

BRIHAN-MUMBAI ELECTRIC SUPPLY AND TRANSPORT UNDERTAKING
BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001
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PUBLIC NOTICE

Objections/comments on BEST's True-up Petition for FY 2010-11 and FY 2011-12 under MERC (Terms & Conditions of Tariff) Regulations, 2005 and MYT Petition for the Second Control Period from FY 2012-13 to FY 2015-16 under MERC (Multi Year Tariff) Regulations, 2011 (Case No. 26 of 2013)

- 1) The Brihan-Mumbai Electric Supply and Transport Undertaking (BEST) has filed the Petition for True-up for FY 2010-11 and FY 2011-12 under MERC (Terms & Conditions of Tariff) Regulations, 2005 and MYT Petition for the second Control Period from FY 2012-13 to FY 2015-16 under MERC (Multi Year Tariff) Regulations, 2011 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61 and 62 of the Electricity Act, 2003 (Act) and Regulation 7 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. The Commission has admitted the Petition on **Thursday, 2 May, 2013** and directed BEST to publish a Public Notice under Section 64(2) of the Act.
- 2) The Commission has passed an Order on 15th January, 2013 in Case No. 124 of 2011, approving the MYT Business Plan for BEST for the second Control Period from FY 2012-13 to FY 2015-16. In the said Order, the Commission directed BEST to file the MYT Petition for the second Control Period from FY 2012-13 to FY 2015-16 as per the MERC (Multi Year Tariff) Regulations, 2011. As regards the True-up for FY 2010-11 & FY 2011-12, the Commission directed BEST to file the same as per MERC (Terms and Conditions of Tariff) Regulations, 2005. In compliance with these directions, BEST has filed the present Petition before the Commission.

Truing-Up of FY 2010-11 and FY 2011-12

- 3) The salient features of the Petition for Truing-Up of FY 2010-11 and FY 2011-12 as per MERC (Terms and Conditions of Tariff) Regulations, 2005 are provided below:

Table 1: Aggregate Revenue Requirement of BEST (Rs. Crore)

Sl.	Particulars	FY	FY	FY	FY
		2010-11	2010-11	2011-12	2011-12
		Approved as per Case 125 of 2011 and Case 62 of 2012	Audited	Approved as per Case 171 of 2011	Audited
1	Power Purchase Expenses (TPC-G)	1829.39	1829.38	2409.23	2490.30
2	Power Purchase Expenses (Other Sources)	43.01	43.01	31.32	34.39
3	Power Purchase Expenses (RPS)	76.58	109.59	116.44	112.70
4	Other Adjustments- Cash Discount for Power Purchase	(23.83)	(22.44)	(25.02)	(28.73)
5	Less: Income from sale of Surplus Power	(277.92)	(275.46)	(284.85)	(419.43)
	Sub-total: Power Purchase Expenses	1647.23	1684.08	2247.12	2189.23
6	Standby Charges Payable	109.63	109.63	107.85	107.85
7	Transmission and MSLDC Charges Payable	111.74	111.80	128.59	128.60
8	Operation & Maintenance Expenses	302.15	316.79	301.84	341.68
8.1	Employee Expenses	189.93	199.32	182	220.75
8.2	Impact of wage revision	-	-	-	-
8.3	Administration & General Expenses	83.61	82.75	89.2	85.09
8.4	Repair & Maintenance Expenses	28.61	34.72	30.63	35.84
9	Depreciation, including advance against	52.32	51.59	60.85	60.46

Sl.	Particulars	FY	FY	FY	FY
		2010-11	2010-11	2011-12	2011-12
		Approved as per Case 125 of 2011 and Case 62 of 2012	Audited	Approved as per Case 171 of 2011	Audited
	depreciation				
10	Interest on Long – term loan capital	9.65	13.15	13.77	11.01
11	Interest on Working Capital and on Consumer Security Deposits	23.42	40.17	38.11	38.14
12	Other Expenses	54.63	54.63	55.71	54.50
13	Provision for bad debts	0.00	0.00	0.00	0.00
14	Income Tax	0.00	0.00	0.00	0.00
15	Contribution to Contingency Reserves	3.93	3.86	4.38	4.34
16	Incentive for reduction of distribution loss	0.00	30.20	0.00	26.41
17	Total Revenue Expenditure	2314.7	2415.91	2958.21	2962.22
18	Return on Equity Capital	115.37	115.51	103.05	122.39
19	Return on Internal Funds	5.28	5.28	5.28	5.28
20	Aggregate Revenue Requirement	2435.35	2536.70	3066.54	3089.90
21	Less: Non Tariff Income	(48.80)	(49.12)	(53.51)	(48.09)
22	Add: Transport Deficit (Net of RoE and RoF)	279.73	279.59	215.68	264.05
23	Aggregate Revenue Requirement from Retail Tariff	2666.28	2767.17	3228.71	3305.86
24	Impact of Review Order (Case no. 44 of 2009)	11.95	11.95	0	0
25	Impact due to truing up for FY 2007-08, after cost-benefit analysis	1.34	1.34	0	0
26	Add: Truing-up for FY 2009-10 of case 125 of 2011	467.33	467.33	0	0
27	Carrying cost	0	0	12.23	148.73
28	Impact of FY 2008-09 & FY 2009-10 in case no 62 of 2012	40.56	40.56	0	0
29	Impact of additional Int. on working capital for FY 2008-09 & FY 2009-10	0	34.09	0	0
30	Mtax& ED amount of FY 2008-09 & FY 2009-10	0	0.63	0	0
31	Add: Truing-up for FY 2009-10 and FY 2010-11	0	0	443.58	0
32	(Less) RPS Cost Disallowed by the Hon'ble Commission in case no 125 of 2011	0	(33.01)	0	0
33	Net Revenue Requirement	3187.46	3290.06	3684.53	3454.58
34	Average Cost of Supply (Rs/kWh)	7.47	7.71	8.57	8.06

4) Truing up for FY 2010-11 and FY 2011-12 as per MERC (Terms and Conditions of Tariff), 2005

Table 2: Summary of true-up for FY 2010-11 including sharing of gains and losses (Rs. crore)

Sl No.	Particulars	Approved as per Case 125 of 2011 & Case 62 of 2012	Actual Audited	Difference claimed in truing up	Efficiency Gain/ Loss	Efficiency Gain/ Loss shared with consumers	Net Entitlement post gain & loss
		(1)	(2)	(3= 2-1)			
1	Power Purchase Expenses (including External Power Purchase)	1647.23	1684.09	36.86	-	-	1684.09
2	Operation & Maintenance Expenses	302.15	316.79	14.64	(14.64)	(4.88)	307.03
3	Employee Expenses	189.93	199.32	9.39	(9.39)	(3.13)	193.06
4	Administration & General Expenses	83.61	82.75	(0.86)	0.86	0.57	83.32
5	Repair & Maintenance Expenses	28.61	34.72	6.11	(6.11)	(2.04)	30.65
6	Depreciation, including advance against depreciation	52.32	51.59	(0.73)	-	-	51.59
7	Interest on Long-term Loan Capital & Short Term Finance	9.65	13.15	3.5	-	-	13.15

Sl No.	Particulars	Approved as per Case 125 of 2011 & Case 62 of 2012	Actual Audited	Difference claimed in truing up	Efficiency Gain/ Loss	Efficiency Gain/ Loss shared with consumers	Net Entitlement post gain & loss
		(1)	(2)	(3= 2-1)			
8	Interest on Working Capital * (Normative)	9.01	26.38	17.37	-	-	26.38
9	Interest on Working Capital (Additional)	0	0	0	-	-	0
10	Interest on Consumer Deposits	14.41	13.79	(0.62)	-	-	13.79
11	Bad Debts Written off	0	0	0	-	-	0
12	Other Expenses	54.63	54.63	0	-	-	54.63
13	Income Tax	0	0	0	-	-	0
14	Stand-by charges payable to MSEDCL	109.63	109.63	0	-	-	109.63
15	Transmission Charges payable to Transmission licensee	111.11	111.11	0	-	-	111.11
16	Annual SLDC fees & charges	0.63	0.69	0.06	-	-	0.69
17	Contribution to contingency reserves	3.93	3.86	(0.07)	-	-	3.86
18	Incentive for reduction in Distribution loss	0	30.2	30.2	45.29	15.1	30.2
19	Total Revenue Expenditure	2314.7	2415.91	101.21			2406.15
20	Return on Equity Capital	115.37	115.51	0.14	-	-	115.51
21	Return as Interest on Internal funds	5.28	5.28	0	-	-	5.28
22	Aggregate Revenue Requirement	2435.35	2536.7	101.35	-	-	2526.94
23	Less: Non-Tariff Income	48.8	49.12	0.32	-	-	49.12
24	Add: Transport Deficit (Net of RoE and RoF)	279.73	279.59	(0.14)	-	-	279.59
25	Aggregate Revenue Requirement from Retail Tariff	2666.28	2767.17	100.89	-	-	2757.41
26	Impact of Review Order (Case no. 44 of 2009)	11.95	11.95	0	-	-	11.95
27	Impact due to truing up for FY 2007-08, after cost-benefit analysis	1.34	1.34	0	-	-	1.34
28	Revenue gap / (surplus) after final truing-up of FY 2009-10	467.33	467.33	0	-	-	467.33
29	Impact of FY 2008-09 and FY 2009-10 in case no 62 of 2012	40.56	40.56	0	-	-	40.56
30	Impact of additional Int. on working capital for FY 2008-09 & FY 2009-10	-	34.09	34.09	-	-	34.09
31	Net Aggregate Revenue Requirement	3187.46	3322.44	134.98	-	-	3312.68
32	(Less) RPS Cost Disallowed by the Commission in Case No. 125 of 2011	-	(33.01)	(33.01)			(33.01)
33	Mtax & ED amount of FY 2008-09 & FY 2009-10	-	0.63	0.63	-	-	0.63
34	Net ARR	3187.46	3290.06	102.6	-	-	3280.30
35	Revenue from Sale of Energy	2677.57	2677.57	0	-	-	2677.57
36	Revenue Gap	509.89	612.49	102.6	-	-	602.73

* IWC approved by the Commission for FY 2010-11 was Rs 9.01 Cr. This is recalculated to Rs.26.38 Cr. considering direction of the Commission in Case No.171 of 2011.

Table 3: Summary of true-up for FY 2011-12 including sharing of gains and losses (Rs. Crore)

Sl. No.	Particulars	Approved as per Case no. 171 of 2011	Audited actual	Difference	Efficiency Gain/(Loss)	Efficiency Gain/(Loss) shared with consumer	Net Entitlement post gain & loss
		(1)	(2)	(3=2-1)			
1	Power Purchase Expenses (including External Power Purchase)	2247.11	2189.23	(57.88)	-	-	2189.23
2	Operation & Maintenance Expenses	301.83	341.68	39.85	(39.85)	(13.28)	315.11
2.1	Employee Expenses	182.00	220.75	38.75	(38.75)	(12.92)	194.92
2.2	Impact of wage revision	0.00	0.00	0.00	0.00	0.00	0.00
2.3	Administration & General Expenses	89.20	85.09	(4.11)	4.11	2.74	87.83
2.4	Repair & Maintenance Expenses	30.63	35.84	5.21	(5.21)	(1.74)	32.37
3	Depreciation, including advance against depreciation	60.85	60.46	(0.39)	-	-	60.46
4	Interest on Long-term Loan Capital & Short Term Finance	13.77	11.01	(2.76)	-	-	11.01
5	Interest on Working Capital (Normative)	23.56	23.85	0.29	(0.29)	(0.10)	23.66
6	Interest on Consumer Deposits	14.55	14.29	(0.26)	-	-	14.29
7	Other Expenses	55.71	54.50	(1.21)	-	-	54.50
8	Stand-by charges payable to MSEDCL	107.85	107.85	0.00	-	-	107.85
9	Transmission Charges payable to Transmission licensee	127.63	127.64	0.01	-	-	127.64
10	Annual SLDC fees & charges	0.96	0.96	0.00	-	-	0.96
11	Contribution to contingency reserves	4.38	4.34	(0.04)	-	-	4.34
12	Incentive for reduction in Distribution loss	0.00	26.41	26.41	39.61	13.20	26.41
13	Return on Equity Capital	103.05	122.39	19.34	-	-	122.39
14	Return as Interest on Internal funds	5.28	5.28	0.00	-	-	5.28
15	Less: Non-Tariff Income	53.51	48.09	(5.42)	-	-	48.09
16	Transport Deficit of FY 2011-12	215.68	264.05	48.37	-	-	264.05
17	Aggregate Revenue Requirement from Retail Tariff	3228.71	3305.85	77.14	-	-	3279.09
18	Carrying cost	12.23	148.73	136.50	-	-	148.73
19	Add. Truing up for FY 2009-10 & FY 2010-11	443.58	0.00	(443.58)	-	-	-
20	Net Aggregate Revenue Requirement	3684.53	3454.58	(229.95)	-	-	3427.82
21	Revenue from Sale of Energy	3384.53	2547.57	(836.96)	-	-	2547.57
22	Revenue Gap of FY 2011-12	300.00	907.01	607.01	-	-	880.25
23	Less: Regulatory Assets approved		300.00	300.00	-	-	300.00
24	Net Revenue Gap of FY 2011-12 (excluding approved regulatory assets)		607.01	607.01	-	-	580.25

5) Table: Energy Sales

Category-wise energy sales for FY 2011-12, along with the Commission approved values are given below:

Table 4: Energy Sales by BEST(MU)

Sl. No.	Consumer category	Approved for FY 2011-12 (Case 171 of 2011)	Audited FY 2011-12
LOW TENSION CATEGORIES			
1	LT I – BPL	0.21	0.23
2	LT I – Residential	1739.51	1731.06
3	LT II A Commercial up to 20 kW	902.40	896.82
4	LT II B Commercial > 20 kW ≤ 50 kW	346.93	273.14
5	LT II C Commercial > 50 kW	472.64	546.12
6	LT III Industrial up to 20 kW	50.60	50.52
7	LT IV A Industrial > 20 kW ≤ 100 kW	53.94	54.45
8	LT IV B Industrial > 100 kW	48.49	48.57
9	LT V Advertisement and Hoardings	3.29	3.21
10	LT VI St. Lighting	30.16	29.90
11	LT VII A Temp. Religious	0.40	0.09
12	LT VII B Temp. Others	40.46	40.76
13	LT VIII Crematorium and Burial Grounds	1.00	1.26
HIGH-TENSION CATEGORIES			
14	HT I - Industries	147.46	149.14
15	HT II - Commercial	426.53	423.99
16	HT III - Group Housing	31.76	31.76
17	HT IV - Temp. Supply	5.18	5.02
	Total	4300.96	4286.05

6) Revenue at Existing Tariffs

Table 5: Revenue at Existing Tariff (Rs. Crore)

Sl. No.	Consumer category	FY 2010-11		FY 2011-12	
		Approved as per Case No. 125 of 2011	Audited	Approved as per Case 171 of 2011	Audited
LOW TENSION CATEGORIES					
1	LT I – BPL		0.01	0.01	0.01
2	LT I – Residential		685.33	912.74	653.56
3	LT II A Commercial up to 20 kW		661.08	624.62	566.50
4	LT II B Commercial > 20 kW ≤ 50 kW		223.91	269.31	219.93
5	LT II C Commercial > 50 kW		485.54	520.68	445.77
6	LT III Industrial up to 20 kW		33.09	44.58	29.92
7	LT IV A Industrial > 20 kW ≤ 100 kW		43.11	48.10	35.39
8	LT IV B Industrial > 100 kW		32.86	42.45	28.15
9	LT V Advertisement and Hoardings		6.84	5.29	4.58
10	LT VI St. Lighting		16.92	23.60	17.63
11	LT VII A Temp. Religious		0.04	0.31	0.03
12	LT VII B Temp. Others		36.19	48.19	37.31
13	LT VIII Crematorium and Burial Grounds		0.40	0.40	0.34
14	LT IX A Hospitals & Educational Institutions up to 20 kW		-	214.62	-

Sl. No.	Consumer category	FY 2010-11		FY 2011-12	
		Approved as per Case No. 125 of 2011	Audited	Approved as per Case 171 of 2011	Audited
15	LT IX B Hospitals & Educational Institutions above 20 kW		-	85.14	-
	HIGH-TENSION CATEGORIES				
16	HT I - Industries		78.88	119.82	82.53
17	HT II – Commercial		265.76	319.76	243.35
18	HT III - Group Housing		12.12	15.75	10.85
19	HT IV - Temp. Supply		6.59	5.68	4.12
20	HT V - Hospitals & Educational Institutions		-	45.92	-
	Sub total		2588.68	3346.97	2379.97
21	PF Penalty		12.98	12.96	12.37
22	ToD tariff charges		15.93	15.93	16.07
23	Excess Demand Charges		8.67	8.67	10.88
24	Fuel Adjustment Charges		47.68	-	139.82
25	Diff in Costs		3.63	-	(11.54)
	Total	2677.57	2677.57	3384.53	2547.57

7) Table: Energy Balance

The Energy Balance for FY 2010-11 and FY 2011-12 is given below

Table 6: Energy Balance for FY 2010-11

Sl. No.	Particulars	Approved for FY 2010-11 (Case 125 of 2011)	Audited FY 2010-11
1	Sales (MU)	4267.11	4267.11
2	Distribution loss in %	7.91%	7.94%
3	Energy Requirement at T-D interface (MU)	4633.39	4635.28
4	Intra-State Transmission loss in %	4.31%	4.38%
5	Energy Requirement at G-T interface (MU)	4842.08	4847.79

Table 7: Energy Balance for FY 2011-12

Sl. No.	Particulars	Approved	Actual Audited
		FY 2011-12	FY 2011-12
		Case No. 171 of 2011	
1	Sales (MU)	4300.96	4286.05
2	Distribution loss in %	7.94%	7.56%
3	Energy Requirement at T-D interface (MU)	4671.90	4636.71
4	Intra-State Transmission loss in %	4.26%	4.38%
5	Energy Requirement at G-T interface (MU)	4879.90	4849.11

8) Operational Parameters

Table 8: Operational Parameters of BEST

Sl.	Particulars	FY 2010-11 Actuals		FY 2011-12 Actuals	
		Distribution Losses (%)	Collection efficiency (%)	Distribution Losses (%)	Collection efficiency (%)
1	BEST	7.94	99.67	7.56	99.64

9) BEST's Capital Expenditure

Table 9: Capex and Capitalization by BEST (Rs. Crore)

Sl.	Name of Project	FY 2010-11		FY 2011-12	
		CAPEX	Capitalisation	CAPEX	Capitalisation
1	Ongoing Projects				
a)	DPR Projects	164.95	158.73	109.56	88.41
b)	Non-DPR Projects	17.23	13.02	24.33	17.80
	Sub-total	182.18	171.75	133.89	106.21
2	New Projects				
a)	DPR Projects	9.45	7.53	1.02	0
b)	Non-DPR Projects	0	0	0	0
	Sub-total	9.45	7.53	1.02	0.00
	Total	191.63	179.28	134.91	106.21

10) Aggregate Revenue Gap of BEST for FY 2010-11 and FY 2011-12

Table 10: ARR-Revenue Gap for FY 2010-11 & FY 2011-12 (Rs. Crore)

Sl No.	Particulars	Net Entitlement post gain & loss
1	True-Up amount from FY 2010-11 (after considering gains and losses due to controllable factors)	2757.41
2	Impact of past recoveries	
2.1	Impact of Review Order (Case no. 44 of 2009)	11.95
2.2	Impact due to truing up for FY 2007-08, after cost-benefit analysis	1.34
2.3	Revenue gap / (surplus) after final truing-up of FY 2009-10	467.33
2.4	Impact of FY 2008-09 and FY 2009-10 in case no 62 of 2012	40.56
2.5	Impact of additional Int. on working capital for FY 2008-09 & FY 2009-10	34.09
2.6	Net Aggregate Revenue Requirement	3312.68
2.7	(Less) RPS Cost Disallowed by the Hon'ble Commission in case no 125 of 2011	(33.01)
2.8	Mtax & ED amount of FY 2008-09 & FY 2009-10	0.63
3	Net ARR	3280.30
4	Revenue from Sale of Energy	2677.57
5	Net Revenue gap for FY 2010-11	602.73
6	True-Up amount from FY 2011-12 (after considering gains and losses due to controllable factors)	3279.09
7	Impact of Past Recoveries	
7.1	Carrying cost	148.73
8	Net Aggregate Revenue Requirement	3427.82
9	Revenue from Sale of Energy	2547.57
10	Revenue Gap of FY 2011-12	880.25
11	Less: Regulatory Assets approved	300
12	Net Revenue Gap of FY 2011-12 (excluding approved regulatory assets)	580.25
13	Net Revenue Gap for FY 2010-11 & FY 2011-12 (after considering gains and losses due to controllable factors)	1182.98

MYT for Control Period from FY 2012-13 to FY 2015-16

11) BEST has estimated the ARR for the second Control Period from FY 2012-13 to FY 2015-16 based on the MYT Business Plan approved by the Commission vide Order dated 15 January, 2013 in Case No. 124 of 2011.

12) Category-wise Sales Projections in MU

Table 11: Category-wise Sales Projections in MU for FY 2012-13 to FY 2015-16

SL. No.	Tariff Category	Slabs	FY 2012-13 (Provisional)	FY 2013-14	FY 2014-15	FY 2015-16
LT Category						
1	BPL	0 - 30	0.51	0.25	0.25	0.26
2	LT - I	0 - 100	685.09	729.58	768.50	810.89
3		101 - 300	574.59	614.57	649.50	688.64
4		301 - 500	175.25	187.90	199.40	212.75
5		> 500	345.30	361.38	381.39	403.56
6	LT - II (a)	0 - 500	543.38	404.60	420.42	438.57
7		> 500	376.16	288.01	299.63	313.13
8	LT - II (b)	all units	256.59	280.27	299.69	321.32
9	LT - II (c)	all units	510.87	536.18	573.35	614.71
10	LT - III	0 - 500	23.33	24.64	25.53	26.53
11		>500	26.63	28.63	29.67	30.83
12	LT - IV (a)	all units	53.95	57.41	59.50	61.82
13	LT - IV (b)	all units	49.64	52.19	54.61	57.29
14	LT - V	all units	2.72	3.38	3.51	3.64
15	LT - VI	all units	30.25	33.12	35.18	37.46
16	LT - VII (a)	all units	1.68	0.10	0.10	0.10
17	LT - VII (b)	all units	36.63	48.11	52.76	58.01
18	LT - VIII	all units	1.17	1.34	1.40	1.46
19	LT - IX (a)	all units	10.57	265.19	280.59	297.66
20	LT - IX (b)	all units	34.51	103.17	109.16	115.80
	Sub-total		3738.83	4020.02	4224.14	4494.43
HT Category						
21	HT - I	all units	172.44	162.49	171.18	180.82
22	HT - II	all units	379.91	437.22	482.89	534.73
23	HT - III	all units	32.23	33.70	35.03	36.52
24	HT - IV	all units	3.58	5.30	5.49	5.70
25	HT - V	all units	28.59	70.49	77.85	86.21
	Sub-total		616.75	709.20	772.44	843.98
	Total		4355.58	4729.22	5016.57	5338.43

13) Table: Energy Balance

Table 12: Energy Balance for FY 2012-13 to FY 2015-16

Sl. No.	Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Energy sales (MU)	4,355.58	4,729.22	5,016.57	5,338.43
2	Distribution loss (%)	7.40%	8.00%	7.50%	7.00%
3	Energy at T⇌D interface (MU)	4,703.59	5,140.46	5,423.32	5,740.25
4	InST loss (%)	4.28%	4.85%	4.85%	4.85%
5	Energy at G⇌T interface (MU)	4,914.10	5,402.48	5,699.76	6,032.84

14) Power Purchase cost for FY 2012-13 to FY 2015-16

Table 13: Power Purchase cost for FY 2012-13 to FY 2015-16

Source of Power	FY 2012-13 (Provisional)			FY 2013-14			FY 2014-15			FY 2015-16		
	MU	Rs. Crores	Rate (Rs./ kWh)	MU	Rs. Crores	Rate (Rs./ kWh)	MU	Rs. Crores	Rate (Rs./ kWh)	MU	Rs. Crores	Rate (Rs./ kWh)
TPC-G	5084	2739.19	5.39	5021.2	3250.99	6.47	5285.3	3368.05	6.37	5642.1	2794.84	4.95
Past Charges claimed by TPC-G					395.04							
RPS (Spark Green)	0	0		212.87	101.11	4.75	283.82	142.2	5.01	283.82	150.14	5.29
RPS-Solar	0	0		45	38.52	8.56	45	38.52	8.56	45	38.52	8.56
RPS- Other non-solar, non-mini/micro hydro	104.25	55.16	5.29	246.34	139.68	5.67	200.66	113.77	5.67	228.97	129.82	5.67
RPS -REC (with Rebate)		65.31										
External power purchase	80.87	35.74	4.42	(122.95)	(55.33)	4.5	(115.02)	(51.76)	4.5	(167.06)	(75.18)	4.5
OLA Sale	(2.2)	(1.13)	5.15									
Pool Imbalances	(352.79)	(355.13)	10.07									
Sub-total	4914.13	2539.14	5.17	5402.46	3870.01	7.16	5699.76	3610.78	6.33	6032.83	3038.14	5.04
Transmission Charges		193.08			216.59			227.42			238.79	
SLDC Charges		0.75			0.78			0.82			0.86	
Standby Charges		107.85			111.8			111.8			111.8	
(Rebate from TPC G)		0			0			0			0	
Delayed payment Charges & Interest to TPC G		40.33										
Total	4914.1	2881.14		5402.5	4199.19		5699.8	3950.82		6032.8	3389.59	

15) Capital Expenditure and Capitalisation proposed by BEST for Wire Business for FY 2012-13 to FY 2015-16

Table 14: Capex and Capitalization for FY 2012-13 to FY 2015-16 for Wire Business (Rs. Crore)

MERC Approval Status	Capital Expenditure				Capitalisation			
	FY 2012-13	FY 2013- 14	FY 2014- 15	FY 2015-16	FY 2012-13	FY 2013- 14	FY 2014- 15	FY 2015-16
Approved DPR	207.60	264.04	263.22	267.17	199.90	251.52	264.59	253.83
Submitted but yet to be approved DPR	2.00	32.00	35.00	0.00	0.40	7.70	28.10	27.55
To be submitted DPR	0.00	4.79	5.03	5.28	0.00	4.79	5.03	5.28
Non DPR	11.50	7.66	8.45	12.15	11.50	7.66	8.45	12.15
TOTAL	221.10	308.49	311.70	284.60	211.80	271.67	306.17	298.81

16) Capital Expenditure and Capitalisation proposed by BEST for Supply Business for FY 2012-13 to FY 2015-16

Table 15: Capex and Capitalization for FY 2012-13 to FY 2015-16 for Supply Business (Rs. Crore)

MERC Approval Status	Capital Expenditure				Capitalisation			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Approved DPR	17.29	19.34	20.89	23.03	17.29	19.34	20.89	23.03
Submitted but yet to be approved DPR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
To be submitted DPR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non DPR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	17.29	19.34	20.89	23.03	17.29	19.34	20.89	23.03

17) Aggregate Revenue Requirement of BEST for FY 2012-13 to FY 2015-16

Table 16: ARR (Wires + Supply Business) for FY 2012-13 to FY 2015-16 (Rs. Crore)

S.N.	Particulars	FY 2012-13 (Provisional)	FY 2013-14	FY 2014-15	FY 2015-16
1	Power Purchase Expenses	2881.14	4199.19	3950.82	3389.59
1.1	Purchase from TPC-G	2779.52	3646.03	3368.05	2794.84
1.2	Purchase from RPS	120.47	279.31	294.49	318.48
1.3	External Purchase/ (Sale)	34.61	(55.33)	(51.76)	(75.18)
1.4	Purchase/(Sale) from Imbalance Pool	(355.13)	-	-	-
1.5	Standby Charges Payable	107.85	111.80	111.80	111.80
1.6	Transmission Charges Payable	193.08	216.59	227.42	238.79
1.7	MSLDC Charges Payable	0.75	0.78	0.82	0.86
2	Operation & Maintenance Expenses	424.86	454.23	490.68	530.45
3	Depreciation	94.73	105.90	119.45	133.81
4	Interest on Long-term Loan Capital	23.63	15.59	25.62	34.56
5	Interest on Working Capital	21.89	31.50	49.44	73.60
6	Interest on Consumer Deposit	21.41	22.06	22.72	23.40
7	Provision for bad Debts	5.71	5.71	5.71	5.71
8	Other Expenses	81.26	81.26	81.26	81.26
9	Contribution to contingency reserves	4.62	5.17	5.84	6.55
10	Incentive for reduction of distribution loss	0.00	0.00	0.00	0.00
11	Total Revenue Expenditure	3559.25	4920.60	4751.54	4278.93
12	Return on Equity Capital	128.40	140.41	154.08	168.00
13	Return as Interest on Internal Funds	5.28	5.28	5.28	5.28
14	Aggregate Revenue Requirement	3692.93	5066.28	4910.90	4452.21
15	Less: Non-Tariff Income	56.34	61.97	68.17	74.99
16	Recovery of Regulatory Assets as approved in Case No. 171 of 2011(with carrying cost)	43.86	321.93	0.00	0.00
17	Add: Revenue Gap FY 2011-12 (Incremental over Commission approved Regulatory Asset) (with carrying cost)	178.29	555.08	495.65	436.22
18	Total Aggregate Revenue Requirement	3858.74	5881.32	5338.37	4813.44
19	Deficit of Transport operations (04-05 to 08-09) and individual years	273.03	656.12	623.99	395.91
20	Aggregate Revenue Requirement, including deficit in Transport operations	4131.77	6537.43	5962.36	5209.35
21	ARR proposed to be recovered through tariff	3557.59	4643.14	5289.38	6037.26
22	ACOS (Rs./ kWh) (wrt ARR to be recovered)	8.17	9.82	10.54	11.31

18) Tariff Proposal of BEST

a) Tariff Philosophy

BEST's revenue requirement derived above is a combined revenue requirement of the Supply Business and the deficit arising out of the Transport Business. As such, the tariffs proposed by BEST in this petition are targeted towards recovering the overall revenue requirements. However, BEST has maintained the philosophy adopted by the Commission in Case 171 of 2011, of specifying a separate charge [Transport Deficit Loss Recovery (TDLR) charge] for recovering the transport deficit.

While proposing the base tariffs (energy, fixed and demand charge levied on monthly basis), BEST has kept in mind the revenue being recovered from consumers through the FAC charge and the TDLR charge. BEST has ensured that the overall revenue recovered from consumers through base tariffs, FAC charge and TDLR charge does not cause a tariff shock to consumers.

For FY 2012-13, the revenues have been estimated based on 10-months actual data as described earlier. The remaining 2 months figures have been estimated based on the sales figures projected on pro-rata basis. For FY 2012-13, BEST has not proposed any tariff hike as the financial year is already over and hence, BEST has continued with the existing tariff of FY 2011-12.

b) Proposed Tariff for FY 2013-14 to FY 2015-16

Table 17: Proposed Tariff for 2013-14 to FY 2015-16

Tariff Category	Slabs	FY 13-14				FY 14-15				FY 15-16			
		Components of tariff				Components of tariff				Components of tariff			
		Fixed Charge (Rs./ connection / month) 1 ph / 3 ph	Demand charge (Rs./ kVA / month)	Energy charge (Rs. / kWh)	TDLR (Rs. / kWh)	Fixed Charge (Rs./ connection / month) 1 ph / 3 ph	Demand charge (Rs./ kVA / month)	Energy charge (Rs. / kWh)	TDLR (Rs. / kWh)	Fixed Charge (Rs./ connection / month) 1 ph / 3 ph	Demand charge (Rs./ kVA / month)	Energy charge (Rs. / kWh)	TDLR (Rs. / kWh)
LT													
BPL	0 - 30	5	-	0.53	0.12	5	-	0.53	0.12	5	-	0.58	0.12
LT - I	0 - 100	50	-	2.78	0.55	50	-	3.06	0.55	75	-	3.37	0.55
	101 - 300	100/150	-	5.14	1.03	100/150	-	5.66	1.03	150	-	6.22	1.03
	301 - 500	100/150	-	7.24	1.44	100/150	-	7.45	1.44	150	-	8.20	1.44
	> 500	150	-	8.92	1.85	150	-	9.36	1.85	200	-	9.83	1.85
LT - II (a)	0 - 500	400	-	7.43	1.48	500	-	8.91	1.48	600	-	9.80	1.48
	> 500	400	-	10.20	2.20	500	-	10.71	2.20	600	-	11.25	2.20
LT - II (b)	all units	-	300	10.00	2.15	-	400	10.50	2.15	-	500	10.50	2.15
LT - II (c)	all units	-	300	10.52	2.18	-	400	11.04	2.18	-	500	11.04	2.18
LT - III	0 - 500	400	-	7.03	1.40	500	-	7.74	1.40	600	0	8.90	1.40
	> 500	600	-	9.46	1.96	700	-	9.94	1.96	800	0	10.93	1.96
LT - IV (a)	all units	-	300	8.48	1.75	-	400	9.32	1.75	-	500	9.79	1.75
LT - IV (b)	all units	-	300	8.63	1.72	-	400	9.49	1.72	-	500	9.96	1.72
LT - V	all units	500	-	16.45	3.16	600	-	18.10	3.16	700	0	19.90	3.16
LT - VI	all units	-	300	7.92	1.52	-	400	8.72	1.52	-	600	9.59	1.52
LT - VII (a)	all units	250	-	4.36	0.87	350	-	4.80	0.87	500	-	5.76	0.87
LT - VII (b)	all units	250	-	14.09	2.53	350	-	15.49	2.53	500	-	17.04	2.53
LT - VIII	all units	250	-	4.34	0.83	350	-	4.77	0.83	500	-	5.25	0.83
LT - IX (a)	all units	350	-	9.18	1.83	400	-	10.10	1.83	500	-	11.11	1.83
LT - IX (b)	all units	-	300	9.18	1.83	0	400	10.10	1.83	-	500	11.11	1.83
HT Category													
HT - I	all units	-	300	7.97	1.59	-	400	7.97	1.59	-	500	8.76	1.59
HT - II	all units	-	300	7.94	1.71	-	400	7.94	1.71	-	500	8.73	1.71
HT - III	all units	-	300	5.78	0.91	-	400	6.94	0.91	-	500	7.63	0.91
HT - IV	all units	400	-	11.25	2.33	500	-	11.81	2.33	600	-	11.81	2.33
HT - V	all units	-	300	7.28	1.51	-	400	8.01	1.51	-	500	8.01	1.51

c) Year on Year Percentage Increase in Tariff

Table 18: Year on Year percentage increase in Tariff

Tariff Category	Slabs	% increase in FY 2013-14				% increase in FY 2014-15				% increase in FY 2015-16			
		Fixed Charge	Demand charge	Energy charge	TDLR	Fixed Charge	Demand charge	Energy charge	TDLR	Fixed Charge	Demand charge	Energy charge	TDLR
BPL	0 - 30	67%		0%	0%	0%		0%	0%	0%		9%	0%
LT - I	0 - 100	25%		14%	0%	0%		10%	0%	50%		10%	0%
	101 - 300	33%		13%	0%	0%		10%	0%	50%		10%	0%
	301 - 500	33%		13%	0%	0%		3%	0%	50%		10%	0%
	> 500	50%		9%	0%	0%		5%	0%	33%		5%	0%
LT - II (a)	0-500	60%		13%	0%	25%		20%	0%	20%		10%	0%
	> 500	60%		-4%	0%	25%		5%	0%	20%		5%	0%
LT - II (b)	all units		50%	4%	0%		33%	5%	0%		25%	0%	0%
LT - II (c)	all units		50%	8%	0%		33%	5%	0%		25%	0%	0%

Tariff Category	Slabs	% increase in FY 2013-14				% increase in FY 2014-15				% increase in FY 2015-16			
		Fixed Charge	Demand charge	Energy charge	TDLR	Fixed Charge	Demand charge	Energy charge	TDLR	Fixed Charge	Demand charge	Energy charge	TDLR
LT - III	0 - 500	23%		12%	0%	25%		10%	0%	20%		15%	0%
	>500	41%		0%	0%	17%		5%	0%	14%		10%	0%
LT - IV (a)	all units		50%	9%	0%		33%	10%	0%		25%	5%	0%
LT - IV (b)	all units		50%	13%	0%		33%	10%	0%		25%	5%	0%
LT - V	all units	25%		17%	0%	20%		10%	0%	17%		10%	0%
LT - VI	all units		50%	17%	0%		33%	10%	0%		50%	10%	0%
LT - VII (a)	all units	25%		10%	0%	40%		10%	0%	43%		20%	0%
LT - VII (b)	all units	25%		25%	0%	40%		10%	0%	43%		10%	0%
LT - VIII	all units	67%		19%	0%	40%		10%	0%	43%		10%	0%
LT - IX (a)	all units	40%		10%	0%	14%		10%	0%	25%		10%	0%
LT - IX (b)	all units		50%	12%	0%		33%	10%	0%		25%	10%	0%
HT Category													
HT - I	all units		50%	13%	0%		33%	0%	0%		25%	10%	0%
HT - II	all units		50%	5%	0%		33%	0%	0%		25%	10%	0%
HT - III	all units		50%	42%	0%		33%	20%	0%		25%	10%	0%
HT - IV	all units	60%		9%	0%	25%		5%	0%	20%		0%	0%
HT - V	all units		50%	8%	0%		33%	10%	0%		25%	0%	0%

Note: % Increase in Energy Charge in FY 2013-14 is with respect to the Energy Charge including prevailing FAC for FY 2012-13.

d) Cross Subsidy Reduction Proposed

Considering the methodology proposed by the Commission in the roadmap for “Cross Subsidy Reduction” submitted to the Government of Maharashtra vide letter dated 21 June, 2012, Cross Subsidy reduction proposed is shown below:

Table 19: Cross Subsidy reduction proposed by BEST

	Customer Category	Slabs	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
BPL		0 - 30	8%	7%	7%	7%
LT - I	Residential	0 - 100	67%	36%	36%	38%
		101 - 300		70%	70%	73%
		301 - 500		93%	88%	90%
		> 500		112%	108%	105%
LT II (a)	Commercial	0 - 500	122%	118%	129%	133%
		> 500		132%	129%	126%
LT - II (b)		all units	139%	134%	132%	126%
LT - II (c)		all units	140%	140%	138%	132%
LT III	Industrial	0 - 500	113%	99%	102%	107%
		> 500		122%	119%	120%
LT - IV (a)		all units	115%	118%	122%	122%
LT - IV (b)		all units	112%	115%	118%	117%
LT - V	Adv. & Hoarding	all units	206%	217%	220%	223%
LT - VI	Street Lighting	all units	101%	106%	109%	115%
LT - VII (a)	Temp Religious	all units	100%	53%	54%	59%
LT - VII (b)	Temp Others		153%	170%	172%	175%

	Customer Category	Slabs	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
LT - VIII	Crematorium	all units	51%	53%	54%	55%
LT - IX (a)	Hospital/ Educational Inst	all units	114%	112%	113%	115%
LT - IX (b)		all units	119%	122%	125%	129%
HT Category						
HT - I	Industry	all units	104%	105%	100%	103%
HT - II	Commercial	all units	112%	106%	102%	105%
HT - III	Group Housing	all units	64%	76%	88%	91%
HT - IV	Temp	all units	141%	138%	134%	125%
HT-V	Hospital/ Educational Inst	all units	100%	98%	101%	97%

e) Voltage-wise cost of supply

Considering the Hon'ble ATE's Judgment dated 26 July, 2012, Voltage wise cost of supply for MYT Control Period is shown below:

Table 20: Voltage-wise cost of supply for FY 2012-13 to FY 2015-16

ARR Component	2012-13			2013-14			2014-15			2015-16		
	LT	HT	Total	LT	HT	Total	LT	HT	Total	LT	HT	Total
Voltage-wise ACOS	9.84	7.31	9.49	14.48	10.08	13.82	12.45	8.81	11.89	10.25	7.15	9.76

(Rs. / Kwh)

19) Copies of the following documents can be obtained on written request from the offices of BEST mentioned below:

- Executive Summary of the Petition (free of cost, in Marathi or English)
- Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD/ Cheque drawn on "**Brihanmumbai Electric Supply & Transport Undertaking**")
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Telephone No.
Registered Office	BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001	22856262 / Fax- 22851244
Head Office	Public Relations Officer, BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001	22856262 / Ext. 395 Fax- 22851244
Divisional Office 1	BEST Undertaking, Customer Care ('A' Ward), Electric House, 1 st Floor, BEST Marg, Colaba, Mumbai 400001.	22856262 Ext. 513, 523
Divisional Office 2	BEST Undertaking, Customer Care ('G' South), 2nd Floor, Transportation Engineering Bldg., Gate No 3, Tilak Road, Dadar, Mumbai 400014.	24183276 / 24146262 Ext. 541.

20) The Commission has directed BEST to invite objections and comments from the public on the above Petition through this Notice. Objections or comments may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: best@merc.gov.in] by **Monday, 10**

June, 2013 along with proof of service on the General Manager, Brihanmumbai Electric Supply and Transport Undertaking.

- 21) Every person who intends to file objections or comments can submit the same in English or in Marathi, in six copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the objection/comment is being filed on behalf of any organization of category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at **CENTRUM HALL, 1st Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400005** on **Friday, 14 June, 2013**, at **1100 Hrs**, for which no separate notice will be given.
- 22) BEST shall reply to each of the objections or comments received within three days of the receipt of the same but not later than **Thursday, 13 June 2013** for all the objections and comments received till **Monday, 10 June, 2013**. Stakeholders can submit their rejoinders on replies provided by BEST either during the public hearing or latest by **Wednesday, 19 June 2013**.
- 23) The detailed Petition document and the Executive Summary are available on BEST's website www.bestundertaking.com and the Executive Summary is also available on the web site of the Commission www.merc.gov.in in downloadable format (free of cost).

GENERAL MANAGER

Brihanmumbai Electric Supply and Transport Undertaking