

PRESS NOTE

RETAIL ELECTRICITY TARIFF OF BEST UNDERTAKING **APPLICABLE FROM 1 SEPTEMBER, 2018**

The Brihanmumbai Electric Supply and Transport Undertaking (BEST) is a Licensee for electricity distribution in the island city area of Mumbai. BEST's Mid Term Review Petition for Truing up of Aggregate Revenue Requirement (ARR) for FY 2015-16 and FY 2016-17, Provisional Truing up of ARR for FY 2017-18 and Revised ARR and Tariff for FY 2018-19 and FY 2019-20 was admitted by the Maharashtra Electricity Regulatory Commission on 28 June, 2018.

The Commission invited written suggestions on the Petition from the public, and also held a Public Hearing on 1 August, 2018 at Centrum Hall, Centre No. 1, World Trade Centre, Cuffe Parade, Colaba, Mumbai. After this public consultation process, in which Consumer Representatives and consumers also participated, the Commission has determined the revised ARR and Tariff of BEST for the period FY 2018-19 to FY 2019-20 through its Order dated **12 September, 2018**. The revised tariffs are effective from **1 September, 2018**.

The salient features of the Commission's Order are as follows:

Retail Electricity Tariff

- 1) The Commission has determined the net ARR for FY 2018-19 and FY 2019-20 as shown below:

(Rs. Crore)

	Particulars	FY 2018-19	FY 2019-20
1	ARR estimated by BEST	3,507.61	3,394.36
2	ARR determined by the Commission	3,330.75	3,440.05
3	Gap/(Surplus)	(298.58)	(144.01)
4	Average Cost of power Supply (ACoS) approved by Commission	7.10	7.06

- 2) BEST's consumers will benefit with **reduction** of 5 to 7% overall decrease in the average tariff in the year 2018-19 and further **reduction** of 2-3 % in FY 2019-20.
- 3) For promotion of Electric Vehicles in the State, the Commission has created a new category for Electric Vehicle (EV) Charging Stations at HT and LT Voltage levels, with effective variable charge of Rs.6 per unit and demand charges of Rs.70 per kVA per month. Additionally, they will also be eligible for Power Factor (PF) incentives/penalties, besides Time-of-Day (ToD) tariffs.

- 4) In continuation with existing Orders, Wheeling Charges shall continue to be not applicable to Railways, Metro, Monorail and other consumers taking supply on EHV (110/132 kV) voltage level.
- 5) Further, considering the importance of Waste Disposal processing facilities, dedicated waste processing / disposal facility shall be categorised as Public Service (Govt.) and Public Services (others) as the case may be, instead of Commercial category, which will give a relief of around Rs. 0.70 per kWh. In case of Waste processing/disposal facility exclusively for processing the waste generated located within a premise, the tariff applicable to such premise / consumer / housing society shall be applicable to such facility. Example – Facility in Housing Societies will be levied Residential Tariff.
- 6) In line with the Government's initiative of encouraging digitization across areas including monetary transactions, the Commission has introduced a discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/- per month per bill for 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. This will further benefit consumers who are making prompt payment of their bills, as they will also be eligible for the prompt payment discount of 0.5% of their monthly bill.
- 7) As a special dispensation, the tariff applicable to 'Temporary Supply – Religious', shall also be made applicable to Circuses.
- 8) The laundry/ ironing services done in separate premises will now be categorised under LT III (Industry) as earlier it was under commercial category, and will benefit by a tariff reduction of around Rs. 0.75 per unit.
- 9) Fixed/Demand Charges have continued to be gradually increased, to increase the recovery of fixed costs from fixed charges.
- 10) The Load Factor incentive and Power Factor incentive have been rationalised.
- 11) The Commission has continued its efforts to contain or reduce the cross-subsidy levels, i.e., the extent to which one category of consumers cross-subsidises or is subsidised by others, as envisaged under the Electricity Act, 2003 and in accordance with the Tariff Policy.

Treatment of Deficit of Transport Division and TDLR Charge

- 12) In the previous MYT Order, the Commission has decided the category wise refund to be effected by BEST for the FY 2018-19 and FY 2019-20. The refund amount to the Consumers is Rs 938.69 Crore in FY 2018-19 and Rs 851.44 Crore in FY 2019-20. This refund is however subject to the final decision of the Hon'ble Supreme Court in this matter.

- 13) The comparison of existing and revised category-wise Tariffs for FY 2018-19 and FY 2019-20 are given at **Annexure 1** and **Annexure 2**, respectively. The category-wise increase/(decrease) in tariff and reduction in cross-subsidy levels are shown in **Annexure 3**.

The Commission's detailed Order may be seen and downloaded at the Commission's websites www.mercindia.org.in and merc.gov.in.