

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

Web site: www.bestundertaking.com

PUBLIC NOTICE

Objections / Suggestions on BEST's Annual Performance Review (APR) Petition for FY 2009-10 under MYT framework, truing up for FY 2008-09 and determination of ARR and tariff for FY 2010-11
Case No. 95 of 2009

1. Brihan-Mumbai Electric Supply and Transport Undertaking (BEST) has filed a Petition for Approval of Annual Performance Review (APR) for FY 2009-10 under MYT framework, truing up for FY 2008-09 and determination of ARR and tariff for FY 2010-11 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003. The Commission has admitted the Petition on **15th March 2010** and directed BEST to publish a Public Notice under Section 64(2) of the Act.
2. The salient Features of the Petition are provided below:

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

S. No.	Particulars	FY	FY	FY	FY	FY
		2008-09	2008-09	2009- 10	2009- 10	2010- 11
		Provisional True-up	Audited	APR Order	Revised Estimate	Projections
1	Power Purchase Expenses	2323.67	2209.28	1477.56	1784.22	2013.99
2	SLDC Charges	0.74	0.74	0.53	0.53	1.14
3	Transmission Charges paid to Transmission Licensee	109.61	106.61	91.38	91.38	95.9
4	Stand-by charges	108.78	114	112.13	112.13	112.13
5	Operation & Maintenance Expenses	242.72	258.77	258.97	279.36	301.11
5.1	<i>Employee Expenses</i>	142.94	158.65	153.39	170.45	182.84
5.2	<i>Administration & General Expenses</i>	72.51	74.8	76.89	79.39	84.15
5.3	<i>Repair & Maintenance Expenses</i>	27.28	25.32	28.69	29.52	34.12
6	Depreciation, including advance against depreciation	42.78	43.4	45.3	46.56	47.25
7	Interest on Long-term Loan Capital	14.83	32.44	19.42	19.17	30.12
8	Interest on Working Capital (Normative)	3.94	10.87	8.14	12.97	5.72
9	Interest on Working Capital (Additional)	-	12.36	-	8.04	5.73
10	Interest on Consumer security deposits	14.13	12.94	15.54	12.46	15.77
11	Bad Debts Written off	0.04	-	0.04	0.15	0.15
12	Contribution to contingency reserves	3.11	6.45	3.28	7.18	7.87
13	Other expenses	-	10.87	-	56.26	57.26
14	Incentive on reduction of Distribution loss	-	25.23	-	-	-
	Total Revenue Expenditure	2864.35	2843.98	2032.29	2430.4	2694.13
15	Return on Equity Capital	100.53	108.81	103.41	114.66	121.5
16	Return as Interest on Internal Funds	4.91	4.91	5.21	5.19	5.79
	Gross Annual Revenue Requirement	2969.80	2957.7	2140.91	2550.25	2821.42
17	Less: Non Tariff Income	-55.53	-70.83	-55.53	-71.15	-71.49

Net Annual Revenue Requirement	2914.26	2886.87	2085.38	2479.1	2749.93
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Table 2: Truing up for FY 2008-09 and Provisional Truing up for FY 2009-10

S. No.	Particulars	FY	FY	FY	FY
		2008-09	2008-09	2009-10	2009-10
		Provisional True-up	Audited	APR Order	Revised Estimate
1	Power Purchase Expenses (including Transmission charges)	2542.8	2430.63	1681.6	1988.26
2	Other expenses	321.55	413.33	350.69	442.15
3	Return on Equity Capital	100.53	108.81	103.41	114.66
4	Return as Interest on Internal Funds	4.91	4.91	5.21	5.19
5	Gross Annual Revenue Requirement	2969.8	2957.7	2140.91	2550.26
6	Less: Non Tariff Income	-55.53	-70.83	-55.53	-71.15
7	Net Annual Revenue Requirement	2914.27	2886.87	2085.38	2479.1

Table 3: Consumer Category-wise Sales (MUs)

Consumer Category	Slab	2008-09 (Provisional True-up)	2008-09 (actual)	2009-10 (Approved)	2009-10 (estimated)	2010-11 (Projected)	CAGR or basis used for Projection
LT I BPL	0-30	0.04	0.04	0.04	0.08	0.08	0%
LT-I Residential	0-100		672.92		655.16	667.23	2%
	101-300		538.73		560.01	587.83	5%
	301-500		154.77		176.60	188.49	7%
	>500		366.37		385.59	416.44	8%
		1733		1774			
LT-II A Commercial 0-20 KW	0-300		391.65		382.97	390.63	2%
	301-500		115.38		115.06	121.96	6%
	501-1000		153.87		149.19	161.12	8%
	>1000		344.87		230.30	248.72	8%
		1006		974			
LT-II B Comml. > 20 kW and <= 50 kW	all units	134	133.61	172	251.62	251.62	0%
LT-II C Comml. > 50 kW	all units	469	468.90	564	512.03	512.03	0%
LT-III Incl. Up to 20 kW	0-300		20.91		18.74	18.74	0%
	301-500		9.21		8.13	8.13	0%
	501-1000		14.69		12.59	12.59	0%
	>1000		28.23		18.54	18.54	0%

Consumer Category	Slab	2008-09 (Provisional True-up)	2008-09 (actual)	2009-10 (Approved)	2009-10 (estimated)	2010-11 (Projected)	CAGR or basis used for Projection
		73		77			
LT-IV A Incl. > 20 kW and <= 100 kW	all units	48	47.85	46	51.78	51.78	0%
LT-IV B Incl. > 100 kW	all units	48	47.90	48	47.17	50.94	8%
LT - V Advt. and Hoarding	all units	3	3.03	2	2.39	2.99	25%
LT-VI streetlight	all units	29	29.44	23	22.15	22.15	0%
LT-VII (A) Temp. religious	all units	0.09	0.09	0.06	0.04	0.05	10%
LT-VII(B) Temp. Others	all units	23	22.63	19	28.16	29.57	5%
LT-VIII Cremation and Burial Grounds	all units	1	1.08	1	1.13	1.16	3%
HT-I Industry	all units	176	175.99	178	144.36	144.36	0%
HT-II Commercial	all units	321	321.44	321	358.46	379.96	6%
HT-III Group Housing	all units	40	39.55	59	31.33	33.84	8%
HT IV - Temp.	all units	0	0.00	0	0.34	0.35	0%
Total Sales		4103	4103.15	4257	4163.93	4321.32	3.78%

Table 4: Energy Balance

Particulars	FY 2008-09 Actual	FY 2009-10 Revised Projection	FY 2010-11 Forecasting
Energy Sale	4103	4164	4321
Distribution loss (in %)	9.29%	10%	10%
Energy Purchase at T-D interface	4523.28	4627	4801
InSTS losses	4.86%	4.85%	4.85%
Energy purchase at G-T interface	4754.30	4862	5046

Table 5: Trajectory of Operational Parameters

Sl.	Particulars	Distribution Losses (%)			Collection Efficiency (%)		
		FY 2008-09	FY 2009-10	FY 2010-11	FY 2008-09	FY 2009-10	FY 2010-11
		Actual	Revised Estimate	Projected	Actual	Revised Estimate	Projected
1	BEST	9.29	10	10	99	99	99

Table 6: BEST's Capital Expenditure Plan (Rs. Crore)

Sl.	Name of Project	Estimated Cost	Expenditure incurred till FY 2008-09 end	Capitalisation incurred till FY 2008-09 end	Expenditure Planned and Capitalisation Projected			
					FY 2009-10		FY 2010-11	
					Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects							
a)	DPR Projects	174.67	95.25	93.58	141.89	110.00	195.11	129.17
b)	Non-DPR Projects	23.75	7.85	7.85	16.48	10.50	10.33	10.33
	Sub-total	198.42	103.10	101.43	158.37	120.50	205.44	139.50
2	New Projects							
a)	DPR Projects	70.27	28.33	21.13	23.50	14.50	12.63	10.50
b)	Non-DPR Projects	-	-	-	-	-	-	-
	Sub-total	70.27	28.33	21.13	23.50	14.50	12.63	10.50
	Total	268.69	131.43	122.56	181.87	135.00	218.07	150.00

Table 7: Aggregate Revenue Gap of BEST for FY 2009-10 and FY 2010-11

Sl.	Particulars	(Rs. Crore)
1	Net Revenue Requirement for FY 2010-11	2749.93
2	Revenue from Existing tariff for FY 2010-11	2797.74
3	Revenue gap for FY 2010-11	-47.81
4	True up amount for FY 2008-09 (after considering gains and losses due to controllable / uncontrollable factors)	-27.39
5	Provisional True up amount for FY 2009-10	237.10
6	Impact of Review Order in Case no. 44 of 2009	11.95
7	Total Revenue(+) Gap/ (-)Surplus (3+4+5+6)	173.85
8	Total Revenue requirement from Sale of Power for FY 2010-11(2+7)	2971.6

8. Recovery of Revenue at Proposed Tariff in FY 2010-11

Particulars	Rs. In Crores
Recovery from Energy Charges at Proposed Tariff	2787.9
Recovery from Fixed Charge at Proposed Tariff	183.7
Recovery from Total Charges(Fixed and Energy Charges) at Proposed Tariff	2971.6

9. Tariff Proposal of BEST

- a. The expected revenue for FY 2010-11 has been estimated by applying the existing tariff to the projected sales and consumer related data as per segregation provided by Hon'ble Commission in its previous tariff order dated 15th June 2009. As given in table above, BEST's revenue gap to be recovered from tariff of FY 2010-11 is **Rs. 173.85** crore, which requires an increase of **6.21%** in existing tariff. BEST would like to humbly submit before Hon'ble Commission that BEST has taken following consideration while determining proposed tariff for FY 2010-11

- 1 No increase proposed for residential categories up to 300 units.
2. No increase in demand charge proposed for any category.
3. For Industrial categories increase in energy charge proposed for high end consumers.
4. BEST has proposed change in tariff, in accordance with the provisions of the EA 2003, Tariff Policy and previous Orders of the Commission.

The proposed tariff schedule along with existing tariff and comparison of the same is given below.

b. Comparison of Existing & Proposed LT Tariff Schedule

Tariff Category	Slab	Components of tariff			Components of tariff			Increase in tariff (%)
		Single/ Three Phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)	Variable charge (Rs. / kWh)	Single/ Three Phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)	Variable charge (Rs. / kWh)	
		Existing Tariff			Proposed tariff			Variable Charges
LT category								
BPL	0-30	3		0.4	3		0.4	0%

Tariff Category	Slab	Components of tariff		Variable charge (Rs. / kWh)	Components of tariff		Variable charge (Rs. / kWh)	Increase in tariff (%)
		Single/ Three Phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)		Single/ Three Phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)		
		Existing Tariff			Proposed tariff			Variable Charges
LT category								
LT-I	0-100	30		1.8	30		1.8	0%
	101-300	50 & 100		3.7	50 & 100		3.7	0%
	301-500	50 & 100		5.9	50 & 100		6.8	15%
	>500	100		7.9	100		9.2	16%
LT-II A	0-300	200		5.1	200		5.5	8%
	301-500	200		6.8	200		7.15	5%
	501-1000	200		7.9	200		8.5	8%
	>1000	200		8.3	200		9.2	11%
LT-II B	all units		150	8.9		150	9.3	4%
LT-II C	all units		150	9.8		150	10.3	5%
LT-III	0-300	250		4.3	250		4.3	0%
	301-500	300		5.8	300		5.8	0%
	501-1000	350		6.6	350		6.6	0%
	>1000	350		7.5	350		8.35	11%
LT-IV A	all units		150	7.19		150	7.5	4%
LT-IV B	all units		150	7		150	7.25	4%
LT - V	all units	300		12.92	300		14	8%
LT-VI	all units		150	6.09		150	6.2	2%
LT-VII (A)	all units	150		2.85	150		3	5%
LT-VII(B)	all units	150		10.59	150		10.59	0%
LT-VIII	all units	100		2.66	100		2.66	0%

- Note :
1. Terms and Conditions of ToD Tariff remains same.
 2. Fixed charge will be as per existing tariff.
 3. Other Terms & Conditions of Tariff Schedule remains same.

Comparison of Existing & proposed HT Tariff Schedule

Tariff Category	Slab	Components of tariff			Components of tariff			Increase in tariff (%)
		Single phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)	Variable charge (Rs. / kWh)	Single phase meter (Rs./ connection / month)	Demand charge (Rs./ kVA / month)	Variable charge (Rs. / kWh)	
		Existing Tariff			Proposed tariff			Variable Charges
HT category								
HT-I	all units		200	5.81		200	6.4	10%
HT-II	all units		200	6.36		200	6.36	0%
HT-III	all units		200	3.61		200	4.1	14%
HT-IV	all units		200	9		200	9	0%

- Note : 1. Terms and Conditions of ToD Tariff remains same.
 2. Fixed charge will be as per existing tariff.
 3. Other Terms & Conditions of Tariff Schedule remains same.

- c. Under regulation 19 of MERC (Distribution Open Access) regulations,2005 BEST has been exempted from the applicability of provision's of distribution open access regulation

10. Cross-subsidy Reduction for FY 2010-11

Category	Slabs	Average Cost of Supply (Rs/Unit)	Average Billing Rate (Rs/Kwh)		Ratio of Average Billing Rate to Cost of Supply (%)			% Increase in Tariff
			Existing Tariff	Tariff Proposed by BEST	APR Order for FY 09	Existing Tariff to Current ACOS	Proposed Tariff to current ACOS	
LT Category								
LT-I BPL	0-30	6.88	0.50	0.50	19%	7%	7%	0%
LT-I Residential			4.41	4.79	67%	64%	70%	9%
LT-II A Comml. Up to 20 kW			7.32	7.89	115%	106%	115%	8%

Category	Slabs	Average Cost of Supply (Rs/Unit)	Average Billing Rate (Rs/Kwh)		Ratio of Average Billing Rate to Cost of Supply (%)			% Increase in Tariff
			Existing Tariff	Tariff Proposed by BEST	APR Order for FY 09	Existing Tariff to Current ACOS	Proposed Tariff to current ACOS	
LT-II B comml. > 20 kW and <= 50 kW	all units	6.88	9.38	9.78	149%	136%	142%	4%
LT-II C Comml. > 50 kW	all units		10.32	10.82	163%	150%	157%	5%
LT-III Incl. Up to 20 kW			6.74	7.01	106%	98%	102%	4%
LT-IV A Incl. > 20 kW and <= 100 kW	all units		7.87	8.18	125%	114%	119%	4%
LT-IV B Incl. > 100 kW	all units		7.47	7.72	118%	109%	112%	3%
LT - V Advt. and Hoarding	all units		13.74	14.82	214%	200%	215%	8%
LT-VI streetlight	all units		6.79	6.90	104%	99%	100%	2%
LT-VII (A) Temp. religious	all units		2.89	3.04	45%	42%	44%	5%
LT-VII(B) Temp. Others	all units		10.62	10.62	168%	154%	154%	0%
LT-VIII Cremation and Burial Grounds	all units		2.67	2.67	42%	39%	39%	0%
HT category								
HT-I Industry	all units	6.88	6.31	6.90	101%	92%	100%	9%
HT-II commercial	all units		6.92	6.92	109%	101%	101%	0%
HT-III Group Housing	all units		4.32	4.81	69%	63%	70%	11%

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

- Executive Summary of the proposals (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 and 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	Tele / Fax No.
Registered Office	BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001	22856262 / Fax- 22851244
Head Office	BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001	22856262 / Fax- 22851244
Divisional Office 1	BEST Undertaking, Customer Care ('A' Ward), Electric House, 1 st Floor, BEST Marg, Colaba, Mumbai 400001.	22856262 Ext. 517, 523
Divisional Office 2	BEST Undertaking, Customer Care ('G' South), 2 nd Floor, Transportation Engineering Bldg., Tilak Road, Dadar, Mumbai 400014.	24183276 / 24146262 Ext. 541.

4. The Commission has directed BEST to invite comments/suggestions from the public on the above Petition through this Notice. Suggestions/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: mercindia@mercindia.org.in] by 8th April 2010, along with proof of service on the General Manager, Brihanmumbai Electric Supply and Transport Undertaking.
5. Every person who intends to file objections and comments/suggestions 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 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 400 005 on TUESDAY, 13TH APRIL, 2010 at 11.00 HRS** for which no separate notice will be given.
6. BEST shall reply to each of the objections and objections/comments/suggestions received within three days of the receipt of the same but not later **than 11th APRIL, 2010** for all the objections and comments/suggestions received till **8th April, 2010**. Stakeholders can submit their rejoinders on replies provided by BEST either during the public hearing or latest by **21st April, 2010**.
7. The detailed Petition document and the 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.mercindia.org.in in downloadable format (free of cost).

GENERAL MANAGER

Brihanmumbai Electric Supply and Transport Undertaking