

**AEML DISTRIBUTION (AEML-D)
MID-TERM REVIEW (MTR)
PETITION**

**EXECUTIVE SUMMARY
OF THE PETITION**

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1 INTRODUCTION

The Hon'ble Commission has issued the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019 (hereinafter referred to as the "MYT Regulations, 2019") on 01-08-2019. These Regulations are effective from FY 2020-21 to FY 2024-25. In accordance with Regulation 5.1(b) of MYT Regulations ,2019, AEML-D has filed the Mid-Term Review (MTR) Petition comprising of:

- Truing-up for FY 2019-20 to be carried out under MERC(Multi Year Tariff) Regulations, 2015;
- Truing-up for FY 2020-21 and FY 2021-22 to be carried out under the MYT Regulations, 2019;
- Provisional Truing-up for FY 2022-23 to be carried out under the MYT Regulations, 2019;
- Revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff and charges, expected revenue gap, proposed category-wise Tariff and charges, proposed wheeling charges and Cross Subsidy Surcharge for open access consumers for the fourth and fifth year of the Control Period i.e. FY 2023-24 and FY 2024-25 and revision in Schedule of Charges for FY 2023-24 and FY 2024-25.

2 TRUING UP OF FY 2019-20

The summary of truing up of FY 2019-20 is shown in table below:

Table 1 : Revenue Gap/(surplus) of Wires and Supply Business for FY 2019-20

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		4,605.16	4,605.16		4,375.57	4,375.57
Operation & Maintenance expenditure	850.72	419.68	1,270.40	844.67	428.95	1,273.62
Depreciation	256.27	26.00	282.27	254.42	26.22	280.64
Interest on long-term loan	146.51	5.92	152.43	146.69	5.97	152.66
Financing, Refinancing charges, FERV				58.39	2.74	61.13
PV of interest cost saving						
Return on Equity	335.71	27.84	363.55	336.23	28.08	364.31
Interest on working capital	30.49	14.95	45.44	25.10	3.86	28.96
Interest on CSD		45.90	45.90		42.42	42.42
Bad-debts written off	3.37	12.62	15.99	2.98	13.14	16.13
Contribution to contingency reserve	13.87	1.26	15.13	14.88	1.26	16.15
Income Tax	89.34	507.03	596.37	143.20	587.53	730.74
Non-Tariff Income	116.24	41.25	157.49	124.64	46.19	170.82
Income from Other Business	0.08		0.08	0.41		0.41
D-loss efficiency gain					16.60	16.60
Past gap allowed	18.46	649.30	667.76	18.46	649.30	667.76
Aggregate Revenue Requirement (ARR)	1,628.42	6,274.41	7,902.83	1,719.98	6,135.47	7,855.45
Revenue from Own consumers	1,282.56	6,246.77	7,529.33	1,254.33	6,145.53	7,399.87
Wheeling revenue from CO & OA consumers	274.09		274.09	267.53		267.53
CSS revenue		166.38	166.38		160.23	160.23

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Total Revenue	1,556.65	6,413.15	7,969.80	1,521.86	6,305.76	7,827.63
Gap / (Surplus)	71.77	-138.74	-66.97	198.11	-170.29	27.82

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 92 Crore is primarily on account of the following:

- a. Impact of financing and refinancing charges at the time of truing up – Rs. 58 Crore
- b. Higher income tax at the time of truing up being determined as per regulatory PBT method – Rs. 54 Crore

Further, there was decrease in actual revenue from wheeling charges in FY 2019-20 as compared to the revenue as per MYT Order for FY 2019-20 due to decrease in actual sales in FY 2019-20 compared to sales considered for FY 2019-20 in the MYT Order.

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the reduction in Retail ARR by ~ Rs. 139 Crore is primarily on account of the following:

- a. Lower power purchase expense for FY 2019-20 due to lower short term power purchase rate and higher volume of power purchase from Imbalance Pool – Rs. 230 Crore, which was offset with
- b. Higher income tax at the time of truing up being determined as per regulatory PBT method – Rs. 81 Crore
- c. Eff. Gains due to lower distribution loss achieved as compared to the target in FY 2019-20 – Rs. 17 Crore

Further, there was decrease in actual retail revenue in FY 2019-20 as compared to the revenue as per MYT Order for FY 2019-20 due to decrease in actual sales in FY 2019-20 compared to sales considered for FY 2019-20 in the MYT Order.

3 TRUING UP OF FY 2020-21

The summary of truing up of FY 2020-21 is shown in table below:

Table 2 : Revenue Gap/(surplus) of Wires and Supply Business for FY 2020-21

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		4,713.27	4,713.27		3,739.53	3,739.53
TPC-G payment		88.28	88.28		52.75	52.75
AEML-G true-up surplus		(91.96)	(91.96)		(91.96)	(91.96)
Operation & Maintenance expenditure	875.50	430.09	1,305.60	811.71	426.37	1,238.08
Depreciation	282.33	29.71	312.04	306.80	85.48	392.29
Interest on long-term loan	162.35	8.23	170.58	156.22	2.70	158.92
Financing, Refinancing charges				14.23	1.42	15.65
FERV						
Return on Equity	398.17	33.84	432.02	573.39	43.33	616.72
Interest on working capital	31.39	5.55	36.94	26.24		26.24
Interest on CSD		27.35	27.35		21.06	21.06
Bad-debts written off	3.37	12.62	15.99	3.01	12.41	15.42
Contribution to contingency reserve	15.38	1.31	16.69	16.56	1.25	17.81
Non-Tariff Income	120.36	42.32	162.68	136.43	23.01	159.44

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Income from Other Business	0.13		0.13	0.64		0.64
Aggregate Revenue Requirement (ARR)	1,648.00	5,215.97	6,863.97	1,771.09	4,271.33	6,042.42
Past Gap	176.68	25.85	202.53	176.68	25.85	202.53
ARR adjustment		(142.87)	(142.87)		(142.87)	(142.87)
Total ARR	1,824.68	5,098.95	6,923.63	1,947.77	4,154.31	6,102.08
Revenue from Own consumers	1,318.87	5,285.41	6,604.28	1,062.53	4,388.30	5,450.83
Wheeling revenue from CO & OA consumers	252.91		252.91	250.21		250.21
CSS revenue		68.04	68.04		52.40	52.40
Total Revenue	1,571.78	5,353.45	6,925.23	1,312.74	4,440.70	5,753.44
Gap / (Surplus)	252.90	(254.50)	(1.60)	635.03	(286.39)	348.64

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 123 Crore is primarily on account of the following:

- On account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MYT Order ~ Rs. 190 Crore.
- Financing charges being claimed at the time of true-up, which has resulted in lowering of interest rate and consequential interest cost ~ Rs. 14 Crore.
- Reduction in Opex due to the efficiency gains now computed vis-à-vis normative Opex approved in MYT Order and also reduced network related Opex due to the pandemic situation prevailing in FY 2020-21 ~ (Rs. 63 Crore).
- Increase in Non-tariff income (actual Vs approved) ~ (Rs. 16 Crore).

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the reduction in Retail ARR by ~ Rs. 945 Crore is primarily on account of the following:

- Reduction in power purchase cost attributable to lower sales due to pandemic impact ~ (Rs. 1009 Crore).
- Increase in depreciation due to reduction in useful life of batteries and meters as per MYT Regulation ~ Rs. 56 Crore.

Further there has been a significant drop in revenue due to the pandemic situation, which has also contributed to the increase in the wires gap / offsetting the reduction in retail surplus.

4 TRUING UP OF FY 2021-22

The summary of truing up of FY 2021-22 is shown in table below:

Table 3 : Revenue Gap/(surplus) of Wires and Supply Business for FY 2021-22

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		4,675.33	4,675.33		4,660.05	4,660.05
Operation & Maintenance expenditure	904.96	444.45	1,349.41	1,006.54	456.50	1,463.04
Depreciation	303.04	38.53	341.57	347.67	23.48	371.15
Interest on long-term loan	168.12	16.20	184.32	188.05	0.55	188.59
Financing, Refinancing charges, FERV, PV of interest cost saving				29.79	0.04	29.83
Return on Equity	422.23	43.68	465.91	641.40	46.07	687.47
Interest on working capital	32.57	3.50	36.07	27.06	-	27.06
Interest on CSD		30.03	30.03		18.71	18.71
Bad-debts written off	3.37	12.62	15.99	2.63	11.74	14.37
Contribution to contingency reserve	16.84	1.63	18.47	18.93	1.34	20.27
Non-Tariff Income	126.12	43.62	169.74	166.13	43.86	209.98
Income from Other Business	0.13		0.13	3.27	-	3.27
D-loss efficiency gain					13.97	13.97
Aggregate Revenue Requirement (ARR)	1,724.88	5,222.35	6,947.23	2,092.67	5,188.59	7,281.26
ARR adjustment		109.50	109.50		109.50	109.50

Particulars / (Rs. Crore)	MYT ORDER			ACTUALS		
	Wire	Retail	Total	Wire	Retail	Total
Total ARR	1,724.88	5,331.85	7,056.73	2,092.67	5,298.09	7,390.76
Revenue from Own consumers	1,255.90	5,477.45	6,733.35	1,099.71	4,904.32	6,004.03
Wheeling revenue from CO & OA consumers	234.49		234.49	232.41		232.41
CSS revenue		89.20	89.20		65.97	65.97
Total Revenue	1,490.39	5,566.65	7,057.04	1,332.12	4,970.29	6,302.41
Gap / (Surplus)	234.49	(234.80)	(0.31)	760.54	327.80	1,088.35

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 370 Crore is primarily on account of the following:

- On account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MYT Order ~ Rs. 284 Crore.
- Financing charges being claimed at the time of true-up, which has resulted in lowering of interest rate and consequential interest cost ~ Rs. 30 Crore.
- Increase in Opex vis-à-vis that approved in the MYT Order taking into account the impact of wage revision payment ~ Rs. 102 Crore.
- ~ Rs. 37 crore as arrears of AIH charges included in NTI.

It is submitted that on comparison of the actual ARR vis-à-vis approved ARR, the reduction in Retail ARR by ~ Rs. 34 Crore is primarily on account of the following:

- Increase in power purchase cost ~ Rs. 77 Crore offset by lower payment of standby charges ~ Rs. 92 Crore.

- Lower interest on Security Deposit ~ Rs. 11 Crore.
- Reduction on account of lower capex ~ Rs. 28 Crore.
- Increase in Opex vis-à-vis that approved in the MYT Order taking into account the impact of wage revision payment ~ Rs. 12 Crore.
- ~ Rs. 13 Cr on account of AEML-D share of efficiency gains in distribution loss.

Further, there has been a significant drop in revenue due to the pandemic situation, which has also contributed to the increase in the wires and retail gap.

5 PROVISIONAL TRUING UP OF FY 2022-23

The summary of provisional truing up of FY 2022-23 is shown in table below:

Table 4 : Provisional Revenue Gap/(surplus) of Wires and Supply Business for FY 2019-20

Particulars / (Rs. Crore)	MYT ORDER			ESTIMATES		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		4,793.17	4,793.17		6,182.72	6,182.72
Operation & Maintenance expenditure	935.41	459.28	1,394.69	979.79	490.67	1,470.46
Depreciation	315.97	48.48	364.44	387.53	30.61	418.14
Interest on long-term loan	160.23	24.72	184.95	208.62	8.87	217.49
Return on Equity	437.25	54.76	492.00	500.74	40.73	541.47
Interest on working capital	33.54	0.34	33.88	34.99	2.28	37.28
Interest on CSD		32.71	32.71		20.85	20.85
Provision for Bad and Doubtful Debts	3.37	12.62	15.99	2.63	11.74	14.37
Contribution to contingency reserve	17.74	2.18	19.92	21.39	1.36	22.75
Non-Tariff Income	132.18	44.99	177.17	140.55	65.14	205.68
Income from Other Business	0.13		0.13	3.27		3.27
Aggregate Revenue Requirement (ARR)	1,771.20	5,383.27	7,154.47	1,991.87	6,724.69	8,716.57
ARR adjustment		52.38	52.38		52.38	52.38
Total ARR	1,771.20	5,435.65	7,206.85	1,991.87	6,777.07	8,768.95
Revenue from Own consumers	1,298.43	5,583.03	6,881.46	1,362.68	6,730.82	8,093.49
Wheeling revenue from CO & OA consumers	236.38		236.38	230.89		230.89

Particulars / (Rs. Crore)	MYT ORDER			ESTIMATES		
	Wire	Retail	Total	Wire	Retail	Total
CSS revenue		88.30	88.30		74.06	74.06
Total Revenue	1,534.81	5,671.33	7,206.14	1,593.56	6,804.87	8,398.44
Gap / (Surplus)	236.39	(235.68)	0.71	398.31	(27.80)	370.51

It is submitted that on comparison of the estimated Total ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 220 Crore is primarily on account of the following:

- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MYT Order due to increased capitalization ~ Rs. 183 Crore.
- Increase in revised Normative Opex vs. the MYT Order ~ Rs. 44 Crore and projected increase in NTI and IFOB ~ Rs. 12 Crore.

It is submitted that on comparison of the estimated ARR vis-à-vis approved ARR, the increase in Supply ARR by ~ Rs. 1,340 Crore is primarily on account of the following:

- Increase in power purchase cost ~ Rs. 1,390 Crore. This is primarily on account of the STPP rate approved in the MYT Order at Rs. 3.50/u Vs provisional actuals for H1 of FY 2022-23 and Rs. 5/u estimated for H2. Also, recently as mentioned above, MTPP has been approved from 1st Sept 2022 onwards, which has not been considered in the MYT Order.
- Reduction in provisional depreciation, interest and RoE as compared to the expenses considered in MYT Order due to lower capitalization vs approved in MYT Order for the earlier years ~ Rs. 48 Crore.
- Increase in revised Normative Opex vis-à-vis that approved in the MYT Order ~ Rs. 32 Crore.
- Projected increase in NTI ~ Rs. 20 Crore.

Further, the variation in revenue is due variation between sales considered in MYT Order for FY 2022-23 and estimated sales for FY 2022-23 considered for provisional truing up (actual sales for H1 of FY 2022-23 and estimated sales for H2 of FY 2022-23).

6 REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24 AND FY 2024-25.

The summary of revised ARR for FY 2023-24 and FY 2024-25 is as under:

Table 5 : Revised ARR for FY 2023-24

Particulars / (Rs. Crore)	MYT ORDER			ESTIMATES		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		4,921.38	4,921.38		5,642.27	5,642.27
Operation & Maintenance expenditure	966.88	474.61	1,441.49	1,020.94	511.47	1,532.41
Depreciation	325.51	53.16	378.67	424.36	49.41	473.78
Interest on long-term loan	146.07	25.99	172.06	221.72	30.80	252.52
Return on Equity	448.34	59.97	508.31	541.43	64.83	606.26
Interest on working capital	34.41		34.41	57.92		57.92
Interest on CSD		35.40	35.40		33.25	33.25
Provision for Bad and Doubtful Debts	3.37	12.62	15.99	2.63	11.74	14.37
Contribution to contingency reserve	18.32	2.61	20.93	23.42	2.16	25.58
Non-Tariff Income	138.56	46.42	184.98	140.55	65.14	205.68
Income from Other Business	0.13		0.13	3.27		3.27
Aggregate Revenue Requirement (ARR)	1,804.19	5,539.32	7,343.51	2,148.59	6,280.81	8,429.40

Table 6 : Revised ARR for FY 2024-25

Particulars / (Rs. Crore)	MYT ORDER			ESTIMATES		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		5,054.40	5,054.40		5,772.04	5,772.04
Operation & Maintenance expenditure	999.40	490.45	1,489.85	1,063.81	533.15	1,596.96
Depreciation	334.56	53.69	388.25	459.78	76.02	535.81
Interest on long-term loan	130.29	21.81	152.10	229.95	61.33	291.28
Return on Equity	458.85	60.56	519.41	580.74	99.34	680.09
Interest on working capital	35.26		35.26	59.34		59.34
Interest on CSD		38.08	38.08		34.98	34.98
Provision for Bad and Doubtful Debts	3.37	12.62	15.99	2.63	11.74	14.37
Contribution to contingency reserve	18.83	2.64	21.47	25.54	3.52	29.06
Non-Tariff Income	145.28	47.93	193.21	140.55	65.14	205.68
Income from Other Business	0.13		0.13	3.27		3.27
Aggregate Revenue Requirement (ARR)	1,835.16	5,686.32	7,521.48	2,277.98	6,526.99	8,804.97

FY 2023-24:

It is submitted that on comparison of the projected ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 345 Crore is primarily on account of the following:

- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MYT Order due to increased capitalization ~ Rs. 268 Crore.

- Increase in revised Normative Opex vis-à-vis that approved in the MYT Order ~ Rs. 54 Crore.
- Increase in revised Normative loWC due to revised parameters vis-à-vis that approved in the MYT Order ~ Rs. 24 Crore.

It is submitted that on comparison of the estimated Total ARR vis-à-vis approved ARR, the increase in Supply ARR by ~ Rs. 740 Crore is primarily on account of the following:

- Increase in power purchase cost ~ Rs. 720 Crore. This is primarily on account of the STPP rate approved in the MYT Order at Rs. 3.50/u Vs projected at Rs. 5/u. Further, additional sources which were not included as part of the MYT Order include projected purchase from MTPP.
- Increase in revised Normative Opex vis-à-vis that approved in the MYT Order ~ Rs. 37 Crore.
- Projected increase in NTI ~ Rs. 19 Crore.

FY 2024-25:

It is submitted that on comparison of the projected Total ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 445 Crore is primarily on account of the following:

- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MYT Order due to increased capitalization ~ Rs. 347 Crore.
- Increase in revised Normative Opex vis-à-vis that approved in the MYT Order ~ Rs. 64 Crore.
- Increase in revised Normative loWC due to revised parameters vis-à-vis that approved in the MYT Order ~ Rs. 24 Crore.

It is submitted that on comparison of the estimated Total ARR vis-à-vis approved ARR, the increase in Supply ARR by ~ Rs. 840 Crore is primarily on account of the following:

- Increase in power purchase cost ~ Rs. 720 Crore. This is primarily on account of the STPP rate approved in the MYT Order at Rs. 3.50/u Vs projected at Rs. 5/u. Further, additional sources which were not included as part of the MYT Order include projected purchase from MTPP and projected purchase from RTC RE + Thermal.
- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MYT Order due to increased capitalization ~ Rs. 101 Crore.
- Increase in revised Normative Opex vis-à-vis that approved in the MYT Order ~ Rs. 43 Crore.
- Projected increase in NTI ~ Rs. 17 Crore.

7 CUMULATIVE REVENUE GAP/SURPLUS TILL FY 2022-23

The cumulative revenue gap / surplus till the close of FY 2022-23 is shown below. It is clarified that carrying / holding cost is only computed for revenue gap / surplus pertaining to FY 2019-20, FY 2020-21 and FY 2021-22 and not on the provisional revenue gap / surplus of FY 2022-23, as the same is provisional at this stage. In addition to the revenue gap / surplus of previous years, Rlnfra has raised demand for certain payments made by it for the period prior to the acquisition of business by the Adani Group. These payments relate to the Service Tax liability as settled by Rlnfra with the Department, related to AIH charges income from Street Light maintenance. This amount has been claimed separately as part of cumulative gap till FY 2022-23.

Also, against the MYT Order in Case 325 of 2019, AEML-D had filed a review petition (Case No. 103 of 2020) on various issues, out of which one of the matters pertained to correcting the interest rate on loan from 10.36% to 10.51% for FY 2017-18. Since the Hon'ble Commission had allowed the same, AEML-D has claimed the impact of the same as part of cumulative gap till FY 2022-23.

Further, the Hon'ble Commission in earlier Tariff Orders had approved the recovery of Regulatory Assets (RA) till FY 2019-20. The adjustment of recovery considered in MYT Order dated 30.03.2020 and actual RA recovery till FY 2019-20 works out to Rs 4.04 Crore which has been considered as part of cumulative gap till FY 2022-23.

Table 7 : Cumulative Revenue Gap / Surplus till FY 2022-23

Particulars / (Rs. Crore)	Wires Business	Supply Business	Total
Incremental Revenue Gap of FY 2019-20	126.34	(31.55)	94.79
Revenue Gap of FY 2020-21	635.03	(286.39)	348.64
Revenue Gap of FY 2021-22	760.54	327.80	1,088.35
Provisional Revenue Gap of FY 2022-23	398.31	(27.80)	370.51
Carrying cost on Revenue Gap of FY 2019-20	46.28	(22.57)	23.71
Carrying cost on Revenue Gap of FY 2020-21	141.83	(63.97)	77.87
Carrying cost on Revenue Gap of FY 2021-22	104.96	43.31	148.26
RA adjustment	4.04		4.04
Service Tax liability claimed by Rlnfra, along with carrying cost till the close of FY 2022-23	6.87		6.87

Particulars / (Rs. Crore)	Wires Business	Supply Business	Total
Review Order (Case No. 103 of 2020) impact	3.02	(0.32)	2.70
Total	2,227.22	(61.48)	2,165.73

As seen from the above, there is significant revenue gap in the Wires business, as opposed to the Supply business. It is important to note that most of the revenue gap in Wires business is arising on account of lower recovery from wheeling charges as a result of reduced sales due to COVID slowdown spreading over three years – FY 2019-20, FY 2020-21 and FY 2021-22. In the past Orders, the Hon'ble Commission has, to reduce tariff shock to consumers as a result of large revenue gaps, phased out the revenue gap over a longer period, where the advantage is that, despite inclusion of carrying cost, this additional cost gets absorbed due to higher energy sales in the future, thereby minimising the impact on tariffs. This revenue gap is an outcome of a force majeure situation and may thus be dealt with similarly, thereby avoiding another economic shock to consumers who are now gradually recovering from the crippling effects of the pandemic.

Therefore, in accordance with the practice adopted in the previous Tariff Orders, AEML-D has proposed to recover the Wires and Supply revenue gap over a period of two remaining years FY 2023-24 and FY 2024-25. The annualised recovery, after factoring in appropriate interest cost, is worked out as under:

Table 8 : Recovery of Wire cumulative Gap / (Surplus) till FY 2022-23

Particulars / (Rs. Crore)	FY 2023-24	FY 2024-25
Opening	2,227.22	1,113.61
Recovery	1,113.61	1,113.61
Closing	1,113.61	
Carrying cost (%)	9.55%	9.55%
Carrying cost	159.52	53.17
Recovery with carrying cost	1,273.13	1,166.78

Table 9 : Recovery of Supply cumulative Gap / (Surplus) till FY 2022-23

Particulars / (Rs. Crore)	FY 2023-24	FY 2024-25
Opening	(61.48)	(30.74)
Recovery	(30.74)	(30.74)

Particulars / (Rs. Crore)	FY 2023-24	FY 2024-25
Closing	(30.74)	
Carrying cost (%)	9.55%	9.55%
Carrying cost	(4.40)	(1.47)
Recovery with carrying cost	(35.15)	(32.21)

8 TARIFF PROPOSAL

The summary of proposed wheeling charges for FY 2023-24 and FY 2024-25, computed in accordance with the methodology followed by the Hon'ble Commission in earlier Tariff Orders, along with the prevailing wheeling charges is shown in the table below:

Table 10 : Existing Wheeling Charges and Proposed Wheeling Charges

Particulars / (Rs./kWh)	FY 2022- 23 (Existing)	FY 2023-24		FY 2024-25	
		Approved in MYT Order	Proposed in this petition	Approved in MYT Order	Proposed in this petition
HT Wheeling charges (Rs./kWh)	0.68	0.68	1.17	0.68	1.08
HT Wheeling Charge (Rs./kVAh)	0.66	0.66	1.14	0.66	1.05
LT Wheeling charges (Rs./kWh)	1.47	1.48	2.65	1.48	2.53

The category wise revised CSS proposed for FY 2023-24 and FY 2024-25, computed in accordance with the Tariff Policy 2016 formula along with the prevailing CSS is shown in the table below:

Table 11 : Existing and Proposed CSS

Particulars / (Rs./kWh for LT, Rs/kVAH for HT)	FY 22-23 (Existing)	FY 23-24		FY 24-25	
		Approved in MYT Order	Proposed in this petition	Approved in MYT Order	Proposed in this petition
HT Category					
HT I: HT-Industry	1.48	1.47	1.51	1.47	1.39
HTII: HT- Commercial	1.83	1.91	1.75	2.01	1.59
HT III: HT-Group Housing Society	1.53	1.57	1.61	1.64	1.51
HT V - HT Metro & Monorail	1.46	1.47	-	1.49	-

Particulars / (Rs./kWh for LT, Rs/kVAH for HT)	FY 22-23 (Existing)	FY 23-24		FY 24-25	
		Approved in MYT Order	Proposed in this petition	Approved in MYT Order	Proposed in this petition
HT VI (a):PS - Govt. EI & Hospitals	1.53	1.52	1.57	1.56	1.47
HT VI (b):PS - Others	1.59	1.61	1.66	1.65	1.55
HT VIII: EV Charging Stations	-	-	-	-	-
LT Category					
LT I - Below Poverty Line			0.43		0.64
LT -I Residential	0.16	0.07	0.43	0.04	0.64
LT II (a) - 0-20 kW	1.61	1.62	1.40	1.62	1.38
LT II (b) - 20-50 kW	1.84	1.86	1.98	1.90	1.84
LT II (c) - above 50 kW	1.95	1.96	2.05	1.99	1.89
LT III (a) - LT Industrial upto 20 kW	1.00	0.90	0.79	0.90	0.58
LT III (b) - LT Industrial above 20 kW	1.74	1.76	1.86	1.78	1.67
LT IX (a): PS - Govt. EI & Hospitals	0.74	0.71	0.69	0.67	0.76
LT IX (b): PS - Others	1.12	1.08	1.88	1.05	1.76
LT X (a): Agriculture - Pumpsets	-	-	-	-	-
LT X (b): Agriculture - Others	-	-	0.81	-	0.63

Particulars / (Rs./kWh for LT, Rs/kVAH for HT)	FY 22-23 (Existing)	FY 23-24		FY 24-25	
		Approved in MYT Order	Proposed in this petition	Approved in MYT Order	Proposed in this petition
LT XI: EV Charging Stations	-	-	-	-	-

The overall increase / (decrease) in tariff required in FY 2023-24 and FY 2024-25 is shown in the table below.

Table 12 : Tariff hike required in FY 2023-24 and FY 2024-25

Particulars / (Rs. Crore)	FY 2023-24	FY 2024-25
Wires and Supply ARR	8,429.40	8,804.97
Past Gap Recovery	1,237.99	1,134.57
Total to be recovered	9,667.38	9,939.54
Revenue at revised Wheeling Charge & CSS from changeover consumers	554.91	589.41
Net ARR to be recovered from own consumers	9,112.48	9,350.13
Revenue at existing tariff from own consumers	9,236.37	9,886.45
Short fall / (Excess) at existing Tariff	(123.89)	(536.32)
Tariff Hike / (Decrease) required	(1.34%)	(5.42%)

**Revenue of Existing Tariff for FY 23-24 derived by applying existing tariff of FY 22-23 to the forecasted sales of FY 23-24. Revenue from Existing Tariff for FY 24-25 is derived by applying the proposed tariffs of FY 23-24 to the forecasted sales of FY 24-25*

9 PROPOSED COMPONENT WISE TARIFF FOR FY 2023-24 AND FY 2024-25

The summary of proposed tariff for FY 2023-24 is shown in table below:

Table 13 : Proposed Tariff for FY 2023-24

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
EHT Category						
EHT I: Industry		425		5.50		-
EHT II: Commercial		425		6.00		-
EHT III: Group Housing Society		425		4.80		-
EHT IV: Metro & Monorail		425		4.90		-
EHT V (a): PS - Govt. EI & Hospitals		425		5.30		-
EHT V (a): PS - Others		425		6.10		-
EHT VI: EV Charging Stations		-		4.50		
HT Category						
HT I: HT-Industry		425		5.50		1.14
HTII : HT- Commercial		425		6.00		1.14
HT III: HT-Group Housing Society		425		4.80		1.14
HT V - HT Metro & Monorail		425		4.90		1.14
HT V (a):PS - Govt. EI & Hospitals		425		5.30		1.14
HT V (b):PS - Others		425		6.10		1.14
HT VI: EV Charging Stations		-		2.96		1.14

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
LT Category						
LT I - Below Poverty Line	10		1.00		2.65	
LT -I Residential (Single Phase)						
0-100 units	100		2.60		2.65	
101-300 units	155		5.00		2.65	
301-500 units	155		7.55		2.65	
Above 500 units	185		8.90		2.65	
LT -I Residential (Three Phase)\$						
0-100 units	185		2.60		2.65	
101-300 units	185		5.00		2.65	
301-500 units	185		7.55		2.65	
Above 500 units	185		8.90		2.65	
LT II (a) - 0-20 kW	500		5.00		2.65	
LT II (b) - 20-50 kW		425	5.30		2.65	
LT II (c) - above 50 kW		425	5.80		2.65	
LT III (a) - LT Industrial upto 20 kW	500		5.30		2.65	
LT III (b) - LT Industrial above 20 kW		425	5.40		2.65	
LT IV (a): PS - Govt. EI & Hospitals	500		5.30		2.65	

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
LT IV (b): PS - Others	500		6.70		2.65	
LT V (a): Agriculture - Pump sets*		40	3.80		2.65	
LT V (b): Agriculture – Others**		90	5.30		2.65	
LT VI: EV Charging Stations		-	2.30		2.65	

Notes:

1. \$.: Fixed Charges of Rs. 185 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charges of Rs. 185 per 10 kW load or part thereof above 10 kW load shall be applicable.
2. *: Demand Charges for LT V (a): Agriculture - Pump sets is in Rs./ HP
3. **: Demand Charges for LT V (b): Agriculture – Others is in Rs./ kW

The summary of proposed tariff for FY 24-25 is shown in table below:

Table 14 : Proposed Tariff for FY 2024-25

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
EHT Category						
EHT I: Industry		425		5.10		-
EHT II: Commercial		425		5.30		-
EHT III: Group Housing Society		425		4.40		-
EHT IV: Metro & Monorail		425		4.50		-

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
EHT V (a): PS - Govt. EI & Hospitals		425		4.90		-
EHT V (a): PS - Others		425		5.60		-
EHT VI: EV Charging Stations		-		4.50		-
HT Category						
HT I: HT-Industry		425		5.10		1.05
HTII : HT- Commercial		425		5.30		1.05
HT III: HT-Group Housing Society		425		4.40		1.05
HT V - HT Metro & Monorail		425		4.50		1.05
HT V (a):PS - Govt. EI & Hospitals		425		4.90		1.05
HT V (b):PS - Others		425		5.60		1.05
HT VI: EV Charging Stations		-		3.05		1.05
LT Category						
LT I - Below Poverty Line	10		1.00		2.53	
LT -I Residential (Single Phase)						
0-100 units	100		2.55		2.53	
101-300 units	155		4.80		2.53	
301-500 units	155		7.25		2.53	
Above 500 units	185		8.55		2.53	
LT -I Residential (Three Phase)						

Particulars / (Rs./kWh)	Fixed Charge (Rs./Consumer/ Month)	Demand Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kWh)	Wheeling Charge (Rs./kVAh)
0-100 units	185		2.55		2.53	
101-300 units	185		4.80		2.53	
301-500 units	185		7.25		2.53	
Above 500 units	185		8.55		2.53	
LT II (a) - 0-20 kW	500		4.60		2.53	
LT II (b) - 20-50 kW		425	4.70		2.53	
LT II (c) - above 50 kW		425	5.10		2.53	
LT III (a) - LT Industrial upto 20 kW	500		4.70		2.53	
LT III (b) - LT Industrial above 20 kW		425	4.80		2.53	
LT IV (a): PS - Govt. EI & Hospitals	500		5.00		2.53	
LT IV (b): PS - Others	500		6.20		2.53	
LT V (a): Agriculture - Pump sets *		40	3.30		2.53	
LT V (b): Agriculture – Others **		90	4.80		2.53	
LT VI: EV Charging Stations		-	2.42		2.53	

Notes:

1. \$.: Fixed Charges of Rs. 185 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charges of Rs. 185 per 10 kW load or part thereof above 10 kW load shall be applicable.
2. *: Demand Charges for LT V (a): Agriculture - Pump sets is in Rs./ HP
3. **: Demand Charges for LT V (b): Agriculture – Others is in Rs./ kW

Based on the proposed tariffs, the category wise increase / decrease in tariff proposed for FY 2023-24 and FY 2024-25 are shown in table below:

Table 15 : Category wise increase / (Decrease) in Tariff proposed for FY 2023-24 and FY 2024-25

Particulars	Existing ABR (Rs./kWh)	FY 23-24 (Proposed ABR) (Rs./kWh)	Tariff increase / decrease (%)	FY 24-25 (Proposed ABR) (Rs./kWh)	Tariff increase / decrease (%)
EHT Category					
EHT I - Industry		6.18		5.77	-7%
EHT IV - Metro & Monorail		6.02		5.58	-7%
HT Category					
HT I: HT-Industry	8.64	7.69	-11%	7.07	-8%
HTII: HT- Commercial	9.61	9.03	-6%	8.22	-9%
HT III: HT-Group Housing Society	9.86	8.25	-16%	7.78	-6%
HT IV - HT Metro & Monorail	-	-	-	-	-
HT V (a):PS - Govt. EI & Hospitals	9.03	8.29	-8%	7.79	-6%
HT V (b):PS - Others	9.08	8.52	-6%	7.93	-7%
HT VI: EV Charging Stations	6.96	4.50	-35%	4.50	
LT Category					
LT -I Residential	7.46	7.87	5%	7.57	-4%
LT II (a) - 0-20 kW	9.03	8.84	-2%	8.31	-6%
LT II (b) - 20-50 kW	10.35	9.92	-4%	9.21	-7%
LT II (c) - above 50 kW	10.84	10.26	-5%	9.47	-8%
LT III (a) - LT Industrial upto 20 kW	8.36	8.23	-1%	7.51	-9%
LT III (b) - LT Industrial above 20 kW	9.69	9.32	-4%	8.61	-8%
LT IV (a): PS - Govt. EI & Hospitals	8.33	8.13	-2%	7.69	-5%
LT IV (b): PS - Others	8.73	9.42	8%	8.81	-7%
LT V (a): Agriculture - Pumpsets	6.54	6.97	7%	6.24	-10%

Particulars	Existing ABR (Rs./kWh)	FY 23-24 (Proposed ABR) (Rs./kWh)	Tariff increase / decrease (%)	FY 24-25 (Proposed ABR) (Rs./kWh)	Tariff increase / decrease (%)
LT V (b): Agriculture - Others	8.12	8.25	2%	7.57	-8%
LT VI: EV Charging Stations	6.93	5.00	-28%	5.00	-

Further, the cross subsidy reduction trajectory proposed by AEML-D is as under:

Table 16 : Cross Subsidy Reduction Trajectory proposed for FY 2023-24 and FY 2024-25

Particulars	FY 22-23 (Existing)	FY 23-24 (Proposed)	FY 24-25 (Proposed)
EHT Category			
EHT I - Industry		104%	103%
EHT IV - Metro & Monorail		101%	100%
HT Category			
HT I: HT-Industry	117%	110%	107%
HTII: HT- Commercial	146%	133%	127%
HT III: HT-Group Housing Society	118%	119%	120%
HT IV - HT Metro & Monorail	122%	-	-
HT V (a):PS - Govt. EI & Hospitals	120%	120%	120%
HT V (b):PS - Others	125%	124%	122%
HT VI: EV Charging Stations		56%	61%
LT Category			
LT -I Residential	85%	88%	90%
LT II (a) - 0-20 kW	109%	104%	103%
LT II (b) - 20-50 kW	128%	123%	119%
LT II (c) - above 50 kW	137%	128%	124%
LT III (a) - LT Industrial upto 20 kW	99%	94%	89%
LT III (b) - LT Industrial above 20 kW	120%	113%	109%
LT IV (a): PS - Govt. EI & Hospitals	130%	92%	92%
LT IV (b): PS - Others	124%	114%	112%

Particulars	FY 22-23 (Existing)	FY 23-24 (Proposed)	FY 24-25 (Proposed)
LT V (a): Agriculture – Pump sets	72%	73%	66%
LT V (b): Agriculture - Others	91%	94%	90%
LT VI: EV Charging Stations		40%	44%

10 PRAYERS

In view of the above, AEML-D has prayed before the Hon'ble Commission to:

1. Admit the petition as submitted herewith;
2. Approve the actual revenue gap/ surplus arising on account of truing-up for FY 2019-20, FY 2020-21 and FY 2021-22 along with the carrying cost as worked out in this petition;
3. Approve the provisional ARR and revenue gap/ surplus for FY 2022-23 as worked out in this petition;
4. Approve the cumulative revenue gap till FY 2022-23 along with carrying / holding cost as worked out in this petition and allow recovery of the same in the manner as presented in this petition;
5. Approve the revised ARR for fourth and fifth year of the Control Period i.e. for FY 2023-24 and FY 2024-25, as projected in this Petition;
6. Approve the Retail Tariffs, Wheeling Charges and Cross Subsidy Surcharge as proposed in this Petition for fourth and fifth year of the Control Period i.e. for FY 2023-24 and FY 2024-25, as projected in this Petition;
7. Approve the revision in Schedule of Charges as proposed in this petition;
8. Allow for specific deviations from the MYT Regulations, 2015 and MYT Regulations, 2019, wherever sought in this petition;
9. Grant specific prayers, wherever made in this petition, for reconsideration / relaxation of rulings made in previous Tariff Orders;
10. Allow additions/ alterations/ modifications/ changes to the Petition at a future date;
11. Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.

Mumbai
January 16, 2023




Kishor Patil
Authorized Representative
Adani Electricity Mumbai Limited