

PUBLIC NOTICE

Inviting Suggestions and Objections on Laxmipati Balaji Supply Chain Management Limited (LBSCML)'s Multi-Year Tariff Petition for Truing-up of FY 2020-21 and FY 2021-22, Provisional Truing-up of FY 2022-23 and Aggregate Revenue Requirement (ARR) and Tariff for FY 2023-24 and FY 2024-25 for its Distribution Business in accordance with Regulation 5.1 (b) of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019
(Case No. 220 of 2022)

- Laxmipati Balaji Supply Chain Management Limited (LBSCML) has filed a Multi-Year Tariff (MYT) Petition (Case No. 220 of 2022) for Truing-up of FY 2020-21 and FY 2021-22, Provisional Truing-up of FY 2022-23 and Aggregate Revenue Requirement (ARR) and Tariff for FY 2023-24 and FY 2024-25 for its Distribution Business in accordance with Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019.
- The Commission has admitted the Petition on 11 January, 2023 and directed LBSCML to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions /Objections from the public.
- The details of the Petition are provided below:

Table 1: Combined ARR (Wires + Supply) of LBSCML (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Purchase Expenses	0.20	1.35	1.77	2.66	3.48
O&M Expenses	0.35	1.05	1.11	1.16	1.22
Depreciation	0.09	0.19	0.19	0.19	0.19
Interest on Loan Capital	0.10	0.18	0.17	0.16	0.15
Interest on Working Capital	0.06	0.04	0.06	0.06	0.08
Interest on CSD	-	-	-	-	-
Provision for bad and doubtful debts	-	-	-	-	-
Contribution to Contingency Reserves	-	-	-	0.02	0.02
Intra-State Transmission Charges	-	-	-	0.36	0.46
MSLDC Fees & Charges	-	-	-	0.00	0.00
Total Revenue Expenditure	0.80	2.81	3.29	4.62	5.59
Add: Return on Equity Capital	0.09	0.18	0.17	0.17	0.17
Aggregate Revenue Requirement	0.89	2.99	3.46	4.78	5.76
Less: Non-Tariff Income	-	-	-	-	(0.001)
Aggregate Revenue Requirement from Retail Supply	0.89	2.99	3.46	4.78	5.76

Table 2: Energy Sales for FY 2020-21 to FY 2024-25

Consumer Category	FY 2020-21 to FY 2024-25					FY 2020-21 to FY 2024-25				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Actual	Estimated	Projection			Actual	Estimated			Projection
Sales in MUs										
HT Category										
HT II - Commercial	0.20	1.68	2.08	2.79	3.63	0.19	1.59	1.98	2.65	3.45
Sub-total HT	0.20	1.68	2.08	2.79	3.63	0.19	1.59	1.98	2.65	3.45
LT Category										
LT II (A) - Commercial	0.01	0.09	0.12	0.17	0.22	0.01	0.08	0.10	0.15	0.20
LT II (B) - Commercial	0.06	0.54	0.66	0.87	1.13	0.07	0.60	0.73	0.78	1.02
LT II (C) - Commercial	0.07	0.59	0.83	0.97	1.26	0.08	0.68	0.94	1.10	1.43
LT V (Industry)	0.00	0.03	0.02	0.02	0.03	0.00	0.00	0.00	0.03	0.03
Sub-total LT	0.15	1.24	1.63	2.03	2.64	0.16	1.35	1.78	2.07	2.69
Total	0.35	2.93	3.71	4.82	6.27	0.35	2.95	3.76	4.72	6.13

Table 3: Power Purchase details for FY 2020-21 to FY 2024-25

Particulars	Source	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Power Purchase Quantum (MU)	Manikaran Power Limited	0.44	3.21	3.04		
	Short Term PPA			0.68	5.10	6.63
	Imbalance Pool	-0.09	-0.29	0.02		
	Total	0.35	2.92	3.74	5.10	6.63
Power Purchase Cost (Rs. Crore)	Manikaran Power Limited	0.20	1.44	1.41		
	Short Term PPA			0.35	2.55	3.31
	Imbalance Pool			-0.16	-0.03	
	Solar REC			0.04	0.02	0.05
	Non-Solar REC			0.03	0.02	0.06
Total	0.20	1.35	1.77	2.66	3.48	
Average Power Purchase Cost (Rs. /kWh)	Manikaran Power Limited	4.47	4.50	4.65		
	Short Term PPA				5.20	5.00
	Solar REC			2.15	2.20	1.00
	Non-Solar REC				1.00	1.00
Total	5.69	4.64	4.74	5.22	5.25	

Table 4: Distribution Loss FY 2020-21 to FY 2024-25

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Distribution Loss	(0.98%)	(0.26%)	0.88%	2.26%	2.26%

Table 5: Capitalisation for FY 2020-21 to FY 2024-25 (Rs. Crore)

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capitalisation					
Wire Business	3.78	0.16		-	-
Supply Business	0.04	-		-	-

Table 6: Total Revenue Gap (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Actual		Estimated	Projection	
ARR for Distribution Wires Business	0.55	1.32	1.34	1.39	1.42
ARR for Retail Supply Business	0.33	1.68	2.12	3.40	4.34
ARR for Combined Wires Business & Retail Supply Business	0.89	2.99	3.46	4.78	5.76
Add: True-up Gap/(Surplus) of FY 2020-21				0.43	
Add: True-up Gap/(Surplus) of FY 2021-22				(0.81)	
Add: Provisional True-up Gap/(Surplus) of FY 2022-23				(1.35)	
Add: Carrying/(Holding) Cost for Revenue Gap/(Surplus) of FY2020-21 to FY 2021-22				(0.03)	
Total Revenue Requirement	0.89	2.99	3.46	3.02	5.76
Revenue from existing tariff	0.45	3.81	4.81	6.08	7.78
Revenue Gap/(Surplus) of Licensed Business	0.43	(0.81)	(1.35)	(3.06)	(2.02)

Table 7: Revenue Recovery (Rs. Crore) and Average percentage increase/decrease (%)

Financial Year	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Actual		Estimated	Projection	
Revenue at Existing Tariff				6.08	7.78
Revenue at Proposed Tariff				3.02	5.76
Sales (MU)				4.82	6.27
Average Cost of Supply (ACoS) (Rs/kWh)				6.26	9.18
% Increase/Decrease				(53)%	47%

4. Tariff Philosophy

- LBSCML has proposed to levy Fixed/Demand Charges for each of the consumer categories in line with the Fixed/Demand charges approved for MSEDCL.
- The Cross Subsidy has been equated to zero for all categories for FY 2023-24 and FY 2024-25, i.e., the Average Billing rate for all categories is equal to the ACoS
- LBSCML has not proposed ToD tariffs for FY 2023-24 and FY 2024-25.
- As LBSCML has proposed kWh tariff for all categories, there is no relevance of continuing with the Power Factor Incentive/Penalty mechanism. Hence, LBSCML proposes to discontinue the existing Power Factor Incentive/Penalty mechanism for FY 2023-24 to FY 2024-25.
- LBSCML has not proposed any Green Energy Tariff for FY 2023-24 and FY 2024-25, as it proposes to meet its RPO target through purchase of RECs.

5. Tariff Proposal

- There is a Revenue Surplus for each year of the Control Period, as the revenue at the existing tariff is higher than the ARR of the Wires Business and Supply Business, on account of levy of MSEDCL's ceiling tariff. Hence, the tariff is required to be reduced in order to match the ARR of the Wires Business and Supply Business.
- Average annual tariff reduction proposed in FY 2023-24 is 53 % followed by increase in tariff by 47 % in FY 2024-25.
- LBSCML has computed wheeling charges for HT and LT category but has proposed to consider the common Wheeling charges for HT and LT category based on the ARR for Wires Business and projected energy sales

Table 8: Proposed Wheeling Charges (Rs./kVAh) for FY 2023-24 to FY 2024-25

Particulars	FY 2023-24	FY 2024-25
HT Wheeling Charge (Rs./kVAh)	2.49	1.96
LT Wheeling Charge (Rs./kVAh)	3.51	2.76
Composite Wheeling Charges (Rs/kVAh)	2.94	2.31
Wheeling Losses (%)	2.26%	2.26%

d) Proposal for kVAh based billing for consumers

LBSCML has proposed kVAh billing to be made applicable instead of kWh billing for all consumer categories for FY 2023-24 and FY 2024-25. LBSCML already has the required infrastructure/metering/software in place for measuring data/information on kVAh basis.

6. Proposed Category-wise Tariffs for the Control Period

Table 9: Energy Charges Sub-Category-wise Existing and Proposed- HT Category

Customer Category	Existing (Rs/ kVAh)	FY 2023-24		FY 2024-25	
		Proposed (Rs./kVAh)	%hike (y-o-y)	Proposed (Rs./kVAh)	%hike (y-o-y)
HT II - Commercial	10.95	2.55	(77%)	6.45	153%

Note: * There is no existing approved tariff for LBSCML, and the Ceiling Tariffs of MSEDCL is applicable for FY 2023-24.

Table 10: Energy Charges Sub-Category-wise Existing and Proposed- LT Category

Customer Category	Existing (Rs/ kWh)	FY 2023-24		FY 2024-25	
		Proposed (Rs./kVAh)	%hike (y-o-y)	Proposed (Rs./kVAh)	%hike (y-o-y)
LT II (A) - Commercial	7.07	4.10	(42%)	8.10	98%
LT II (B) - Commercial	10.79	2.95	(73%)	7.15	142%
LT II (C) - Commercial	12.76	2.50	(80%)	5.30	112%
LT V (Industry)	5.11	3.45	(32%)	6.30	83%

Note: * There is no existing approved tariff for LBSCML, and the Ceiling Tariffs of MSEDCL is applicable for FY 2023-24.

% hike has been computed w.r.t. Rs/kWh tariff, as existing tariff is in terms of Rs/kWh, while proposed tariff is in terms of Rs/kVAh

Table 11: Fixed Charges Sub-Category-wise Existing and Proposed- HT Category ((Rs/KVA/month)

Customer Category	Existing	FY 2023-24		FY 2024-25	
		Proposed	%hike (y-o-y)	Proposed	%hike (y-o-y)
HT II - Commercial	Rs. 454 per kVA	Rs. 454 per kVA	Nil	Rs. 454 per kVA	Nil

Note: * There is no existing approved tariff for MSEDCL, and the Ceiling Tariffs of MSEDCL is applicable.

Table 12: Fixed Charges Sub-Category-wise Existing and Proposed- LT Category (Rs/month or Rs/kVA/month)

Customer Category	Existing	FY 2023-24		FY 2024-25	
		Proposed	%hike (y-o-y)	Proposed	%hike (y-o-y)
LT II (A) - Commercial [#]	Rs. 427	Rs. 427	Nil	Rs. 427	Nil
LT II (B) - Commercial	Rs. 427 per kVA	Rs. 427 per kVA	Nil	Rs. 427 per kVA	Nil
LT II (C) - Commercial	Rs. 427 per kVA	Rs. 427 per kVA	Nil	Rs. 427 per kVA	Nil
LT V - (Industry)	Rs. 427 per kVA	Rs. 427 per kVA	Nil	Rs. 427 per kVA	Nil

Note: * There is no existing approved tariff for LBSCML, and the Ceiling Tariffs of MSEDCL is applicable.

Fixed Charges applicable are Rs/month

Table 14: Proposed Cross Subsidy Surcharge (Rs/kVAh)

Customer Category	FY 2023-24	FY 2024-25
	Projected	Projected
HT Category		
HT II - Commercial	-	1.45

7. LBSCML has not proposed any Schedule of Charges in the Petition.

The detailed Petition document and the Executive Summary are available on LBSCML's website www.arshiyalimited.com and the Executive Summary is also available on the website of the Commission, www.merc.gov.in in downloadable format (free of cost).

9. Copies of the following documents can be obtained on written request from the office of LBSCML.

- Executive Summary of the proposals (free of cost, in Marathi/English).
- Detailed Petition documents along with CD (in English) (on payment of Rs. 250/- by Cash/DD) drawn on "LAXMIPATI BALAJI SUPPLY CHAIN MANAGEMENT LIMITED" Payable at "Mumbai".
- Detailed Petition documents (in English) (on payment of Rs. 200/-)
- CD of detailed Petition document (in English) (on payment of Rs. 100/-).

Head Office:

Office	Address	Tele / Fax No.	Email
Office	205 and 206 (part), Level 2, Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400018	Fax No.:	Sarvothama.shetty@arshiyalimited.com

10. The Commission has directed LBSCML to invite Suggestions/Objections from the Public on its Petition through this Notice. In response to the Public Notice published, every person who intends to file suggestions/objections can submit the same in English or Marathi language in writing by uploading it through 'E-Public Consultation' Tab on MERC Website (www.merc.gov.in / e-public-consultation). In case of any difficulty in accessing this feature, concerned stakeholders can contact the MERC Office on Mobile No.: 8928071522 or on email id: suggestions@merc.gov.in between 10.00 AM to 5.00 PM on all the working days.

- A Person who has uploaded suggestion and objection on 'E-Public Consultation' Tab need not to file any hard copy of its submission. Person who do not have access to electronic media can file their suggestion and objection in a hard copy addressed to The Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 along with proof of service on Mr. Sarvothama Shetty, Laxmipati Balaji Supply Chain Management Limited (LBSCML), 205 and 206 (part), Level 2, Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400018 [Email: Sarvothama.shetty@arshiyalimited.com]. and should carry the full name, postal address and E-mail address, if any, of the sender. It should be indicated whether the objection is being filed on behalf of any organization or category of consumers Suggestions and/or objections received after 5 PM on 6 February 2023 shall not be considered. Suggestions/Objections filed through any other mode shall not be considered.
- LBSCML shall reply to each of the objections /comments received within three days of the receipt of the same but not later than 8 February, 2023 for all the objections/comments received till 6 February, 2023. Stakeholders can submit their rejoinders on replies provided by JNPT either during the e-public hearing or latest by 12 February, 2023.
- If the sender/objector who has submitted his comments/suggestions as per para 10 above and wants to be heard in person in e-Public Hearing, then he/she should specifically mention the same at the time of filing of suggestions /objections. In such cases, submission of valid email ID and Mobile Number would be mandatory. The Commission at its sole discretion, may permit such sender/objector to be heard in the e-Public Hearing to be held through video conference on Thursday, 9 February, 2023 at 11:30 Hrs, for which no separate notice will be given.
- All participants attending the e-Public Hearing shall follow the Practice Directions on 'Operational procedure and protocol to be followed for e-hearing of the Petition before the Commission' issued by the Commission on 14 November, 2022.

Signature
 Name (Sarvothama Shetty)
 Designation: Vice President
 Laxmipati Balaji Supply Chain Management Limited