

**Executive Summary – Tariff Petition of AEML SEEPZ Limited**

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## **1 INTRODUCTION**

The Hon'ble Commission issued the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019 (hereinafter referred to as the "MYT Regulations, 2019") on 01-08-2019. Further, the Hon'ble Commission has notified the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 (hereinafter referred to as the "MYT Regulations, 2024") on 19-08-2024.

AEML SEEPZ Limited (hereinafter referred to as ASL) is a company incorporated under the Companies Act, 1956. ASL is a 100% subsidiary of Adani Electricity Mumbai Limited (hereinafter referred to as AEML). The SEEPZ SEZ Authority had issued a Letter of Award (LoA) dated 22 June 2021 to ASL for operationalizing the deemed distribution licence of SEEPZ SEZ as a co-developer. Having the status of co-developer of SEEPZ, ASL is a deemed distribution licensee as per the terms of the SEZ Act. ASL's status as a deemed distribution licensee is confirmed by the Hon'ble Commission vide Order dated 6<sup>th</sup> June 2022. Subsequently the Hon'ble Commission issued the Maharashtra Electricity Regulatory Commission (Specific Conditions of Distribution License applicable to AEML SEEPZ Ltd. for multi-product SEZ at SEEPZ SEZ, Mumbai) Regulations, 2023 on 12<sup>th</sup> June 2023. Further, the Hon'ble Commission, vide its Order dated December 26, 2022, in Case No. 3 of 2022, has approved the transfer of assets of AEML Distribution in SEEPZ area. After meeting all the necessary pre-requisites for operating the distribution licensed business, ASL operationalised its Distribution License w.e.f. Nov. 1<sup>st</sup> 2023 and intimated the Hon'ble Commission about the same.

Now, as per MYT Regulations, 2019 and MYT Regulations, 2024, ASL is filing the instant petition for truing up of FY 2023-24 and provisional truing-up of FY 2024-25 and ARR and tariff projections for FY 2025-26 to FY 2029-30. The truing-up and provisional truing-up of FY 2023-24 and FY 2024-25 shall be carried out under MYT Regulations, 2019 and the ARR and tariff projections for the next Control Period (FY 2025-26 to FY 2029-30) shall be evaluated as per the terms of the MYT Regulations, 2024.

## 2 TRUING UP OF FY 2023-24

As submitted above, ASL operationalised its Distribution business from Nov. 1<sup>st</sup>, 2023. Vide an Order of the Hon'ble Commission dated 24<sup>th</sup> May 2023, ASL was allowed to provisionally levy the lowest applicable tariff among TPC-D and AEML-D – the other two distribution licensees in the area – for FY 2023-24. Accordingly, ASL has, from Nov. 1 2023, been charging the said tariffs to its customers in the area of supply.

Accordingly, as FY 2023-24 is completed, ASL is presenting herewith the actual costs and revenues for the portion of the year for which its distribution license was operationalised i.e. from Nov. 1<sup>st</sup> 2023 till 31<sup>st</sup> March 2024.

The summary of truing up of FY 2023-24 is shown in the table below:

**Table 1: Revenue Gap/(surplus) of Wires and Supply Business for FY 2023-24**

Particulars/ (Rs. Cr)	Wires Business	Supply Business	Total
Power Purchase Expenses		20.84	20.84
Operation & Maintenance Expenses	2.25	1.21	3.47
Depreciation	0.85	0.01	0.86
Interest on Loan Capital	1.17	0.01	1.18
Interest on Working Capital	0.11	0	0.11
Interest on Consumer Security Deposit	0.04	0.19	0.23
Bad debt written off	0	0	0.00
Contribution to contingency reserves	0	0.00	0.00
Return on Equity Capital	1.03	0.01	1.04
Less: Non-Tariff Income	0.00	0.00	0.00
<b>Aggregate Revenue Requirement</b>	<b>5.57</b>	<b>22.27</b>	<b>27.84</b>
Less: Revenue from sales and wheeling	6.39	27.58	33.97
<b>Revenue gap/ (surplus)</b>	<b>-0.82</b>	<b>-5.32</b>	<b>-6.13</b>

## 3 PROVISIONAL TRUING UP OF FY 2024-25

FY 2024-25 is the ongoing financial year. The tariffs for ASL for this year continue to be the same as were approved to it for provisional levy vide the Order dated 24<sup>th</sup> May 2024. Accordingly, ASL herewith presents the estimates for FY 2024-25 for provisional true-up as required under the terms of MYT Regulations, 2019.

The summary of provisional truing up of FY 2024-25 is shown in table below:

**Table 2: Revenue Gap/(surplus) of Wires and Supply Business for FY 2024-25**

Particulars/ (Rs. Cr)	Wires Business	Supply Business	Total
Power Purchase Expenses	-	61.78	61.78
ADSM Charges	-	0.03	0.03
Operation & Maintenance Expenses	5.08	2.74	7.82
Depreciation	1.54	0.01	1.55
Interest on Loan Capital	2.92	0.02	2.94
Interest on Working Capital	0.13	-	0.13
Interest on Consumer Security Deposit	0.11	0.48	0.59
Provision for Bad and Doubtful Debts	0.03	0.12	0.15
Contribution to contingency reserves	0.11	0.00	0.11
Return on Equity Capital	2.42	0.02	2.43
Less: Non-Tariff Income	(0.01)	(0.07)	(0.08)
<b>Aggregate Revenue Requirement</b>	<b>12.34</b>	<b>65.13</b>	<b>77.46</b>
Less: Revenue from sales and wheeling	16.32	69.24	85.57
<b>Revenue gap/ (surplus)</b>	<b>-3.99</b>	<b>-4.12</b>	<b>-8.11</b>

#### 4 ASL REVENUE GAP/ (SURPLUS) TILL FY 2024-25

As shown above, ASL has revenue surplus for both FY 2023-24 and FY 2024-25 (provisional). As FY 2023-24 is completed and final true-up shall be carried out, the revenue surplus is offered for pass through along with Holding Cost, which is considered at 10.07%, being the SBI one-year MCLR plus 150 basis points. The estimated revenue surplus for FY 2024-25 is offered as such without holding cost, as the said surplus is only provisional at this stage.

**Table 3: Past surplus for wires till FY 2024-25**

Past surplus (wires)	Principal	Holding cost	Total
FY 23-24	-0.82	-0.10	-0.92
FY 24-25	-3.99	-	-3.99
<b>Total</b>	<b>-4.80</b>	<b>-0.10</b>	<b>-4.91</b>

**Table 4: Past surplus for supply till FY 2024-25**

Past surplus (supply)	Principal	Holding cost	Total
FY 23-24	-5.32	-0.67	-5.98

Past surplus (supply)	Principal	Holding cost	Total
FY 24-25	-4.12	-	-4.12
<b>Total</b>	<b>-9.44</b>	<b>-0.67</b>	<b>-10.10</b>

## 5 PROJECTED ARR FOR FY 2025-26 To FY 2029-2030

ASL has projected the ARR for FY 2025-26 to FY 2029-30 in line with the MYT Regulations, 2024.

The summary of the ARR claimed by ASL for the Distribution Wires Business for the Control Period, is as shown in the table below:

**Table 5: ARR of the Distribution Wire Business for the Control Period (Rs. Crore)**

Particulars/ (Rs. Cr)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operation & Maintenance Expenses	5.32	5.60	5.89	6.17	6.46
Depreciation	2.97	4.40	6.03	7.26	8.09
Interest on Loan Capital	3.76	5.48	7.39	8.60	9.14
Interest on Working Capital	0.22	0.25	0.30	0.35	0.39
Interest on Consumer Security Deposit	0.11	0.12	0.12	0.12	0.12
Provision for Bad and Doubtful Debts	0.03	0.03	0.03	0.03	0.03
Contribution to contingency reserves	0.13	0.19	0.29	0.38	0.43
Return on Equity Capital	3.58	5.38	7.46	9.04	10.13
Less: Non-Tariff Income	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Less: Past Surplus	(0.51)	(0.51)	(2.06)	(1.89)	(1.72)
ARR adjustments*	7.30	2.51	-1.64	-5.19	-6.73
<b>Aggregate Revenue Requirement</b>	<b>22.90</b>	<b>23.46</b>	<b>23.79</b>	<b>24.86</b>	<b>26.32</b>

The Summary of ARR claimed by ASL for the Retail Supply Business for the Control Period, is as shown in the Table below:

**Table 6: ARR of the Retail Supply Business for the Control Period (Rs. Crore)**

Particulars/ (Rs. Cr)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Power Purchase Expenses	66.07	55.41	59.30	63.13	66.78
Operation & Maintenance Expenses	2.86	3.02	3.17	3.32	3.48
Depreciation	0.06	1.58	3.08	3.10	3.11

Particulars/ (Rs. Cr)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Interest on Loan Capital	0.08	2.31	4.37	4.12	3.85
Interest on Working Capital	-	-	-	-	-
Interest on Consumer Security Deposit	0.49	0.50	0.51	0.53	0.54
Provision for Bad and Doubtful Debts	0.12	0.12	0.12	0.12	0.12
Contribution to contingency reserves	0.00	0.01	0.18	0.18	0.18
Return on Equity Capital	0.08	2.35	4.59	4.62	4.63
Less: Non-Tariff Income	(0.07)	(0.08)	(0.08)	(0.09)	(0.09)
Less: Surplus	(1.06)	(1.06)	(4.25)	(3.90)	(3.54)
ARR adjustments*	(4.83)	3.76	1.13	0.74	-
<b>Aggregate Revenue Requirement</b>	<b>63.80</b>	<b>67.92</b>	<b>72.13</b>	<b>75.88</b>	<b>79.06</b>

\*ASL has proposed ARR adjustments for smoothening the tariff (Average Billing Rate) of ASL consumers in the Control Period

## 6 TARIFF PROPOSAL

### 6.1 Wheeling Charges

The Hon'ble Commission has issued the 'Guidelines for allocation of assets and cost at different voltage levels of distribution'. ASL has followed the same to allocate its Wires ARR between HT and LT voltage levels. Based on that, the Wheeling Charges at HT and LT is proposed as under:

**Table 7: Proposed wheeling charge for the control period**

Particulars	Existing WC		FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	HT	LT	HT	LT	HT	LT	HT	LT	HT	LT	HT	LT
<b>ARR (Rs, Cr)</b>			3.92	18.97	4.41	19.04	4.79	19.01	5.21	19.65	5.66	20.66
<b>Network sales (Million kVAh)</b>			39.31	77.52	42.66	80.44	46.00	83.37	49.35	86.30	52.69	89.23
<b>Wheeling charge (Rs./kVAh)</b>	<b>0.99</b>	<b>1.69</b>	<b>0.96</b>	<b>2.37</b>	<b>1.00</b>	<b>2.29</b>	<b>1.00</b>	<b>2.21</b>	<b>1.02</b>	<b>2.20</b>	<b>1.04</b>	<b>2.24</b>

Note: For Existing Wheeling Charges, HT Wheeling Charges are in Rs./ KVAh and LT Wheeling Charges are in Rs./kWh

## 6.2 Average Cost of Supply (ACoS)

Based on the ARR projections and forecast of energy sales, the Average Cost of Supply (ACoS) is worked out as follows:

**Table 8 : Combined ACoS**

Particulars	FY	FY	FY	FY	FY
	2026	2027	2028	2029	2030
Combined ARR (wires + supply)	86.70	91.37	95.92	100.74	105.38
Own sales (Mus)	116.83	123.10	129.37	135.65	141.92
ACoS (Rs. /kWh)	<b>7.42</b>	<b>7.42</b>	<b>7.41</b>	<b>7.43</b>	<b>7.43</b>

## 6.3 Retail Average Cost of Supply (RACoS)

It is submitted that the MYT Regulations, 2024 provide that the retail supply tariff and cross-subsidy shall be determined with reference to the average cost of supply determined for retail supply business alone. In this regard, the Retail Average Cost of Supply or RACoS for the control period is as follows:

**Table 9: Retail average cost of supply (RACoS)**

Particulars	FY 2025-	FY 2026-	FY 2027-	FY 2028-	FY 2029-
	26	27	28	29	30
Supply business ARR	63.80	67.92	72.13	75.88	79.06
Own sales (Mus)	116.83	123.10	129.37	135.65	141.92
RACoS (Rs. /kWh)	<b>5.46</b>	<b>5.52</b>	<b>5.58</b>	<b>5.59</b>	<b>5.57</b>

## 6.4 Retail Tariff proposal

### 6.4.1 Merging of categories / sub-categories / slabs

In order to simplify the administration of tariffs, ASL is proposing the merging of categories / sub-categories / slabs as follows:

**Table 10: Proposed merging of categories / sub-categories / slabs**

Energy Charges	Existing	Proposed
LT Commercial	(a) 0-20 kW	(a) 0-20 kW
	(b) 20-50 kW	(b) > 20 kW
	(c) > 50 kW	

### 6.4.2 Fixed Charges and Demand Charges

The category wise proposed fixed and demand charges for each year of the Control Period along with the existing fixed / demand charges are shown in the table below:

**Table 11: Existing and Proposed Fixed / Demand charges**

Fixed charge (Rs./month) / Demand charge (Rs./KVA)	Existing	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
HT I: Industrial	375	420	440	460	480	500
HT II: Commercial	375	420	440	460	480	500
HT VI: EV Charging Stations	70	100	100	100	100	100
LT-2a: Commercial ( Load <= 20KW)	450	480	490	500	510	520
LT-2b: Comm (Load >20KW)	375	420	440	460	480	500
LT-3a: Industry upto 20 kW load	450	480	490	500	510	520
LT-3b: Industry, above 20 kW load	375	420	440	460	480	500
LT-4b: Public Services Others	450	480	490	500	510	520
LT-6: EV Charging Stations	70	100	100	100	100	100

Note: For Existing Energy Charges, HT Energy Charges are in Rs./ KVAh and LT Energy Charges are in Rs./kWh

### 6.4.3 Energy Charges

The category wise proposed energy charges for each year of the Control Period along with the existing energy charges (inclusive of FAC) are shown in the table below:

**Table 12: Energy charge for the control period**

Particulars (Rs./kVAh)	Existing	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
HTI: Industrial	5.00	3.75	3.81	3.87	3.88	3.85
HTII: Commercial	5.34	4.31	4.38	4.45	4.47	4.43
HT VI: EV Charging Stations	4.25	3.80	3.86	3.92	3.94	3.91
LT-2a: Commercial ( Load <= 20KW)	4.90	4.47	4.34	4.08	3.45	3.43
LT-2b: Comm (Load >20KW)	4.95	3.36	3.30	3.24	3.15	3.01
LT-3a: Industry upto 20 kW load	4.55	5.03	5.08	5.14	5.16	5.13
LT-3b: Industry, above 20 kW load	4.75	3.98	3.96	3.95	3.90	3.81
LT-4b: Public Services Others	4.75	4.90	4.97	5.04	5.06	5.05
<b>LT-6: EV Charging Stations</b>	<b>3.72</b>	<b>3.65</b>	<b>3.71</b>	<b>3.77</b>	<b>3.78</b>	<b>3.76</b>



### 6.5 Cross Subsidy Surcharge

The category wise CSS proposed for each year of the Control Period, computed in accordance with the Tariff Policy 2016 formula along with the prevailing CSS is shown in the table below:

**Table 13: Comparison of existing and proposed Retail ABR and cross-subsidy**

Particulars (Rs./kWh)	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	RABR	%	RABR	%	RABR	%	RABR	%	RABR	%
HTI: Industrial	5.46	101%	5.52	101%	5.58	101%	5.59	101%	5.57	101%
LT-2a:Comm ( Load <= 20KW)	5.46	99%	5.52	99%	5.58	99%	5.59	98%	5.57	98%
LT-2b:Comm (Load >20KW)	5.46	100%	5.52	100%	5.58	100%	5.59	100%	5.57	100%
LT-3a: Industry upto 20 kW load	5.46	99%	5.52	100%	5.58	100%	5.59	100%	5.57	100%
LT-3b: Industry, above 20 kW load	5.46	102%	5.52	102%	5.58	102%	5.59	102%	5.57	101%
LT-4b: Public Services Others	5.46	100%	5.52	100%	5.58	100%	5.59	100%	5.57	100%

### 8 TIME OF THE DAY TARIFF PROPOSAL

The Hon'ble Commission vide MERC (Multi Year Tariff) Regulations, 2024, has mandated that the Distribution Licensees are required to propose Time-of-day (ToD) tariffs for the new control period

Therefore, ASL has proposed ToD rates for the control period as shown below:

**Table 14: Proposed ToD rates for the control period**

Particulars	ToD Tariff (Additional Charges or (Rebate) in INR/kVAh (or kWh)				
<b>Time slots</b>	09:00 to 17:00 Hrs	17:00 to 20:00 Hrs	20:00 to 00:00 Hrs	00:00 to 07:00 Hrs	07:00 to 09:00 Hrs
<b>% Charges/Rebate</b>	-20% of the normal rate of Energy Charge	30% of the normal rate of Energy Charge	20% of the normal rate of Energy Charge	-10% of the normal rate of Energy Charge	20% of the normal rate of Energy Charge

## **9 PRAYERS**

ASL prays to the Hon'ble Commission as under:

1. To admit the MYT Petition as per the provisions of MERC MYT Regulations 2024, consider for further proceedings before the Hon'ble Commission;
2. To approve the truing up for FY 2023-24 and provisional truing up for FY 2024-25 as submitted by ASL;
3. To approve the ARR for FY 2025-26 to FY 2029-30 and its recovery through tariff as proposed by ASL;
4. To determine ASL's share of the Transmission Charges and MSLDC Charges, and consider the same while approving the ARR of ASL for the Control Period;
5. To approve Retail Supply Tariff for FY 2025-26 to FY 2029-30 and the Tariff schedule, as proposed by ASL;
6. To approve the Schedule of Charges as proposed by ASL;
7. Condone any inadvertent omissions, errors, short comings and permit ASL to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
8. Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.

Mumbai  
December 24, 2024

Kishor Patil  
Authorized Signatory  
AEML SEEPZ LIMITED (ASL)