemes												
Revamping of RSS & other schemes (Non-DPR)	-		15	15	22	22	20	20	20	20	20	20
Business Process Automation			0.03	0.03	0.25	0.25	0.2	0.2	0.25	0.25	0.5	0.5
Street Lighting	-		15.00	15.00	20.00	20.00	18.00	18.00	15.00	15.00	20.00	20.00
Furniture, Office Eq., Tools, Civil Engg. Works, Motor Vehicle etc. & Share of GA	-		2.50	2.50	2.00	2.00	2.50	2.50	2.50	2.50	2.00	2.00
GFA			1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total		2445.88	789.03	785.03	750.05	648.65	492.20	501.60	489.25	489.25	494.00	494.00



4.7.10 BEST respectfully submits 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.



4.7.11 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.

4.7.12 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.

4.7.13 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 164: Capital Expenditure and Capitalization considered for Wires Business for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Capital Expenditure	364.52	319.01	246.10	244.63	247.00
2	Capitalisation	362.52	318.31	250.80	244.63	247.00

Table 165: Capital Expenditure and Capitalization considered for Retail Supply Business for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Capital Expenditure	30.00	6.02	-	-	-
2	Capitalisation	30.00	6.02	-	-	-

4.7.14 BEST humbly requests the Hon'ble Commission to approve the projected Capital Expenditure and Capitalization as submitted by BEST, 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.



4.8 Funding of Capitalization

4.8.1 As mentioned earlier, 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. 21.11.2022. Further, the balance funding of capitalization is through capital connection fee, loan, equity and grant.

4.8.2 BEST submits 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.

4.8.3 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 166: Funding of Capitalization for Wire Business for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Capital Connection Fee					
2	Grants from IPDS Scheme/RDSS Scheme	256.03	117.19	-	-	-
3	Grants for Street Lights	15.00	20.00	18.00	15.00	20.00
4	Debt	64.04	126.78	162.96	160.74	158.90
5	Equity	27.45	54.33	69.84	68.89	68.10
6	Total of Capitalisation	362.52	318.31	250.80	244.63	247.00



Table 167: Funding of Capitalization for Retail Supply Business for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Grants from IPDS Scheme/RDSS Scheme	30.00	8.52	-	-	-
2	Grants for Street Lights	-	-	-	-	-
3	Debt	-	-	-	-	-
4	Equity	-	-	-	-	-
5	Total of Capitalisation	30.00	6.02	-	-	-

4.8.4 BEST requests the Hon’ble Commission to approve the funding for the projected Capitalization as submitted by BEST.

4.9 Depreciation

4.9.1 BEST has computed depreciation for the MYT Control Period as specified in Regulation 28 of the MYT Regulations, 2024.

4.9.2 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. The relevant extract of the Regulations is reproduced below:

“ 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.
...”*

4.9.3 BEST has hence, 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.

4.9.4 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 Hon’ble Commission in the



previous Orders. BEST has calculated depreciation for new assets as per asset class-wise depreciation rates.

4.9.5 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 Hon'ble 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 168: Depreciation for existing assets from FY 2025-26 to FY 2029-30 (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 169: Depreciation for new assets for Wires Business from FY 2025-26 to FY 2029-30 (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 170: Total Depreciation for Wires Business from FY 2025-26 to FY 2029-30 (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 171: Depreciation for Retail Supply Business from FY 2025-26 to FY 2029-30 (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

4.9.6 BEST submits that the details of regulatory GFA, depreciation and net GFA are detailed in Form 5, Form 5.1 (existing), Form 5.1 (New), Form 5.2 (existing), Form 5.2 (new), and Form – Regulatory GFA and Depreciation of regulatory Formats, submitted along with this Petition.

4.9.7 BEST submits 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.

4.9.8 Further, BEST submits 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.

4.9.9 **BEST humbly requests the Hon’ble Commission to approve the projected depreciation for FY 2025-26 to FY 2029-30 as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of truing up.**

4.10 Interest on Long-term loan

4.10.1 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, as reproduced below:



“ 30 Interest on Loan....

30.1 *The loans arrived at in the manner indicated in Regulation 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:*

Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

30.2 *The normative loan outstanding as on April 1, 2025, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2025, from the gross normative loan.*

30.3 *The loan repayment during each year of the Control Period from FY 2025-26 to FY 2029-30 shall be deemed to be equal to the depreciation allowed for that year.*

30.4 *Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the Scheme and shall be equal to the annual depreciation allowed.*

30.5 *The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:*

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:

Provided further that if there is no actual long-term loan for a particular year but normative long-term loan is still outstanding, the last available weighted average rate of interest for actual long-term loan shall be considered: ...”

4.10.2 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 deprecation 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.

4.10.3 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 172: Normative Interest on loan for Wires Business for FY 2025-26 to FY 2029-30 (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 173: Normative Interest on loan for Retail Supply Business for FY 2025-26 to FY 2029-30 (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	-	-	-	-	-



4.10.4 Therefore, **BEST requests the Hon’ble 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.**

4.11 Interest on Working Capital

4.11.1 BEST has calculated interest on working capital based on the norms specified in Regulations 32.3 and 32.4 of the MYT Regulations, 2024. The relevant extract from the Regulations is reproduced below:

“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.”

- 4.11.2** Working capital for each year of the Control Period has been computed based on
- 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;
 - Reduction of Security Deposit expected to be retained by BEST;
 - Reduction of one-month equivalent of cost of power purchase, Transmission Charges and MSLDC Charges for the Retail Supply Business.
- 4.11.3** 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.
- 4.11.4** 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 174: Normative Interest on Working Capital for Wires Business from FY 2025-26 to FY 2029-30 (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 months 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 175: Normative Interest on Working Capital for Retail Supply Business from FY 2025-26 to FY 2029-30 (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 Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Normative Interest on Working Capital	-	-	-	-	-

4.11.5 The normative interest on working capital for retail supply business works out to Nil, as working capital requirement is funded by consumer security deposit. **The Hon'ble Commission is requested to approve the normative IoWC as summarized in table above.**



4.12 Interest on Consumer Security Deposit

4.12.1 BEST submits 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. BEST submits that the CSD amount for all years of the Control Period has been considered same as in FY 2024-25.

4.12.2 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 176: Interest on Consumer Security Deposit for Wires Business FY 2025-26 to FY 2029-30 (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 177: Interest on Consumer Security Deposit for Supply Business FY 2025-26 to FY 2029-30 (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

4.12.3 BEST humbly requests the Hon'ble Commission to approve the projected Interest on Consumer Security Deposit as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of truing up.

4.13 Contribution to Contingency Reserves

4.13.1 BEST has considered the contribution to contingency reserves in accordance with Regulation 35 of the MYT Regulations, 2024. The relevant extract from the Regulations is reproduced below:

“35 Contribution to Contingency Reserve

.....

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:

.....”

4.13.2 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 178: Contribution to Contingency Reserves for Wires Business from FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening Balance of Contingency Reserves	64.52	72.59	81.65	91.52	102.01
2	Opening Gross Fixed Assets	3,229.76	3,622.28	3,946.60	4,197.40	4,442.03
3	Opening Balance of Contingency Reserves as % of Opening GFA	2.00%	2.00%	2.07%	2.18%	2.30%
4	Contribution to Contingency Reserves during the year	8.07	9.06	9.87	10.49	11.11
5	Utilisation of Contingency Reserves during the year	-	-	-	-	-
6	Closing Balance of Contingency Reserves	72.59	81.65	91.52	102.01	113.11
7	Closing Balance of Contingency Reserves as % of Opening GFA	2.25%	2.25%	2.32%	2.43%	2.55%

Table 179: Contribution to Contingency Reserves for Retail Supply Business from FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening Balance of Contingency Reserves	7.17	8.07	8.96	9.86	10.76
2	Opening Gross Fixed Assets	358.86	358.86	358.86	358.86	358.86
3	Opening Balance of Contingency Reserves as % of Opening GFA	2.00%	2.25%	2.50%	2.75%	3.00%
4	Contribution to Contingency Reserves during the year	0.90	0.90	0.90	0.90	0.90
5	Utilisation of Contingency Reserves during the year					
6	Closing Balance of Contingency Reserves	8.07	8.96	9.86	10.76	11.65
7	Closing Balance of Contingency Reserves as % of Opening GFA	2.25%	2.50%	2.75%	3.00%	3.25%



4.13.3 BEST humbly requests the Hon’ble Commission to approve the projected Contribution to Contingency Reserves as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of truing up.

4.14 Other Expenses

4.14.1 BEST submits 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 180: Other Expenses for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Prompt payment Discount	15.11	15.11	15.11	15.11	15.11
2	Power factor Incentive	11.52	11.52	11.52	11.52	11.52
3	Load factor Incentive	4.48	4.48	4.48	4.48	4.48
4	Discount on Digital Payment to Consumers	4.41	4.45	4.50	4.54	4.59
5	Discount for E Bill Option	6.66	6.66	6.66	6.66	6.66
6	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

4.14.2 BEST submits that in the Other Expenses, Power Factor incentives and Prompt Payment discount are the major expenses. **BEST requests the Hon’ble Commission to approve the Other Expenses as submitted in the above table.**

4.15 Provision for Bad and Doubtful debts

4.15.1 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. The relevant extract from the Regulations is reproduced below:

“94.1 Provision for Bad and Doubtful Debts

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:

.....”

4.15.2 The projected Provision for Bad and Doubtful Debts for the Control Period from FY 205-26 to FY 2029-30 is shown in the Tables below:

Table 181: Provision for Bad and doubtful debt from FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Wires Business					
1	Receivables for the year	52.80	52.80	52.80	52.80	52.80
2	Provision for bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
3	Provision for bad & doubtful debts during the year	0.79	0.79	0.79	0.79	0.79
	Supply Business					
4	Receivables for the year	528.03	528.03	528.03	528.03	528.03
5	Provision for bad and doubtful debt as % of Receivables	1.12%	1.12%	1.12%	1.12%	1.12%
6	Provision for bad & doubtful debts during the year	5.94	5.94	5.94	5.94	5.94

4.15.3 BEST humbly requests the Hon’ble 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.

4.16 Return on Equity

4.16.1 BEST has calculated Return on Equity in accordance with Regulation 29 of the MYT Regulations, 2024. The relevant extract from the Regulations is reproduced below:

“29. Return on Equity

...

29.2 Return on Equity at the time of MYT Proceedings

i. Return on equity for the Generating Company having thermal, gas or hydro plants, Transmission Licensee and Distribution Wires Business, shall be allowed on the equity capital determined in accordance with Regulation 27 for



the assets put to use, at the rate of 15.50 (base rate – 14 + performance linked -1.50) per cent per annum in Indian Rupee terms.

ii. Return on equity for Retail Supply Business shall be allowed on the amount of equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 17.50 (base rate – 15.50 + performance linked -2.00) per cent per annum in Indian Rupee terms.

....”

4.16.2 BEST submits that as per the above mentioned 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.

4.16.3 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 182: Return on Equity for Wires Business from FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Regulatory Equity at the beginning of the year	971.88	999.33	1,053.66	1,123.50	1,192.39
2	Capitalisation during the year	362.52	318.31	250.80	244.63	247.00
3	Equity portion of capitalisation during the year	27.45	54.33	69.84	68.89	68.10
4	Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-
5	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					
6	Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%



Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
7	Pretax Return on Equity after considering Income Tax rate approved	15.50%	15.50%	15.50%	15.50%	15.50%
8	Return on Regulatory Equity at the beginning of the year	150.64	154.90	163.32	174.14	184.82
9	Return on Regulatory Equity addition during the year	4.25	8.42	10.83	10.68	10.56
10	Total Return on Equity	154.90	163.32	174.14	184.82	195.38

Table 183: Return on Equity for Retail Supply Business for FY 2025-26 to FY 2029-30 (Rs Crore)

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Regulatory Equity at the beginning of the year	102.16	102.16	102.16	102.16	102.16
2	Capitalisation during the year	30.00	6.02	-	-	-
3	Equity portion of capitalisation during the year	-	-	-	-	-
4	Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-
5	Regulatory Equity at the end of the year	102.16	102.16	102.16	102.16	102.16
	Return on Equity Computation					
6	Rate of Return on Equity	17.50%	17.50%	17.50%	17.50%	17.50%
7	Pretax Return on Equity after considering Income Tax rate approved	17.50%	17.50%	17.50%	17.50%	17.50%
8	Return on Regulatory Equity at the beginning of the year	17.88	17.88	17.88	17.88	17.88
9	Return on Regulatory Equity addition during the year	-	-	-	-	-
10	Total Return on Equity	17.88	17.88	17.88	17.88	17.88

4.16.4 BEST humbly requests the Hon'ble Commission to approve the projected Return on Equity as submitted by BEST. Any variation in above expenses will be claimed on actual basis at the time of truing up.

4.17 Return as Interest on Internal funds

4.17.1 BEST submits the Interest on Internal Funds as under:

Table 184: Return on Internal Funds for Wire Business for FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Internal Fund (Rs. Crore)	4.75	4.75	4.75	4.75	4.75



Table 185: Return on Internal Funds for Retail Supply Business for FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Internal Fund (Rs. Crore)	0.53	0.53	0.53	0.53	0.53

4.17.2 The Appellate Tribunal of Electricity, in its Judgment dated 27 August, 2007 in Appeal No. 13 of 2007 had directed the Hon'ble 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.

4.17.3 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 Hon'ble Commission for FY 2024-25.

4.17.4 **BEST humbly request the Hon'ble 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.

4.18 Non-Tariff Income

4.18.1 BEST has considered the Non-Tariff Income same as in FY 2024-25 for all the years of MYT Control Period. BEST submits the Non-Tariff Income as under:

Table 186: Non-Tariff Income for Wire Business from FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income (Rs Crore)	4.64	4.64	4.64	4.64	4.64

Table 187: Non-Tariff Income for Retail Supply Business from FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income (Rs Crore)	41.80	41.80	41.80	41.80	41.80

4.18.2 **BEST humbly requests the Hon'ble Commission to approve the projected Non-Tariff Income as submitted by BEST.**

4.19 Revenue from Existing Tariff for FY 2025-26 to FY 2029-30

4.19.1 The revenue from existing tariff for each year of the Control Period from FY 2025-26 to FY 2029-30 is provided in Forms F13.1 to F13.5 of the Petition Formats, submitted along with this Petition. The revenue from existing tariff has been



computed based on the category-wise tariffs approved for FY 2024-25 and the category-wise sales projected for the respective year. Further, as the FAC levied in the month of September 2024 was Nil, FAC has not been considered for computing the revenue from existing tariff. The summary of the revenue from existing tariff for each year of the Control Period is shown in the Table below:

Table 188: Revenue from Existing Tariff from FY 2025-26 to FY 2029-30

Sl.	Particulars	Sales (MU)	Revenue (Rs. Crore)
1	FY 2025-26	4817.60	4499.06
2	FY 2026-27	4856.50	4531.69
3	FY 2027-28	4898.41	4566.58
4	FY 2028-29	4945.60	4605.42
5	FY 2029-30	4998.50	4648.54

4.20 Summary of Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30

4.20.1 The ARR summary for Distribution Wires business for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 189: ARR for Distribution Wires Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	540.68	616.55	689.37	760.98	837.57
2	Depreciation	131.47	146.90	161.87	172.38	182.81
3	Interest on Loan Capital	-	-	0.06	0.06	-
4	Interest on Working Capital	13.57	14.71	15.79	16.80	17.86
5	Interest on deposit from Consumers and Distribution System Users	3.68	3.68	3.68	3.68	3.68
6	Provision for bad and doubtful debts	0.79	0.79	0.79	0.79	0.79
7	Contribution to contingency reserves	8.07	9.06	9.87	10.49	11.11
8	Total Revenue Expenditure	698.26	791.69	881.42	965.17	1,053.81
9	Add: Return on Equity Capital	154.90	163.32	174.14	184.82	195.38
10	Add: Return on Internal Fund	4.75	4.75	4.75	4.75	4.75
13	Aggregate Revenue Requirement	857.91	959.76	1,060.31	1,154.74	1,253.94
14	Less: Non-Tariff Income	4.64	4.64	4.64	4.64	4.64



Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
15	Less: Income from other business					
16	Aggregate Revenue Requirement from Distribution Wires	853.26	955.11	1,055.67	1,150.10	1,249.29
17	Revenue from existing/approved tariff	867.66	875.17	883.23	892.27	902.38
18	Standalone Revenue Gap/(Surplus) of Wires Business	(14.40)	79.95	172.44	257.83	346.91

4.20.2 Following is the ARR summary for Retail Supply business for the Control Period from FY 2025-26 to FY 2029-30:

Table 190: ARR for Retail Supply Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Power Purchase Expenses	2,886.68	2,822.50	2,920.49	2,988.79	2,696.62
2	Operation & Maintenance Expenses	388.99	441.63	455.13	469.03	483.58
3	Depreciation	13.10	13.86	13.99	13.99	13.99
4	Interest on Loan Capital	-	-	-	-	-
5	Interest on Working Capital	-	-	-	-	-
6	Interest on Consumer Security Deposit	33.11	33.11	33.11	33.11	33.11
7	Write-off of Provision for bad and doubtful debts	5.94	5.94	5.94	5.94	5.94
8	Contribution to contingency reserves	0.90	0.90	0.90	0.90	0.90
9	Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
10	InSTS True-up Gap	28.87				
11	MSLDC Fees & Charges	1.15	1.59	2.33	2.83	3.19
12	STU Charges	0.28	0.28	0.27	0.26	0.25
13	Other Expenses	42.31	42.36	42.40	42.45	42.49
14	Total Revenue Expenditure	3,849.14	3,725.67	3,882.72	3,997.03	3,739.20
15	Add: Return on Equity Capital	17.88	17.88	17.88	17.88	17.88
16	Add: Return on Internal Fund	0.53	0.53	0.53	0.53	0.53
17	Aggregate Revenue Requirement	3,867.55	3,744.08	3,901.13	4,015.43	3,757.6
18	Less: Non-Tariff Income	41.80	41.80	41.80	41.80	41.80
19	Less: Income from other business	-	-	-	-	-
20	Aggregate Revenue Requirement from Retail Supply	3,825.75	3,702.28	3,859.33	3,973.64	3,715.81
21	Revenue from existing tariff	3,631.40	3,656.53	3,683.35	3,713.15	3,746.16



Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
22	Standalone Revenue Gap/(Surplus) of Supply Business	194.35	45.76	175.98	260.49	(30.35)

4.20.3 The Aggregate Revenue Requirement for Combined Distribution Business for the Control Period from FY 2025-26 to FY 2029-30 is shown in the table below:

Table 191: Summary of ARR for Combined Distribution Business from FY 2025-26 to FY 2029-30 (Rs Crore)

Sl. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Power Purchase Expenses	2,886.68	2,822.50	2,920.49	2,988.79	2,696.62
2	Operation & Maintenance Expenses	929.66	1,058.18	1,144.49	1,230.01	1,321.15
3	Depreciation	144.57	160.75	175.85	186.36	196.80
4	Interest on Loan Capital	-	-	0.06	0.06	-
5	Interest on Working Capital	13.57	14.71	15.79	16.80	17.86
6	Interest on Consumer Security Deposit	36.79	36.79	36.79	36.79	36.79
7	Write-off of Provision for bad and doubtful debts	6.73	6.73	6.73	6.73	6.73
8	Contribution to contingency reserves	8.97	9.95	10.76	11.39	12.00
9	Intra-State Transmission Charges	447.82	363.51	408.17	439.73	459.13
10	InSTS True-up Gap	28.87				
11	MSLDC Fees & Charges	1.15	1.59	2.33	2.83	3.19
12	STU Charges	0.28	0.28	0.27	0.26	0.25
13	Other Expenses	42.31	42.36	42.40	42.45	42.49
14	Total Revenue Expenditure	4,547.40	4,517.36	4,764.14	4,962.20	4,793.01
15	Add: Return on Equity Capital	172.77	181.20	192.02	202.70	213.25
16	Add: Return on Internal Fund	5.28	5.28	5.28	5.28	5.28
17	Aggregate Revenue Requirement	4,725.45	4,703.84	4,961.44	5,170.18	5,011.54
18	Less: Non-Tariff Income	46.44	46.44	46.44	46.44	46.44
19	Less: Income from other business	-	-	-	-	-
20	Combined Aggregate Revenue Requirement	4,679.01	4,657.40	4,915.00	5,123.74	4,965.10
21	Revenue from existing tariff	4,499.06	4,531.69	4,566.58	4,605.42	4,648.54
22	Standalone Revenue Gap/(Surplus) of Licensed Business	179.95	125.70	348.42	518.31	316.56



4.20.4 BEST humbly requests the Hon'ble Commission to approve the projected ARR for MYT Control Period of FY 2025-26 to FY 2029-30 as submitted by BEST.

4.20.5 Here, BEST would like to humbly submit 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 respectfully requests the Hon'ble Commission to re-evaluate the proposed Transmission ARR proposed by the Transmission Licensees and InSTS Charges proposed by the STU, before approving the same.



5. Cumulative Revenue Gap/(Surplus) and Tariff Philosophy

5.1 Cumulative Revenue Requirement and Revenue Gap/(Surplus) for FY 2023-24 and FY 2024-25

5.1.1 In the earlier Chapters, BEST has submitted the true-up for FY 2022-23 and FY 2023-24 based on audited expenses and revenue, and provisional true-up for FY 2024-25 based on estimated expenses and revenue.

5.1.2 The Hon'ble 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.

5.1.3 The Hon'ble 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.

5.1.4 The Hon'ble 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.

5.1.5 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 192: Cumulative Combined Revenue Requirement and Gap/Surplus for FY 2023-24 and FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2023-24			FY 2024-25		
		MTR Order	Audited	True-Up requirement	MTR Order	Estimated	Provisional True-Up requirement
1	ARR for Wires Business	668.97	699.47	30.50	695.78	773.11	
2	ARR for Supply Business	3,700.56	3,484.10	(216.46)	4,003.26	3,501.24	
3	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)	
4	ARR for Combined Wires & Supply Business	4,196.83	4,010.87	(185.96)	4,595.68	4,171.00	
5	Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	(182.28)	(182.28)	-			
6	Add: Revenue Gap/(Surplus) for FY 2020-21	(410.69)	(410.69)	-			
7	Add: Revenue Gap/(Surplus) for FY 2021-22	327.55	327.55	-			
8	Add: Revenue Gap/(Surplus) for FY 2022-23	710.39	710.39	-			
9	Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	(116.53)	(116.53)	-			
10	Total Revenue Requirement	4,525.26	4,339.31	(185.95)	4,595.67	4,171.00	(424.67)
11	Portion of Gap between ARR and Revenue shifted to FY 2024-25	(222.19)	(222.19)	-	222.19	222.19	
12	Carrying cost due to shifting of Revenue Requirement to FY 2024-25	10.61	10.61	-	10.61	10.61	
13	Revised Net Revenue Requirement	4,313.68	4,127.73	(185.95)	4,828.47	4,403.80	(424.67)
14	Revenue from Revised Tariff	4,313.99	4,188.88	(125.11)	4,828.20	4,478.63	(349.57)
15	Revenue Gap of Licensed Business	(0.31)	(61.15)	(60.84)	0.27	(74.84)	(75.11)



Table 193 Cumulative Revenue Requirement and Gap/Surplus for Wires Business for FY 2023-24 and FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2023-24			FY 2024-25		
		MTR Order	Audited	True-Up requirement	MTR Order	Estimated	Provisional True-Up requirement
1	ARR of Wires Business	668.97	699.47	30.50	695.78	773.11	77.33
2	Past Revenue Gap/(Surplus) from FY 2017-18 & FY 2018-19 and Revenue Gap/(Surplus) of FY 2019-20	-					-
3	ARR of Wires Business	668.97	699.47	30.50	695.78	773.11	77.33
4	Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	(14.45)	(14.45)	-			
5	Add: Revenue Gap/(Surplus) for FY 2020-21	117.25	117.25	-			
6	Add: Revenue Gap/(Surplus) for FY 2021-22	85.43	85.43	-			
7	Add: Revenue Gap/(Surplus) for FY 2022-23	42.76	42.76	-			
8	Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	42.42	42.42	-			
9	Total Revenue Requirement	942.38	972.88	30.50	695.78	773.11	77.33
10	Portion of Gap between ARR and Revenue shifted to FY 2024-25	(194.13)	(194.13)	-	194.13	194.13	-
11	Carrying cost due to shifting of Revenue Requirement to FY 2024-25	9.27	9.27	-	9.27	9.27	-
12	Revised Net Revenue Requirement	757.53	788.02	30.49	899.17	976.50	77.33
13	Revenue from Revised Tariff	757.98	746.53	(11.45)	901.06	854.72	(46.34)
14	Revenue Gap of Wires Business	(0.45)	41.49	41.93	(1.89)	121.78	123.67



Table 194: Cumulative Revenue Requirement and Gap/Surplus for Retail Supply Business for FY 2023-24 and FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	FY 2023-24			FY 2024-25		
		MTR Order	Audited	True-Up requirement	MTR Order	Estimate d	Provisional True-Up requirement
1	ARR of Supply Business	3,700.56	3,484.10	(216.46)	4,003.26	3,501.24	(502.02)
2	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)	-
4	Net ARR of Supply Business	3,527.86	3,311.40	(216.46)	3,899.91	3,397.89	(502.02)
5	Add: Incremental Revenue Gap/(Surplus) for FY 2019-20	(167.83)	(167.83)	-			
6	Add: Revenue Gap/(Surplus) for FY 2020-21	(527.94)	(527.94)	-			
7	Add: Revenue Gap/(Surplus) for FY 2021-22	242.12	242.12	-			
8	Add: Revenue Gap/(Surplus) for FY 2022-23	667.63	667.63	-			
9	Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY 2019-20 to FY 2023-24	(158.96)	(158.96)	-			
10	Total Revenue Requirement	3,582.88	3,366.42	(216.46)	3,899.91	3,397.89	(502.02)
11	Portion of Gap between ARR and Revenue shifted to FY 2024-25	(28.06)	(28.06)	-	28.06	28.06	-
12	Carrying cost due to shifting of Revenue Requirement to FY 2024-25	1.34	1.34	-	1.34	1.34	-
13	Revised Net Revenue Requirement	3,556.16	3,339.70	(216.46)	3,929.30	3,427.29	(502.02)
14	Revenue from Revised Tariff	3,556.01	3,442.35	(113.66)	3,927.13	3,623.92	(303.21)
15	Revenue Gap of Licensed Business	0.15	(102.64)	(102.79)	2.17	(196.63)	(198.80)

5.2 Carrying/(Holding) Cost on Revenue Gap/(Surplus) after truing up for FY 2022-23 and FY 2023-24

5.3.1 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 Hon'ble 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.

5.3.2 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 195: Cumulative Revenue Gap/(Surplus) of Wires Business with Carrying Cost (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		(74.17)	
Revenue Gap/(Surplus) at the end of the year	32.69	74.17	74.17	0.00	
Carrying Cost Interest Rate	9.30%	10.07%	10.50%	10.50%	
Carrying Cost	1.52	5.38	7.79	3.89	18.58

5.3.3 Similarly, for the Supply Business, the Hon'ble 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.

5.3.4 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 196: Cumulative Revenue Gap/(Surplus) of Retail Supply Business with Carrying Cost (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)

5.3 Cumulative ARR for MYT Control Period

5.3.1 In the earlier Chapter, 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).

5.3.2 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 197: Cumulative ARR for Wires Business from FY 2025-26 to FY 2029-30 (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				
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
Revised Cumulative ARR for recovery	875.79	986.59	1095.04	1232.13	1363.82

Table 198: Cumulative ARR for Retail Supply Business for FY 2025-26 to FY 2029-30 (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
Revised Cumulative ARR for recovery	3518.20	3605.95	3756.31	3883.93	4068.90



5.4 Tariff Increase/(Reduction) Required for MYT Control Period

5.4.1 Based on the above projected Revenue Requirement, BEST has computed the average increase/(reduction) in tariff required to meet the Revenue Requirement for each year of the MYT Control Period, separately for the Wires Business and Supply Business, as well as the combined Distribution Business, as shown in the Tables below. Further, the tariff increase/(reduction) has been computed by considering the revised tariff for the previous year as the base, for appropriate analysis.

Table 199: Tariff increase/(reduction) for Wires Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	875.79	986.59	1095.04	1232.13	1363.82
Revenue from existing tariff (FY 2024-25 Tariff)	867.66	875.17	883.23	892.27	902.38
Revenue Gap/(Surplus) with existing tariff	8.13	111.42	211.81	339.85	461.44
Revenue Gap/(Surplus) with revised tariff applicable for previous year	8.13	110.80	108.46	137.08	131.70
Annual Tariff Increase Required (%)	0.9%	12.7%	11.0%	12.5%	10.7%

Table 200: Tariff increase/(reduction) decrease for Retail Supply Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	3518.20	3605.95	3756.31	3883.93	4068.90
Revenue from existing tariff (FY 2024-25 Tariff)	3631.40	3656.53	3683.35	3713.15	3746.16
Revenue Gap/(Surplus) with existing tariff	(113.20)	(50.58)	72.96	170.78	322.75
Revenue Gap/(Surplus) with revised tariff applicable for previous year	(113.20)	87.75	150.36	127.62	184.98
Annual Tariff Increase Required (%)	-3%	2%	4%	3%	5%



Table 201: Tariff increase/(reduction) for Combined Distribution Business from FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	4393.99	4592.54	4851.35	5116.05	5432.73
Revenue from existing tariff (FY 2024-25 Tariff)	4499.06	4531.69	4566.58	4605.42	4648.54
Revenue Gap/(Surplus) with existing tariff	(105.07)	60.84	284.77	510.63	784.19
Revenue Gap/(Surplus) with revised tariff applicable for previous year	(105.07)	198.54	258.82	264.70	316.67
Annual Tariff Increase Required (%)	-2%	5%	6%	5%	6%

5.4.2 Thus, BEST has endeavoured to propose tariffs in such a manner that the benefit of the overall Revenue Surplus through tariff reduction in the first year, and there is a gradual increase in tariff from the second year of the next Control Period onwards.

5.5 Cost of Supply

5.5.1 In the previous Tariff Orders, BEST and the Hon'ble 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 Hon'ble 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:

“111.4 The Commission shall endeavour to gradually reduce the cross-subsidy between consumer categories with respect to the Average Cost of Supply in accordance with the provisions of the Act:

Provided that Average Cost of Supply of Retail Supply Business shall be considered for determining cross-subsidy of consumer category.

111.5 While determining the tariff, the Commission shall also keep in view the cost of supply at different voltage levels and the need to minimise tariff shock to consumers.”(emphasis added)

5.5.2 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 Hon'ble Commission has determined tariff based on the ACoS in the MTR Order, for appropriate comparison, BEST has computed the effective RCoS approved by the Hon'ble 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.

5.5.3 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 202: ACoS and RCoS from FY 2025-26 to FY 2029-30

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

5.6 Fixed Cost Recovery

5.6.1 In the previous Tariff Orders, the Hon'ble Commission has gradually increased the recovery of Fixed Cost through the Fixed/Demand Charges applicable to the consumers. BEST submits 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.



5.6.2 In the MTR Order, the Hon'ble Commission has computed the fixed cost component by reducing the variable cost of power purchase from the Supply ARR including past gap. However, BEST respectfully submits that the Wires ARR is also fixed in nature, though the recovery of the Wires ARR is through variable Wheeling Charges denominated 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.

5.6.3 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 Hon'ble Commission had projected recovery of 58% of fixed costs in the Tariff Order for FY 2024-25.

5.6.4 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 203: Fixed cost recovery pattern for FY 2025-26 to FY 2029-30

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



Particulars	FY 2024-25 (MTR Order)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
% 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 204: Fixed cost recovery pattern for FY 2025-26 to FY 2029-30 (MERC Order approach)

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%

5.6.5 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 205: Proposed Fixed/Demand Charges (Rs. Per month per connection/per month per kVA) from FY 2025-26 to FY 2029-30

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



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 - 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) 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	540	575	600	625	650	-	-	-	-	-



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
Educational Institutions)										
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

5.6.6 BEST requests the Hon'ble 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 humbly request the Commission to approve the same fixed charges for all Mumbai DISCOMs.

5.7 Wheeling Charges

5.7.1 BEST has computed the ARR for the Wires Business and Supply Business in accordance with the Allocation Matrix specified in Regulation 89 of MYT Regulations, 2024.

5.7.2 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.

5.7.3 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 206: Proposed Wheeling Charges from FY 2025-26 to FY 2029-30

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	ARR for Wires Business (along with past recoveries with carrying cost)	875.79	986.59	1,095.04	1,232.13	1,363.82
2	GFA attributable to HT Network (%)	52.44%	52.44%	52.44%	52.44%	52.44%
3	GFA attributable to LT Network (%)	47.56%	47.56%	47.56%	47.56%	47.56%
4	Charge recoverable from HT	459.22	517.32	574.19	646.07	715.13



Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
5	Charge recoverable from LT consumers	416.56	469.27	520.85	586.06	648.70
6	HT Sales (MU)	680.18	681.50	683.09	685.18	687.81
7	LT Sales (MU)	4,137.42	4,175.00	4,215.32	4,260.42	4,310.69
8	Total Sales (MU)	4,817.60	4,856.50	4,898.41	4,945.60	4,998.50
9	Charge recoverable from HT consumers	64.84	72.59	80.07	89.51	98.40
10	Charge recoverable from LT consumers	810.95	913.99	1,014.97	1,142.62	1,265.42
11	HT Wheeling Charge (Rs./kWh)	0.95	1.07	1.17	1.31	1.43
12	HT Wheeling Charge (Rs./kVAh)	0.94	1.05	1.15	1.28	1.41
13	LT Wheeling Charge (Rs./kWh)	1.96	2.19	2.41	2.68	2.94
14	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

5.7.4 BEST requests the Hon'ble Commission to approve the Wheeling Charges for FY 2025-26 to FY 2029-30 as shown in the above table.

5.8 Energy Charges

5.8.1 BEST has proposed kVAh billing for HT consumers as approved by the Hon'ble Commission in the MTR Order. As the Smart Meter installation will not be completed 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.

5.8.2 BEST has proposed category-wise energy charges for the Control Period from FY 2025-26 to FY 2029-30 with the objective of cross-subsidy reduction w.r.t. RCoS, as shown in the table below:

Table 207: Proposed Energy Charges for FY 2025-26 to FY 2029-30 (Rs/kVAh for HT category and Rs/kWh for LT category)

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



Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
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
LT - VI Electrical Vehicle Charging	7.30	7.50	7.75	8.00	8.30

*Charge is per kVAh for HT category and per kWh for LT category

5.9 Cross Subsidy

5.9.1 The category-wise cross-subsidy proposed for FY 2025-26 to FY 2029-30 is as shown in the Table below:

Table 208: Proposed Category-wise Cross-Subsidy for FY 2025-26 to FY 2029-30 (%)

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%



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)
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%

Note: * Calculated by BEST

5.10 Time-of-Day (ToD) Tariff

5.10.1 In the MYT Regulations, 2024 the Hon'ble Commission has specified the contours ToD in Regulation 115, as reproduced below:

“115.1 The Time-of-Day Tariff shall be applicable to all the Distribution Licensees operating in the State from the date of issuance of the MYT Tariff Order for the Control Period.

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 Hrs	16:00 to 20:00 Hrs	20:00 to 00:00 Hrs	00:00 to 06:00 Hrs	06:00 to 09:00 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.”

5.10.2 BEST respectfully submits 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 submits the details of actual load curve from FY 2021-22 to FY 2023-24 and estimated load curve for the Control Period as **Annexure 28**.

5.10.3 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 Hon'ble Commission has directed BEST to extend its PPA with TPC-G.

5.10.4 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.

5.10.5 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.

5.10.6 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.

5.10.7 Hence, BEST requests the Hon'ble 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.

5.11 Green Energy Tariff/Charges

5.11.1 On 6th 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.

5.11.2 The Hon'ble 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 22.03.2021, 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.

5.11.3 BEST requests the Hon'ble Commission to determine uniform/differential Green Energy Charges for the next MYT Control Period, in accordance with the MoP Rules.

5.11.4 Alternatively, BEST requests the Hon'ble Commission to continue with the existing Green Energy Charges of Rs. 0.66/kWh, as approved in the previous MTR Order.

5.12 Discount on Digital Payment to Consumers

5.12.1 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.



6. Schedule of Charges

- 6.1.1** BEST submits that as per the Regulation 19 of the MERC Supply Code, BEST, as a Distribution Licensee, is required to obtain the approval of the Hon'ble 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.
- 6.1.2** 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.
- 6.1.3** BEST submit that it has not revised its Schedule of Charges for an extended period. BEST submits that the Hon'ble Commission, vide its Order dated 28.12.2012 in Case No. 90 of 2012 had approved the Schedule of Charges applicable to BEST. Subsequently, the Hon'ble Commission vide its Order dated 16.02.2018 in Case No. 86 of 2017 has revised the Service Connection Charges applicable to BEST. Furthermore, the Hon'ble Commission vide its Order dated 31.03.2023 in Case No. 212 of 2022 has approved Schedule of Charges related to Lost/Burnt Meter.
- 6.1.4** BEST submits 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%.
- 6.1.5** BEST submits 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 requests the Hon'ble Commission to approve the Schedule of Charges in line with the Schedule of Charges being approved for TPC-D.**
- 6.1.6** A comparison of the prevalent Schedule of Charges for BEST and TPC-D is shown in the Table below:



Table 209: Comparison of existing Schedule of Charges for BEST and TPC-D

Sl. 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	As proposed in Sr. No.1,2, 3 & 4 above	As proposed in Sr. No.1,2&3



Sl. No	Particulars	Approved Charges (Rs.)	
		TPC-D	BEST
	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	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



Sl. No	Particulars	Approved Charges (Rs.)	
		TPC-D	BEST
	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)	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	-

6.1.7 BEST submits that the Hon'ble 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 Hon'ble Commission has approved the same vide its Order in Case No. 325 of 2019 dated 31 March, 2020.

6.1.8 The Hon'ble 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.

6.1.9 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.

6.1.10 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 210: Schedule of Charges for BEST based on escalation for 11 years

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



CPI (IW)	FY 2023-24	FY 2012-13	Escalation
	397.2	215.17	5.73%
		BEST Existing rate	BEST with Escalation
	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
	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



CPI (IW)	FY 2023-24	FY 2012-13	Escalation
	397.2	215.17	5.73%
		BEST Existing rate	BEST with Escalation
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 Dishonoured Cheques (irrespective of cheque amounts) - for first instance	250	461.50
13	Charges 13 for Dishonoured Cheques (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 211: 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



	Service connection charges		
	CPI (IW)	FY 2023-24	FY 2018-19
		BEST Existing rate	BEST with Escalation
	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:		
	(a) charges will be applicable on the incremental load, in case no upgradation of network is required	As proposed in Sr. No.1, 2 & 3	As proposed in 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		-

6.1.11 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 212: Proposed Schedule of Charges for BEST for fifth Control Period

Sl. 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	



Sl. No	Particulars	Proposed Charges (Rs.)
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
	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



Sl. No	Particulars	Proposed Charges (Rs.)	
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	
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	



Sl. No	Particulars	Proposed Charges (Rs.)
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

6.1.12 BEST requests the Hon'ble 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 requests the Hon'ble 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.



7. PROPOSED TARIFF SCHEDULE FROM FY 2025-26 to FY 2029-30

BRIHANMUMBAI ELECTRIC SUPPLY AND TRANSPORT UNDERTAKING

SCHEDULE OF ELECTRICITY TARIFF

(With effect from 1 April, 2025)

BEST is submitting the schedule of tariff for the 5th Control Period from FY 2025-26 to FY 2029-30. BEST humbly requests the Hon'ble Commission to approve the charges for each category as listed below.

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 Schedule of LT BPL Consumers

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
FY 2025-26 w.e.f. 1 April, 2025 to 31 March, 2026	Rs. 15 per month	1.80	1.96
FY 2026-27 w.e.f. 1 April, 2026 to 31 March, 2027	Rs. 15 per month	1.95	2.19
FY 2027-28 w.e.f. 1 April, 2027 to 31 March, 2028	Rs. 15 per month	2.05	2.41
FY 2028-29 w.e.f. 1 April, 2028 to 31 March, 2029	Rs. 15 per month	2.05	2.68



Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
FY 2029-30 w.e.f. 1 April, 2029 to 31 March, 2030	Rs. 15 per month	2.15	2.94

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, 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, Muharram, 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/ Demand Charge ^{SS}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	Rs. 110 per connection per month	2.00	1.96
101 – 300 units	Rs. 160 per connection per month	5.55	1.96
301 – 500 units	Rs. 170 per connection per month	9.45	1.96
Above 500 units (balance units)	Rs. 190 per connection per month	11.55	1.96

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charge ^{SS}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	Rs. 120 per connection per month	2.05	2.19
101 – 300 units	Rs. 170 per connection per month	5.60	2.19
301 – 500 units	Rs. 180 per connection per month	8.65	2.19
Above 500 units (balance units)	Rs. 200 per connection per month	10.75	2.19

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charge ^{SS}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	Rs. 130 per connection per month	2.20	2.41



Consumption Slab (kWh)	Fixed/ Demand Charge ^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
101 – 300 units	Rs. 180 per connection per month	5.75	2.41
301 – 500 units	Rs. 190 per connection per month	8.85	2.41
Above 500 units (balance units)	Rs. 210 per connection per month	10.95	2.41

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charge ^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	Rs. 140 per connection per month	2.20	2.68
101 – 300 units	Rs. 190 per connection per month	5.75	2.68
301 – 500 units	Rs. 200 per connection per month	8.85	2.68
Above 500 units (balance units)	Rs. 220 per connection per month	11.15	2.68

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charge ^{\$\$}	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	Rs. 150 per connection per month	2.30	2.94
101 – 300 units	Rs. 200 per connection per month	6.05	2.94
301 – 500 units	Rs. 210 per connection per month	9.10	2.94
Above 500 units (balance units)	Rs. 230 per connection per month	11.35	2.94

Note:

- a) \$\$: The above Fixed Charges are for single-phase connections. A Fixed Charge of Rs. 190 per month will be levied on Residential consumers availing 3-phase supply. An



Additional Fixed Charge of Rs.190 per 10 kW load or part thereof above 10 kW load shall also be payable for FY 2025-26, Rs. 200 per month and per 10 kW in FY 2026-27, Rs. 210 per month and per 10 kW in FY 2027-28, Rs. 220 per month and per 10 kW in FY 2028-29 and Rs. 230 per month and per 10 kW respectively, in FY 2029-30.

- b) Professionals like Lawyers, Doctors, Professional Engineers, Chartered Accountants, etc., occupying premises exclusively for conducting their profession, shall not be eligible for this Tariff, and will be charged at the Tariff applicable to the respective categories.

LT II: LT – Non Residential or Commercial Applicability:

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, Resorts, Hotels / 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, Petrol Pumps and Service Stations, including Garages;
- g) Toll Collection plazas;
- h) Tailoring Shops, Computer Training Institutes, Private Training Centres, Typing Institutes, Photo Laboratories, 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 floodlights,



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 Schedule for LT II: LT – Non Residential or Commercial

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
(A) 0-20 kW	Rs. 540 per connection per month	6.40	1.96
(B) > 20 kW and ≤ 50 kW	Rs. 450 per kVA per month	5.45	1.96
(C) > 50 kW	Rs. 450 per kVA per month	5.10	1.96
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	



Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
(A) 0-20 kW	Rs. 575 per connection per month	6.70	2.19
(B) > 20 kW and ≤ 50 kW	Rs. 475 per kVA per month	5.85	2.19
(C) > 50 kW	Rs. 475 per kVA per month	5.60	2.19
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
(A) 0-20 kW	Rs. 600 per connection per month	6.90	2.41
(B) > 20 kW and ≤ 50 kW	Rs. 500 per kVA per month	5.85	2.41
(C) > 50 kW	Rs. 500 per kVA per month	5.80	2.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	



Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
(A) 0-20 kW	Rs. 625 per connection per month	7.05	2.68
(B) > 20 kW and ≤ 50 kW	Rs. 525 per kVA per month	5.85	2.68
(C) > 50 kW	Rs. 525 per kVA per month	6.30	2.68
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
(A) 0-20 kW	Rs. 650 per connection per month	7.25	2.94
(B) > 20 kW and ≤ 50 kW	Rs. 550 per kVA per month	6.05	2.94
(C) > 50 kW	Rs. 550 per kVA per month	6.70	2.94
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

The ToD Tariff is applicable to the LT-II (B) and (C) categories, and optionally available to LT- II (A) category consumers having ToD meter installed.



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) Engineering Workshops, Engineering Goods Manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding/Rethreading units; and



- Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing,
- e) Ordinance / Ammunition Factories of Defence Establishments;
 - f) Mining, Quarrying and Stone Crushing units;
 - g) Garment Manufacturing units;
 - h) Soap and cosmetics, Deodorant manufacturing, etc.
 - i) LPG/CNG bottling plants and associated retail gas filling stations, etc.;
 - j) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the LT – Public Service category;
 - k) 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);
 - l) Brick Kiln (Bhatti), Biomass Pellet;
 - m) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
 - n) Cold Storages not covered under LT V (B) – Agriculture (Others), Packaged Drinking water plant;
 - o) Food (including seafood and meat) Processing units, Khandsari / Jaggery Manufacturing Units;
 - p) Stand-alone Research and Development units;
 - q) Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlets etc.
 - r) Power looms including other allied activities like, Warping, Doubling, Twisting, etc., connected at Low/Medium Tension only.
 - s) Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)
 - t) 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

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 540 per connection per month	6.60	1.96
LT III (B): Above 20 kW	Rs. 450 per kVA per month	6.00	1.96
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 575 per connection per month	6.85	2.19
LT III (B): Above 20 kW	Rs. 475 per kVA per month	6.25	2.19
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 600 per connection per month	7.05	2.41
LT III (B): Above 20 kW	Rs. 500 per kVA per month	6.25	2.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	



Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 625 per connection per month	7.10	2.68
LT III (B): Above 20 kW	Rs. 525 per kVA per month	6.25	2.68
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Sub-category	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
LT III (A): 0-20 kW	Rs. 650 per connection per month	7.50	2.94
LT III (B): Above 20 kW	Rs. 550 per kVA per month	6.25	2.94
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

The ToD Tariff is compulsorily applicable to LT III (B) (i.e., above 20 kW), and optionally available to LT- III (A) (i.e., up to 20 kW) having ToD meter installed.



LT IV: Public Services

LT IV (A): LT - Government Educational Institutions and Hospitals Applicability:

This Tariff category is applicable for electricity supply at Low/Medium Voltage for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Bank and Pathology Laboratories; Libraries and public reading rooms - of the State or Central Government or Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.

It shall also be applicable for electricity used for 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 to Public Sanitary Conveniences.

Tariff Schedule for LT IV (A): Public Services - Government Educational Institutions and Hospitals

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
All Units - FY 2025-26	Rs. 540 per connection per month	7.20	1.96
All Units - FY 2026-27	Rs. 575 per connection per month	7.45	2.19
All Units - FY 2027-28	Rs. 600 per connection per month	7.65	2.41
All Units - FY 2028-29	Rs. 625 per connection per month	7.85	2.68
All Units - FY 2029-30	Rs. 650 per connection per month	7.95	2.94
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	



Note:

The ToD Tariff is compulsorily applicable to the LT IV (A) category with the Contract Demand / Sanctioned Load above 20 kW; and optionally available to the LT IV (A) category with Contract Demand/Sanctioned Load up to 20 kW having ToD meter installed..

LT IV (B) : LT - Public Services – Others Applicability:

This Tariff category is applicable for electricity supply at Low/Medium Voltage for:

- a) Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks, Laboratories; Libraries and public reading rooms - other than those of the State or Central Government or Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.
- 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 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 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 Schedule for LT IV (B): Public Services - Others

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
All Units - FY 2025-26	Rs. 540 per connection per month	7.05	1.96
All Units - FY 2026-27	Rs. 575 per connection per month	7.55	2.19
All Units - FY 2027-28	Rs. 600 per connection per month	7.80	2.41
All Units - FY 2028-29	Rs. 625 per connection per month	8.00	2.68
All Units - FY 2029-30	Rs. 650 per connection per month	8.10	2.94
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

a) The ToD Tariff is compulsorily applicable to the LT IV (B) category with Contract Demand/Sanctioned Load above 20 kW; and optionally available to the LT IV (B) category with Contract Demand/Sanctioned Load up to 20 kW having ToD meter installed.

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

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
All Units - FY 2025-26	Rs. 50 per HP per month	2.75	1.96
All Units - FY 2026-27	Rs. 60 per HP per month	3.10	2.19
All Units - FY 2027-28	Rs. 70 per HP per month	3.10	2.41
All Units - FY 2028-29	Rs. 70 per HP per month	3.10	2.68
All Units - FY 2029-30	Rs. 70 per HP per month	2.80	2.94

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) Poultries exclusively undertaking layer and broiler activities, including Hatcheries;
- c) High-Technology Agriculture (i.e. Tissue Culture, Green House, Mushroom cultivation activities), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;
- d) 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

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
All Units - FY 2025-26	Rs. 110 per kW per month	5.50	1.96
All Units - FY 2026-27	Rs. 120 per kW per month	5.85	2.19
All Units - FY 2027-28	Rs. 120 per kW per month	5.85	2.41
All Units - FY 2028-29	Rs. 120 per kW per month	5.85	2.68
All Units - FY 2029-30	Rs. 120 per kW per month	5.55	2.94

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

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
All Units - FY 2025-26	Rs. 90 per kVA per month	7.30	1.96
All Units - FY 2026-27	Rs. 90 per kVA per month	7.50	2.19
All Units - FY 2027-28	Rs. 100 per kVA per month	7.75	2.41
All Units - FY 2028-29	Rs. 100 per kVA per month	8.00	2.68
All Units - FY 2029-30	Rs. 100 per kVA per month	8.30	2.94
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

HIGH TENSION (HT) TARIFF

HT I: 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) Engineering Workshops, Engineering Goods manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding/Rethreading units, and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;
- e) Ordinance / Ammunition Factories of Defense Establishments;
- f) Mining, Quarrying and Stone Crushing units;
- g) Garment Manufacturing units;
- h) Soap and cosmetics, Deodorant manufacturing, etc.
- i) LPG/CNG bottling plants, and associated retail filling stations;
- j) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the HT – Public Services (Others);
- k) 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 startup after planned or forced outage (but not for construction);
- l) Brick Kiln (Bhatti) / Biomass Pellet;
- m) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
- n) Cold Storages not covered under LT V (B) – Agriculture (Others);
- o) Food (including Seafood and meat) Processing units.



- p) Stand-alone Research and Development units
- q) Seed manufacturing.
- r) Dedicated Water Supply Schemes to Power Plants
- s) Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)
- t) Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlets etc.
- u) Ready-mix Concrete or hot mix plants

Tariff Schedule for HT I : HT – Industry

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	6.05	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	6.05	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	6.25	1.15
All Units - FY 2028-29	Rs. 525 per kVA per month	6.50	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	6.65	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

- 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 (k) above) with the Distribution Licensee.
- No Wheeling Charges will be applicable for consumers connected at EHV level i.e., 110/132 kV.



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, Resorts, Hotels / 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-time applicable energy charge.

Tariff Schedule for HT II : HT – Commercial

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	6.30	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	6.40	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	6.65	1.15



Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2028-29	Rs. 525 per kVA per month	6.85	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	7.05	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

- *A 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.*
- *No Wheeling Charges will be applicable for consumers connected at EHV level, i.e., 110/132 kV.*

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 Charge including FAC. This 20% discount is also applicable to defense.

Tariff Schedule for HT III : HT – Group Housing Society (Residential)

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	6.35	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	6.25	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	6.55	1.15
All Units - FY 2028-29	Rs. 525 per kVA per month	6.70	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	7.00	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

- *No Wheeling Charges will be applicable for consumers connected at EHV level i.e., 110/132 kV.*

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 Schedule for HT IV : HT – Railway/ Metro/Monorail

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	4.90	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	4.80	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	4.90	1.15
All Units - FY 2028-29	Rs. 525 per kVA per month	5.05	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	5.35	1.41

Note:

No Wheeling Charges will be applicable for supply at EHV Level to Railway / Metro / Monorail.

HT V- Public Services

HT V – (A): HT - Government Educational Institutions and Hospitals

Applicability:

This Tariff category is applicable for electricity supply at Extra High Voltage (132 kV/110 kV) and High Voltage (33 kV/11 kV) for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Pathology Laboratories; Libraries and public reading rooms - of the State or Central Government, Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.;

It shall also be applicable for electricity used for 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.



**Tariff Schedule for HT V (A) : HT – Public Services - Government
Educational Institutions and Hospitals**

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	6.20	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	6.10	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	6.80	1.15
All Units - FY 2028-29	Rs. 525 per kVA per month	6.95	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	7.25	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

No Wheeling Charges will be applicable for supply at EHV Level

HT V – (B): Public Services – Others

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:

- 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 - other than those of the State or Central Government, Local Self Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitties, Gram Panchayats, etc.
- b) Sports Clubs and facilities / Health Clubs, Student / working Men / Women 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;
- j) Waste processing units and Water ATM not covered under other HT 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 Schedule for HT V (B) : HT – Public Services – Others

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 450 per kVA per month	6.20	0.94
All Units - FY 2026-27	Rs. 475 per kVA per month	6.10	1.05
All Units - FY 2027-28	Rs. 500 per kVA per month	6.30	1.15
All Units - FY 2028-29	Rs. 525 per kVA per month	6.40	1.28
All Units - FY 2029-30	Rs. 550 per kVA per month	6.70	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	



Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

Note:

No Wheeling Charges will be applicable for supply at EHV Level

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 Schedule for HT VI : HT – Electric Vehicle Charging Stations

Financial Year	Fixed/ Demand Charge	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
All Units - FY 2025-26	Rs. 90 per kVA per month	5.60	0.94
All Units - FY 2026-27	Rs. 90 per kVA per month	5.50	1.05
All Units - FY 2027-28	Rs. 100 per kVA per month	5.60	1.15
All Units - FY 2028-29	Rs. 100 per kVA per month	6.05	1.28
All Units - FY 2029-30	Rs. 100 per kVA per month	6.85	1.41
TOD Tariffs (in addition to above base tariffs)			
0600 to 0900 hours		-	
0900 to 1200 hours		0.50	
1200 to 1800 hours		-	



Financial Year	Fixed/ Demand Charge	Energy Charge (Rs. /kVAh)	Wheeling Charge (Rs. /kVAh)
1800 to 2200 hours		1.00	
2200 to 0600 hours		(0.75)	

No Wheeling Charges will be applicable for consumers connected at EHV level i.e., 110/132 kV.

MISCELLANEOUS AND GENERAL CHARGES

Fuel Adjustment Charge (FAC) Component of Z-factor Charge

The Fuel Adjustment Charge (FAC) component of the Z-factor Charge will be determined in accordance with the formula specified in the relevant Multi Year Tariff Regulations and any directions that may be given by the Commission from time to time, and will be applicable to all consumer categories for their entire consumption.

In case of any variation in the fuel prices and power purchase prices, the Distribution Licensee shall pass on the adjustments through the FAC component of the Z-factor Charge accordingly.

The details of the applicable ZFAC for each month shall be available on the Distribution Licensee's website www.bestundertaking.com.

Electricity Duty and Tax on Sale of Electricity

Electricity Duty and Tax on Sale of Electricity shall be levied in addition to the Tariffs approved by the Commission, and in accordance with the Government of Maharashtra stipulations from time to time. The rate and the reference number of the Government Resolution/ Order under which the Electricity Duty and Tax on Sale of Electricity are applied shall be stated in the consumers' energy bills. A copy of such Resolution / Order shall be provided on the Distribution Licensee's website www.bestundertaking.com.

Power Factor Computation

Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average Power Factor during the billing period shall be applied:



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

$$\text{Wherein the kVAh is} = \sqrt{\sum(\text{KWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$$

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.”

Power Factor Incentive

Applicable for LT II: Non-Residential/Commercial [LT II (B), LT II (C)] (for Contract Demand/Sanctioned Load above 20 kW), LT III (B): Industry above 20 kW, LT IV : Public Service [LT IV (A) and LT IV (B)], and LT VI – Electric Vehicle (EV) Charging Stations having contract demand/sanctioned load above 20 kW.

Whenever the average Power Factor is more than 0.95 (lag or lead) and upto 1, an incentive shall be given at the rate of the following percentages of the amount of the monthly electricity bill, excluding Taxes and Duties:

Sl.	Range of Power Factor	Power Factor Level	Incentive
1	0.951 to 0.954	0.95	0.0%
2	0.955 to 0.964	0.96	0.5%
3	0.965 to 0.974	0.97	1.0%
4	0.975 to 0.984	0.98	1.5%
5	0.985 to 0.994	0.99	2.5%
6	0.995 to 1.000	1.00	3.5%

Note: Power Factor shall be measured/computed upto 3 decimals, after universal rounding off.

Power Factor Penalty

Applicable for LT II: Non-Residential/Commercial [LT II (B), LT II (C)] (for Contract Demand / Sanctioned Load above 20 kW), LT III (B): Industry above 20 kW, LT IV : Public Service [LT IV (A) and LT IV (B)], and LT VI – Electric Vehicle (EV) Charging Stations having contract demand/sanctioned load above 20 kW.



Whenever the average PF is less than 0.9 (lag or lead), penal charges shall be levied at the rate of the following percentages of the amount of the monthly electricity bill, excluding Taxes and Duties:

Sl.	Range of Power Factor	Power Factor Level	Penalty
1	0.895 to 0.900	0.90	0.0%
2	0.885 to 0.894	0.89	1.0%
3	0.875 to 0.884	0.88	1.5%
4	0.865 to 0.874	0.87	2.0%
5	0.855 to 0.864	0.86	2.5%
6	0.845 to 0.854	0.85	3.0%
7	0.835 to 0.844	0.84	3.5%
8	0.825 to 0.834	0.83	4.0%
9	0.815 to 0.824	0.82	4.5%
10	0.805 to 0.814	0.81	5.0%
...

Note: Power Factor shall be measured/computed upto 3 decimals, after universal rounding off.

Prompt Payment Discount

A prompt payment discount of one percent of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills within 7 days from the date of their issue.

Delayed Payment Charges

In case the electricity bill is not paid within the due date mentioned on the bill, delayed payment charges of 1.25 percent shall be levied on the total amount of the electricity bill (including Taxes and Duties).

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.



8. Compliance with Directives

8.1 Compliance with MERC Directives

The Hon'ble Commission in the MTR Order (Case No. 212 of 2022) has given certain directives to be complied with by BEST. The compliance report of the various directives is as given below:

8.1.1 Replacement of Electro-Mechanical Meters with Electronic Meter

Directive

In the MTR Order, the Hon'ble 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 Hon'ble Commission, so as to ensure the kVAh billing during next MYT Control Period.

BEST's submission

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.

8.1.2 Submission of DPR for Smart Meter

Directive

In the MTR Order, the Hon'ble 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

BEST has submitted the DPR for implementation of various schemes under RDSS to the Hon'ble Commission and the Hon'ble Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0023, dt. 09th January, 2024. Also, BEST has submitted the DPR for Smart Meter installation to the Hon'ble



Commission and the Hon'ble Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0628, dt. 22nd November, 2023.

8.1.3 Benefits/CBA due to Smart Meter installation

Directive

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

BEST submits 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.

8.1.4 Smart Meter implementation plan

Directive

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

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.

8.1.5 Funding of Capital Expenditure

Directive

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

BEST has submitted the DPR for implementation of various schemes under RDSS to the Hon'ble Commission and the Hon'ble Commission has also given In-principle approval for the same through letter MERC/CAPEX/2023-24/0023, dt. 09th January, 2024., (total approved value of Rs. 1,711.21 Crore.)

Further, BEST would like to apprise the Hon'ble 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.



8.1.6 Reduction in Distribution loss

Directive

The Hon'ble 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

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.

8.1.7 Demand Response Scheme for saving power purchase expenses

Directive

The Hon'ble 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

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 non-conventional 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.

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.

8.1.8 Delay in Bill Generation

Directive

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

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.



8.1.9 Sharing of Historical Data of Energy Consumption

Directive

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

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.

8.1.10 Financial Accounting of BEST

Directive

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

BEST has opened the separate bank account for Transport and Electricity Supply business and is maintaining the same.

8.1.11 Publishing Energy Accounting report

Directive

The BEST is directed to publish periodic Energy Accounting Reports and the Annual Audit Report regularly on the website for public information.

BEST's submission

BEST is regularly publishing the periodic Energy Accounting Reports and the Annual Audit Report on the website for public information.



8.1.12 Improvement in energy billing system

Directive

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.

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

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.

8.1.13 Contribution to Contingency Reserves

Directive

The Commission directed BEST to ensure timely investment of contingency reserves amount as specified in the MERC MYT Regulations, 2019.

BEST's submission

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.

8.1.14 Consumer Security Deposit (CSD)

Directive

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

BEST has started claiming 2 month CSD from the consumers and is following transparency for ensuring timely recovery/refund of the CSD.

8.1.15 kVAh Billing for Consumer categories having load above 20 kW

Directive

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.

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

BEST has started executing the Smart Meter installation programme for all its consumers since Dec'23.

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.

8.1.16 Time of Day Tariff

Directive

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

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 requests the Hon'ble Commission to retain the existing ToD tariff framework for BEST in the 5th MYT control period's Order and defer the implementation of revised ToD tariff till next Control Period/MTR Petition.



8.1.17 Stabilising variation in consumer bill on account of FAC

Directive

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

FAC account is being maintained as per the Hon'ble Commission's directions.

8.1.18 Other Directives

8.1.18.1 RE Power Purchase from M/s Spark Green Energy

Directive

M/s Spark Green Energy (Ahmednagar) Pvt. Ltd. and M/s Spark Green Energy (Satara) Pvt. Ltd. submitted their Petitions in Case No. 252 of 2019 and Case No. 282 of 2019, respectively, before the Hon'ble Commission seeking directions for setting aside the termination letters / notices issued by BEST and to declare the Energy Purchase Agreement (EPA) dated 1 October 2009 as valid and binding upon both Parties. The Hon'ble Commission analysed both the Petitions and directed in its Order dated 04.02.2020 as follows.

"COMMON ORDER

1. Claims for Relief sought by Spark Green Energy Ltd in Case No 252 and 282 of 2019 are rejected.

2. However, considering unique nature of the EPAs, if both parties agree, they can continue with the existing EPA at tariff rate of Rs. 5 per unit with discount against interest free deposit. Under such circumstances, they shall file Case afresh for approval of the EPAs. Otherwise, Spark Green shall refund interest free deposit invested by Brihanmumbai Electric Supply and Transport Undertaking as per provisions of the Investment Agreement."



BEST submission

M/s Spark Green Energy (Ahmednagar) Pvt. Ltd and M/s Spark Green Energy (Satara) Pvt. Ltd. have not complied with the Hon'ble Commission's Order, and have failed to complete the projects and commencement of operation as per the mutually agreed terms and conditions as per the Investment Agreement and Energy Purchase Agreement. They have also neglected to supply RE power to BEST as per the EPA. Hence, BEST Undertaking had terminated the EPAs and initiated legal action against it including by filing Insolvency and Bankruptcy proceeding before National Company Law Tribunal (NCLT) and the Recovery Suit / Civil Suit and Criminal Proceeding in the court. The matters are yet to be finalised and are pending before NCLT and before Hon'ble National Company Law Appellate Tribunal (NCLAT). Further, BEST had filed a case before the Hon'ble Metropolitan Magistrate against it for cheques bounce case of security (Rs. 30 Crore each) towards the amount of investment deposits. The cases are admitted by court and pending for hearings.

Therefore, BEST has not considered the procurement of power from M/s Spark Green Energy (Ahmednagar) Pvt. Ltd and M/s Spark Green Energy (Satara) Pvt. Ltd for the 5th MYT Control Period.

- 8.1.18.2 Compensation on account of occurrence of change in law events - Petition submitted by M/s. Sai Wardha Power Generation Pvt Ltd. in Case No. 73 / MP / 2023 and Review Petition in Case No. 130 / RC / 2024

Directive

Vide Order dated 01.07.2024 in Case No. 73 / MP / 2023 Petition filed by M/s Sai Wardha, the Hon'ble Commission has given the following Ruling and rejected the Petition.

The Hon'ble Commission rejected BEST's contention that M/s Sai Wardha does not have any privity of contract with its PPA dated 24 May 2019. The Commission ruled that M/s Sai Wardha (SWPGPL) has privity of contract with PPA signed by M/s Manikaran (MPL) with BEST and Maharashtra Airport Development Company Ltd. (MADC). Further these PPAs signed between trader (MPL), Distribution Licensees (BEST & MADC) and generator (SWPGPL) are back-to-back PPAs and role of MPL is limited to conduit between generator and distribution licensee.



The Hon'ble Commission analysed that as per prevailing practice, Coal India is not supplying 100% of coal requirement stipulated in the FSA and hence, generator (SWPGPL) are required to source alternate coal including imported coal to fulfil its coal requirement. This practice was also prevailing prior to the MoP notification dated 24 April 2022 mandating import of 10% coal. Therefore, it is also necessary to establish whether SWPGPL was sourcing alternate coal including imported coal prior to 24 April 2022 to ascertain impact of MoP notifications dated 24 April 2022. However, SWPGPL has not provided any of such details in the Petition, hence the Hon'ble Commission could not ascertain SWPGPL's claim and hence, the Hon'ble Commission held that SWGPL is not eligible for compensation under Change in Law provision of BEST's PPA.

Accordingly, Hon'ble Commission ruled that Change in Law compensation is not payable. Hence, methodology for computation of Change in Law compensation need not be decided and rejected the Petition in Case No. 73 of 2023.

Vide Order dated 24.12.2024 in Case No. 130 / RC / 2024 Review Petition filed by M/s Sai Wardha, Hon'ble Commission's ordered as below.

- “(1) The Review Petition in Case No. 130 of 2024 is allowed.*
- (2) The methodology proposed by SWPGPL for computation of compensation is approved.*
- (3) BEST and MADC to scrutinise computation submitted by SWPGPL within a month from date of this Order and thereafter pay the compensation amount as per provisions of the respective PPAs.*
- (4) Carrying cost is applicable on compensation amount i.e. carrying cost at the rate of 1.50% in excess of 1- year MCLR of State Bank of India shall be applicable from the date when SWPGPL has actually incurred such expenses till the date of approval of the change in law claims i.e. date of this Order. Such carrying cost shall be computed on simple interest basis.”*

BEST submission

The high claim of compensation amount of Rs. 7.21 Crore and carrying cost is applicable on compensation as per the Hon'ble Commission's Order. BEST decided



to challenge the Hon'ble Commission's Order dated 24.12.2024 in Case No. 130 / RC / 2024 before the Hon'ble APTEL (Appellate Tribunal for Electricity, Delhi).

8.1.18.3 **As regards payment of past period FBSM bills**, BEST is yet to pay the bills equivalent to Rs. 298.67 Crore due to its cash flow issues, and has not claimed the principal amount or the carrying cost on the same in the FAC submissions.

8.1.18.4 Petitions submitted by Kharghar Vikhroli Transmission Ltd. (KVTL) to MERC

Case No. 116/PA/2023:- M/s Kharghar Vikhroli Transmission Ltd has filed a Petition for seeking approval for creation of security interest over the Petitioner's assets in favour of Respondent No. 9 - Catalyst Trusteeship Ltd. (as the Security Trustee acting for the benefit of the Hedge Banks) in respect of the Petitioner's Transmission Project of 400 kV Kharghar Vikhroli.

Directive

Vide order dated 08.01.2024 in Case No. 116 of 2023, the Hon'ble Commission ordered as below.

“ORDER

- 1. The Petition in Case No. 116 of 2023 is partly allowed.*
- 2. Creation of Security Interest by way of hypothecation/mortgage/charge/pledge/assignment etc., over all assets including the movable and immovable assets, Project accounts, Project documents (including assignment of transmission licence) etc.. of Kharghar Vikhroli Transmission Ltd. in favour of Respondent No. 9/ Catalyst Trusteeship Ltd/Security Trustee is being allowed to secure the Petitioner's obligations towards the Hedge Banks under the Financing Documents subject to the following conditions:*
 - i) On account of the proposed financing arrangement, there shall not be any additional claim on account of change in law or other additional burden on the beneficiaries.*
 - ii) Security granted by Kharghar Vikhroli Transmission Ltd. shall be ring fenced to the obligation under the facilities for which Kharghar Vikhroli Transmission Ltd. is acting as a borrower.*
 - iii) The Transmission Licence of Kharghar Vikhroli Transmission Ltd., the underlying assets, Project accounts, Project documents etc. cannot be assigned in*



favour of the nominee of the Security Trustee/Lenders/Hedge Banks unless prior approval of the Commission is obtained at the time of creating rights in favour of such nominee.

Lenders have to comply with the first proviso to clause 15.2.2 of the Transmission Service Agreement according to which the lenders have to agree in writing with the provisions of the Transmission Service Agreement.

Kharghar Vikhroli Transmission Ltd. shall ensure the compliance of the clause 18.2 of the Transmission Service Agreement relating to Equity Lock In period which requires that the equity share holding of Kharghar Vikhroli Transmission Ltd. shall not be less than 51% upto a period of two years after the date of commercial operation and 26% for a period of three years thereafter.

Kharghar Vikhroli Transmission Ltd. shall retain the operational control over Transmission assets.

Kharghar Vikhroli Transmission Ltd. shall ensure compliance of the Reserve Bank of India Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019 (updated as on 30 September 2022), the Foreign Exchange Management (Borrowing and Lending) Regulations 2018, Indian Accounting Standards, Generally Accepted Accounting Principles in USA and / or International Financial Reporting Standards issued by International Accounting Standards Board.

3. The aforesaid in principle approval shall not prejudice any interest or benefits of the beneficiaries of KVTL's Transmission Project or in any way weaken the obligations of Kharghar Vikhroli Transmission Ltd. under the Transmission Licence and project documents.

Kharghar Vikhroli Transmission Ltd. shall ensure adherence to all the obligations under the Security Trustee Agreement, the Facility Agreement and the Agreements relating Hedging facility, in timely manner to avoid any default towards its lenders/Hedge Banks. Kharghar Vikhroli Transmission Ltd. shall keep informed the Long-Term Transmission Customers on six monthly basis, about its fulfillment of the payment obligations to its lenders and Hedge Banks vis-à-vis the timelines and other requirement as provided in the relevant financing agreements.”



M/s Kharghar Vikroli Transmission Ltd. has filed a Petition for seeking declaration of Part/Element-wise Commercial Operation Date (achieved deemed/actual) for 400 kV Vikhroli Project and segregation of transmission charges payable for 400 kV Vikhroli Project into transmission charges payable for each Part/Element of the Project as per Schedule 2 of the Transmission Service Agreement dated 14 August 2019 (Establish Transmission System for 400kV Vikhroli Receiving Station and associated incoming transmission lines for strengthening of Mumbai Transmission System).

Directive

Vide Order dated 20.04.2024 in Case No. 205 of 2023, Hon'ble Commission dismissed the Petition.

Case No. 44/AD/2024:- M/s Kharghar Vikroli Transmission Ltd has filed a Petition for seeking, inter-alia, extension of Scheduled Commercial Operation Date due to various Force Majeure events and appropriate relief for Change in Law events.

Directive

Vide daily Order dated 12.11.2024 in Case No. 44 of 2024, the Hon'ble Commission ordered as below.

“Daily Order

Heard the Advocate for the Petitioner and MSEDCL at length.

The Petitioner reiterated the arguments made in the Petition and stated that it is broadly divided into two parts, i.e., Part 1- Force Majeure events for the delay; Part 2- Change in Law (CIL) and its consequences.

MSEDCL opposed the Petitioner's pleading and reiterated the arguments in the reply. He stated that one of the prayers of the Petitioner is to hold and declare the elementwise COD of the 400kV Vikhroli TBCB Project. However, the Commission vide its Order dated 20 April 2024 in Case No. 205 of 2023 has rejected the Element wise COD of the Project. Hence, the Petition is not maintainable in law due to misjoinder.



The representative of AEML-D, BEST and STU stated that they have filed their reply and nothing else to add. AEML-D stated that they will abide by the Commission's Order.

To refute the arguments of MSEDCL, the Petitioner stated that it would take more time. Hence, considering time constraints, the Commission adjourned the hearing for Petitioner's Rejoinder.

The interim relief granted vide Daily Order dated 9 July 2024 continues till the final decision in Case No. 44 of 2024.

The next date of the hearing will be intimated by the Secretariat of the Commission separately”.

BEST submission

BEST had made its submission in Case No. 116 of 2023, Case No. 205 of 2023 and Case No. 44 of 2024 before the Hon'ble Commission.



9. Prayers

9.1.1 In the circumstances and for the reasons mentioned above, BEST respectfully submits and prays for the following relief:

- 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 fulfillment 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 whole 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 the facts and circumstances of the case.




Chief Engineer
(Regulatory)