

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 4 of 2004

IN THE MATTER OF
Determination of Annual Revenue Requirement (ARR) and Tariff for
2004-05 & 2005-06 for
Brihan-Mumbai Electric Supply & Transport Undertaking (BEST)

Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

Date of Order: 26th September 2006

SUPPLEMENTARY O R D E R

Upon directions from the Maharashtra Electricity Regulatory Commission (Commission), Brihan-Mumbai Electric Supply & Transport Undertaking (BEST), for the first time submitted its application for approval of Annual Revenue Requirement and Tariff Proposal for FY 2004-05 and FY 2005-06, under affidavit. The Commission, in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by BEST, all the objections, responses of the BEST, issues raised during the Public Hearing, and all other relevant material, determined the ARR and tariff for retail supply of electricity by the BEST vide its Operative order dated 25th February 2006 and subsequent Detailed order dated 9th March 2006.

Subsequently, BEST filed a Petition with the Appellate Tribunal (AT) for Electricity at Delhi on 18th April 2006 (Appeal No. 61 of April 2006), challenging the Operative order and detailed order of the Commission.

The Appellate Tribunal for Electricity pronounced its Judgement in this Appeal No. 61 on 18th August 2006, giving specific relief on certain points of the detailed order of the Commission dated 9th March 2006.

Through this Supplementary Order the Commission re-determines the ARR for FY 2004-05 and FY 2005-06 in compliance to various directives issued or relief granted by the Appellate Tribunal. This Supplementary Order supercedes the detailed order of Commission dated 9th March 2006 to the extent of modifications as a result of various reliefs/ directives granted by



the Appellate Tribunal. This Supplementary Order should be read with the detailed order of the Commission dated 9th March 2006.

1. The Commission hereby also approves the Revised Tariff Schedule for BEST for FY 2006, to be effective prospectively from 1st October 2006 and continued till further revision. In cases where there is a billing cycle difference of a consumer with respect to the date of applicability of the revised tariffs then the revised tariff should be made applicable on a pro-rata basis for the consumption.

SPECIFIC RELIEF/ DIRECTIVES IN THE APPELLATE TRIBUNAL JUDGMENT, HELD AS UNDER AND THE COMMISSION'S COMPLIANCE:

2. Given below are the specific directives/ points of relief granted by the Appellate Tribunal and the Commission's compliance to give effect to the directives / grant of relief.

Status of BEST as a Local Authority

Directive/ Relief granted by the Appellate Tribunal

3. BEST is a Local Authority within the meaning of Section 2(41) of EA 2003 and is the holder of distribution license to distribute electricity within the area set out in its license. Nevertheless, it is incumbent on BEST to file its ARR and satisfy the requirements of Tariff Regulations made by MERC failing which MERC has all requisite powers of enforcement such as: Revocation, Suspension of license as well as for issuing orders for securing compliance. [Ref. Paragraphs 11, 19, 20, 24 of the Appellate Tribunal Judgment].

Transport Division Losses

Directive/ Relief granted by the Appellate Tribunal

4. Section 51 of EA 2003 in no way enables BEST to subsidise its any other business from the electricity business. S.51 only enables BEST to carry on its business of transportation apart from distribution and to continue such business, without any intimation to the Commission. Nevertheless, the last proviso to S.51 does not enable BEST or authorise the electricity business to subsidise the transport business nor it could support the transport business or any other business carried by BEST. Therefore, transportation Division Losses cannot be allowed to be included as a part of the ARR, however, BEST is free to utilise the profits or surplus income from the electricity distribution business for its other businesses. [Ref. Paragraphs 55, 56, 57, 58 of the Appellate Tribunal Judgment].

Commission's Compliance

5. As held by the Appellate Tribunal, the Commission has disallowed the transport division losses, (as earlier ruled in the Detailed order) to be included as a part of the ARR for the Electricity Division of BEST.



Additional Depreciation

Directive/ Relief granted by the Appellate Tribunal

6. MERC Tariff Regulations do not allow the grant of Additional Depreciation. Regulation 76.4.1 permits a Discom to recover depreciation on the value of fixed assets used in the distribution business. BEST cannot claim additional depreciation under the EA 2003 and regulations of MERC made hereunder. [Ref. Paragraph 59 of the Appellate Tribunal Judgment].

Commission's Compliance

7. As held by the Appellate Tribunal, and also as per MERC (Terms and Conditions of Tariff) Regulations 2005, the Commission has disallowed additional depreciation (as earlier ruled in the detailed order) in ARR computation.

Tax on Sale of Electricity (ToSE)

Directive/ Relief granted by the Appellate Tribunal

8. The direction of MERC that the Tax on Sale of Electricity (ToSE) shall not be charged on the consumers separately, is set aside. ToSE and electricity duty cannot be clubbed with the tariff and accordingly cannot be included in the Tariff and has to be shown separately. [Reference Paragraphs 60 – 64 of the Appellate Tribunal Judgment].

Commission's Compliance

9. As held by the Appellate Tribunal, the Commission revises its directives with regard to the Tax on Sale of Electricity. Regarding the Electricity Duty the Commission in its detailed order has noted at Note no. 10 at page 18 and Note No. 6 at page 109 as follows.

“The electricity duty will be charged as per the Government notification from time to time. However, the rate and the reference number of the Government Resolution/ Order vide which it is made effective, shall be stated in the bill. A copy of the said Resolution/ Order shall be made available on the BEST website”

Hence, it was envisaged in the detailed order that the Electricity Duty cannot be included in the Tariff as observed by the Appellate Tribunal. However as regards Tax on Sale of Electricity (ToSE) in compliance to the appellate Tribunal's directive, the Commission withdraws the direction to levy Tax on Sale of Electricity as a component of Tariff, but authorises BEST to charge separately the ToSE as per the prevalent Government notification from time to time. Accordingly the Commission has recomputed the Annual Revenue Requirement by removing the Component of Tax on Sale of Electricity from the ARR for BEST for FY 2004-05 and FY 2005-06.

The Commission directs that the ToSE and Electricity Duty shall be shown separately in the Consumer's Bill as applicable as per the category of consumer under the Maharashtra Tax on Sale of Electricity Act 1963 and the Bombay Electricity Duty Act 1958,

respectively and as per the Government Notifications issued from time to time in this respect.

Creation of Regulatory Asset

Directive/ Relief granted by the Appellate Tribunal

10. Transport business cannot be clubbed or subsidised by the distribution business, it follows automatically that there could be no direction to create Regulatory Asset in respect of the Transport Staff pay revision [Ref. Paragraph 77 of the Appellate Tribunal Judgment].

Commission's Compliance

11. In the Detailed order, the Commission has disallowed the creation of a Regulatory Asset for Transport Division proposed by BEST to offset the impact of the Pay Revision Committee Recommendations as explained in its Detailed order (dated 9th March 2006) under Part III, Point 14 on page 70 and 71 of the Order.
12. The Commission in its detailed order had considered the employee expenses after taking into account the impact of the Pay Revision Committee Recommendations only on the Electric Supply Division. Thus, the Interim Relief pertaining to the electric supply division for FY 2004-05 (at actuals i.e. Rs.9.17 Cr) and for FY 2005-06 (estimates i.e. Rs. 6.49 Cr) proposed by BEST had been accepted by the Commission for the respective years. The Commission had allowed the balance PRC impact pertaining to the Electricity Supply division, amounting to Rs. 51.62 Cr., (i.e. 67.28 – 9.17 – 6.49) as an expense in FY 2005-06 instead of creating a Regulatory Asset to be recovered in phased manner. This is in accordance with the National Tariff Policy, which stipulates that a regulatory asset is to be created only as an exception, and subject to certain preconditions. Also, the amount under consideration being small, creation of a regulatory asset is not warranted.

Refund of Security Deposit

Directive/ Relief granted by the Appellate Tribunal

13. BEST can collect amount of security deposit based on the actual billing of the consumer once in every financial year. If it is found to be in excess, the excess amount to be refunded upon request of the consumer or at the option of the consumer, it can be set off or adjusted to the next bill. Refund shall not be required to be made where the amount of refund does not exceed 10% of the amount of security deposit required to be maintained by the consumer. In terms of Regulation 11.11 of Electricity Supply Code, BEST is liable to pay interest on amount of security deposit to the consumer at a rate equivalent to the bank rate of the RBI. MERC's direction to pay 12% interest and further direction to repay the alleged excess security deposit over a period of six months is set aside. Electricity Supply Code cannot be enforced by MERC at the instance of the consumer. Liberty is given to consumer either to seek for refund or seek for adjustment towards the consumption bills. Depending upon the change in billing cycle if the Security Deposit is

found to be in excess of the amount required to be deposited, BEST shall issue notice to the consumer, setting out the details and if the consumer so decides, he/she may get a refund or opt for an adjustment towards the consumption charges. Directions of the MERC in regard to refund of security deposit is set aside and modified accordingly. [Ref. Paragraphs 65 – 69 of the Appellate Tribunal Judgment].

Commission's Compliance

14. In compliance of the ruling of the Appellate Tribunal, MERC directs BEST that (depending on the billing cycle adopted at the time of meter reading and billing) it should provide the details of consumer security deposit currently held by BEST as on 31st March 2006, in the next electricity bill of the consumer. Further, BEST shall strictly observe the provisions under the MERC (Electricity Supply Code and Other Conditions of Supply) Regulations 2005.
15. As per Regulation 11.11 of MERC (Electricity Supply Code and Other Conditions of Supply) Regulations 2005 the BEST is liable to pay interest on amount of Security Deposit to the consumer at a rate (presently 6%) equivalent to the Bank Rate of RBI.

Maintenance of Accounts by BEST Electricity Division as per Companies Act 1956

Directive/ Relief granted by the Appellate Tribunal

16. It is made clear that BEST has to maintain accounts relating to Electricity Business separately as prescribed by the MMC Act and bylaws framed there under but when BEST goes before the MERC, it has to furnish the particulars in the prescribed format under the regulations for the purpose of ARR and determination of tariff. [Ref. Paragraph 76 of the Appellate Tribunal Judgment].

Commission's Compliance

17. As held by the Appellate Tribunal, it is for the BEST to comply with the requirements or details as prescribed in the regulations, and data requirement for determination of ARR and Tariff. The Commission has earlier prescribed the format for ARR, which has to be observed by BEST for its licensed business. The Commission is envisaging to further prescribe accounting statements format, in compliance to the appellate Tribunal's Judgement, to be furnished to the Commission at defined interval/s.

Interest on Internal Funds

Directive/ Relief granted by the Appellate Tribunal

18. There is no provision in the MERC (Terms and Conditions of Tariff) Regulations, 2005 with respect to payment of interest on the internal funds received and utilised by BEST in the electricity business, so also with respect to Government grant. Denial of interest on Internal Funds and funds granted by the Government cannot be sustained. In terms of

Tariff Regulations BEST could be denied return on such internal fund as well the grant but there is no justification to deny interest since the funds have been utilised by BEST. MERC is directed to allow Interest at 6% on the actual amounts received from internal funds as well as grants utilised in the electricity distribution business. [Ref. Paragraph 74 of the Appellate Tribunal Judgment].

Commission's Compliance

19. In compliance, the Commission has allowed interest on internal funds and on government assistance (based on the submissions made under the ARR Petition dated 27th September 2005 submitted by BEST), in lieu of the Return on Regulatory Equity [as per the MERC (Terms and Conditions of Tariff) Regulations 2005] to be included as a part of the ARR. BEST has also submitted in its Petition dated 18th April 2006 admitted with the Appellate Tribunal for Electricity (Ref. point no. 43 on page 17 of the BEST Petition before the Appellate Tribunal) that Interest on Internal Funds be allowed in the ARR as it is the least cost proposition in comparison to the Return on Regulatory Equity approach and the approach as per Schedule VI of the erstwhile Electricity (Supply) Act 1948.
20. The calculation of Interest on Internal Funds and that on Government Assistance based on the ARR Petition of BEST dated 27th September 2006 is shown below. However, the Commission shall scrutinize the basis of arriving at the internal accruals as arrived by BEST in its Petition and actual figures as per audited accounts for FY 04-05 and FY 05-06, as BEST has submitted the figures for calculation of Interest on Internal Funds for FY 05-06 based on Budgeted Estimates. Also, the Commission has earlier scrutinised the Return on Regulatory Equity approach in determination of the ARR in its detailed order dated 9th March 2006. In the interest of time, to avoid further delay in implementation of revised tariff prospectively, this will be scrutinized in the next ARR, Tariff Determination exercise and consequent Truing Up process to be taken up by the Commission.

Table 1: Interest on Internal Funds

Particulars	ARR Petition: Supply Divn. (Rs. Lakhs) FY 04-05	MERC Approval* (Rs. Lakhs) FY 04-05	ARR Petition: Supply Divn. (Rs. Lakhs) FY 05-06 (BE)	MERC Approval* (Rs. Lakhs) FY 05-06 (based on BE)
Net Assets	66,926	66,926	70,365	70,365
Other Assets	82,930	82,930	80,428	80,428
Sub-Total (A)	149,856	149,856	150,793	150,793
Less				
Amount Invested out side the business	633	633	396	396
Long Term Loans				
Mega City	2,011	2,011	1,566	1,566
Public Loan	460	460	460	460
DPDC	287	287	271	271
Bank of Maharashtra / Bank of India	0	0	0	0
APDRP	903	903	2,710	2,710
Liabilities				
Deposits	28,008	28,008	28,679	28,679
Current Liabilities	14,181	14,181	21,782	21,782
BEST Staff Benefit Fund	168	168	182	182
GEF	15,826	15,826	17,322	17,322
Govt. Assistance	2,757	2,757	4,563	4,563
Sub-Total (B)	65,234	65,234	77,931	77,931
Total Assets Used (A) - (B)	84,622	84,622	72,862	72,862
Add Back Govt. Assistance/ Grants(as per Appellate Tribunal's Judgement)	-	2,757	-	4,563
Total Assets Used / Internal Funds including Govt. Assistance	84,622	87,379	72,862	77,425
Interest on internal Funds and on Government Assistance	5,924 (Interest at 7%)	5,243 (Interest at 6%)	5,100 (Interest at 7%)	4,646 (Interest at 6%)

Source: 1) BEST ARR and Tariff Proposal for 2004-05 and 2005-06 dated 27th September 2005, 2) Appellate Tribunal Judgment in Case No. 61 dated 18th August 2006. 3) BE: Budgeted Estimates
Note*: MERC Approval subject to scrutiny of the basis of arriving at the internal accruals and actual figures as per audited accounts for FY 04-05 and FY 05-06.

Load Management Charge/ Rebate

Directive/ Relief granted by the Appellate Tribunal

21. MERC is directed to examine in detail for introduction of a better system for Load Management. When there is surplus or when there is no gap between demand and supply then there is no warrant at all to levy Load Management Charge. MERC's Order directing levy of LMC for FY 2004-05 and 2005-06 is set aside. MERC may consider the same afresh in the next tariff period or as when the requirement arises. Such LMC may be fixed by MERC by way of supplemental tariff proceedings. [Ref. Paragraph 72-73 of Appellate Tribunal Judgment].



Commission's Compliance

22. The Commission shall not levy the Load Management Charge and Load Management Rebate for the year FY 2005-06 (as envisaged in the detailed order in form of penalty/incentive made applicable in the detailed order at paragraph 56, paragraph 57 on page 11 and under Section 27 under the heading Penal Tariffs and rebates at page 94 and 95 of the detailed order) as per the Appellate Tribunal Judgment.

Introduction of BPL Category of Tariff

Directive/ Relief granted by the Appellate Tribunal

23. MERC's directions introducing BPL shall be implemented commencing from 2nd October 2006. [Ref. Paragraph 86 of the Appellate Tribunal Judgment].

Commission's Compliance

24. BEST has to ensure implementation of the BPL category of Tariff as per the Appellate Tribunal's Judgment and as envisaged earlier in the detailed order of the Commission in line with the National Tariff Policy.

Implementation of Tariff Schedule

Directive/ Relief granted by the Appellate Tribunal

25. Tariff Schedule should have been implemented by BEST from the date fixed by MERC and there is no stay by ATE on the Tariffs fixed by MERC (including re-classification) [Ref. Paragraph 87 of the Appellate Tribunal Judgment].

Commission's Compliance

26. As held by the Appellate Tribunal, the Tariff Schedule should have been implemented by BEST from 1st March 2006. However, the Commission had already communicated to BEST vide its Letter No. MERC/Case 4 of 2004/1644, dated 31st July 2006, that the date of effect of the Tariff Schedule will be the date from which BEST implements the tariff. Since BEST has failed to implement the Tariff Order dated 25th February 2006, no retrospective recovery of tariff can be done. Through this Supplementary order, the Commission now directs BEST to implement the revised tariff prospectively from 1st October 2006.

Replacement of Static Meters

Directive/ Relief granted by the Appellate Tribunal

27. Every month commencing from 1-9-2006, one-fifth of the static meters shall be replaced with electronic meters and the entire work of replacement of meters shall be completed within 6 months from 18th August 2006 (date of Judgment of the Appellate Tribunal) and

this shall be subject to check by MERC or its officials. [Ref. Paragraph 88 of the Appellate Tribunal judgment].

Commission's Compliance

28. BEST should comply with the above direction, duly noted by the Commission.

Levy of Fixed Demand Charges of Rs. 300/kVA/ month with respect to street lights

Directive/ Relief granted by the Appellate Tribunal

29. Six months extension of time from 18/08/06 granted by the Appellate Tribunal to fix the meters in street lighting pillars. [Ref. Paragraph 93 of the Appellate Tribunal judgment].

Commission's Compliance

30. BEST shall fix the meters to the street lighting pillars within 6 months from 18th August 2006 as directed by the Appellate Tribunal. On completion, the demand charges determined by the Commission shall be levied.

Applicability of Additional Fixed Charges

Directive/ Relief granted by the Appellate Tribunal

31. With respect to the additional fixed charges at Rs. 100 per 10 kW or part thereof, there is no illegality or error or reason to modify or interfere with the Commission's directive and it is justified. [Ref. Paragraph 89 of the Appellate Tribunal judgment].

Commission's Compliance

32. As upheld by the Appellate Tribunal, the additional Fixed Charges as specified earlier in the detailed order of the Commission shall continue to be applicable for the consumers in the LF-1 category.

Prompt Payment Discount Facility

Directive/ Relief granted by the Appellate Tribunal

33. With respect to the prompt payment discount, the approach of the Commission is well founded and it is in the interest of BEST. Therefore there is no reason to interfere with the direction issued by the Commission in this respect. [Ref. Paragraph 90 of the Appellate Tribunal judgment].



Commission's Compliance

34. BEST shall observe the above direction, duly noted by the Commission, with respect to Prompt Payment Discount facility.

Levy of interest on delayed payment of arrears or interest at varying rates after due dates

Directive/ Relief granted by the Appellate Tribunal

35. With respect to levy of interest on delayed payment or payment at varying rates after the due dates, already there is provision in the Supply Code and the Provision has to be implemented. The Commission has only reiterated the same. There is no justification to interfere with the direction issued by the Commission, directing the collection of interest of payment with respect to the payment at varying rates after due dates. [Ref. Paragraph 91 of the Appellate Tribunal judgment].

Commission's Compliance

36. As held by the Appellate Tribunal, Levy of interest on delayed payment of arrears or interest at varying rates after due dates as specified in the detailed order of the Commission remains unchanged.

Provision of Belated Payment Charges

Directive/ Relief granted by the Appellate Tribunal

37. The belated payment charges ordered by the Commission to be levied and collected is not liable to be interfered. [Ref. Paragraph 92 of the Appellate Tribunal judgment].

Commission's Compliance

38. BEST shall observe the above direction, duly noted by the Commission, with respect to Belated Payment Charges.

REVISED 'ARR' FOR BEST FOR FY 2004-05 AND FY 2005-06 AS PER THE JUDGMENT OF APPELLATE TRIBUNAL FOR ELECTRICITY

39. As held by the Appellate Tribunal in its Judgment on various points discussed above, some of the components of the Aggregate Revenue Requirement (ARR) of BEST for FY 2004-05 and FY 2005-06 change. The changes to components of ARR are discussed here followed by the resultant ARR as approved by the commission.

Interest on Loans

40. The Commission has allowed the interest expenditure on loans for FY 2004-05 as it is at actuals. The amount of Interest expenditure on loans as approved by the Commission for FY 2004-05 in its detailed order remains unchanged at Rs. 3.81 Crore. For the year FY 2005-06, in its detailed order, the Commission had considered a normative Debt: Equity ratio of 70:30 to fund the fresh capital investments and had accordingly computed interest expenditure on the normative loan amount. However, since the Appellate Tribunal has allowed the Interest on Internal Funds, the Commission has now not considered the normative debt : equity ratio to fund the fresh capital investments and so also the concept of regulatory equity. Hence, Interest on Loans for FY 2005-06 is accordingly revised to Rs. 6.29 Crore.
41. In addition to interest on loans, BEST also incurs expenditure on account of bank commission and miscellaneous loan charges. This has been allowed by the Commission in its detailed order. The interest on loans, bank commission and miscellaneous loan charges projected by BEST and revised by the Commission for FY 2005-06 have been summarized in the following Table:

Table: Revised figures for Interest on loans and related charges (Rs. Cr.)

Particulars	FY 2004-05	FY 2005-06		
	Actuals	ARR Petition	MERC Approval in Detailed order	MERC Revised Approval*
Interest on loans	3.81	6.29	6.97	6.29
Bank Commission	0.0016	0.0014	0.0014	0.0014
Misc. Loan Charges	0.0025	0.00	0.00	0.00
Total	3.81	6.29	6.97	6.29

*Note: MERC revised Approval based on re-computation in compliance to AT's Judgement.

Interest on Consumer Security Deposits

42. The Appellate Tribunal has disapproved directions of the MERC with regard to refund of excess security deposit along with 12% interest and directed to comply with the MERC (Electricity Supply Code and Other Conditions of Supply) Regulations 2005 provisions. As directed by the Appellate Tribunal, depending upon the change in billing cycle if the Security Deposit is found to be in excess of the amount required to be deposited, BEST shall issue notice to the consumer, setting out the details and if the consumer so decides, he/she may get a refund or opt for an adjustment towards the consumption charges. Also, in case the Security Deposit of a consumer is lower than that required as per Regulation 11 of the MERC (Electricity Supply Code and Other Conditions of Supply) Regulations 2005, BEST shall be entitled to raise a demand or additional security deposit on the consumer. The consumer shall have 30 days time to comply with the demand. Since the process towards the adjustment of the Security Deposit is to be initiated by consumer and BEST, instead of re-computing the amount of security deposit as per the Regulation 11, the Commission has now allowed the interest on Consumer Security deposit as per the

ARR Petition of BEST (dated 27th September 2005) and the same would be trued up in the subsequent ARR and Tariff Determination process for FY 2006-07 as per the adjusted Security Deposit amount by BEST as a result of the compliance of the directive by the Appellate Tribunal to BEST in its judgment in this respect.

43. Hence, the amount of interest on Consumer Security Deposit allowed by the Commission as per the BEST Petition for FY 2004-05 and FY 2005-06 is Rs.7.55 Crore and Rs. 9.00 Crore, respectively.

Interest on Working Capital

44. Since, the Commission has now allowed Interest on Internal Funds, in the revised ARR for BEST as per the Appellate Tribunal Judgment; there is no need to provide for interest on Working Capital, separately. Also, as per BEST Petition, the working Capital of the Organisation is met through internal resources and not through bank credit.

Tax on Sale of Electricity (ToSE)

45. As held by the Appellate Tribunal in its Judgment, being a Tax on Sale of Electricity, it cannot be a component of Tariff and has to be shown as a separate item in the consumer's bill. Consequentially, it follows that the same cannot be taken as a part of the Annual Revenue Requirement of BEST. Therefore, the Commission has removed the amount of Tax on Sale of Electricity in the Revised ARR computation for both the years FY 2004-05 and FY 2005-06.

Return on Equity

46. As per the Appellate Tribunal's Judgment, the Commission has allowed interest on internal funds and also on the government assistance (based on the submissions made under the ARR Petition dated 27th September 2005 submitted by BEST), in lieu of the Return on Regulatory Equity [as per the MERC (Terms and Conditions of Tariff) Regulations 2005]. Therefore the amount of return on equity is removed from the revised ARR for both the FY 2004-05 and 2005-06.

Interest on Internal Funds and on Government Assistance

47. As per the Appellate Tribunal's Judgment, the Commission has allowed interest on internal funds and also on the government assistance based on the submissions made under the ARR Petition dated 27th September 2005 submitted by BEST. The calculation of Interest on Internal Funds and on Government Assistance is already shown in the earlier part of this Supplementary Order. Accordingly, the amount of Interest at the rate of 6% on Internal Funds and on Government Assistance is allowed by the Commission for FY 2004-05 and FY 2005-06 amounting to Rs. 52.43 Crore and Rs. 46.46 Crore, respectively.

Transport Division Losses

48. As held by the Appellate Tribunal and as also disallowed in the detailed order of the Commission, the Transport Division Losses are disallowed to be a part of the revised ARR for BEST for FY 2004-05 and FY 2005-06.

Power Purchase Cost

49. There is no change in the Power Purchase Cost as approved by the Commission in its detailed order. The Power Purchase cost as approved by the Commission for FY 2004-05 and FY 2005-06 is Rs. 1088.50 Crore and Rs. 1119.93 Crore, respectively. However, the Commission maintains its stand as in the detailed order that it has noted with reservation, the explanation given by BEST that the increase in the figure of distribution losses for FY 2005-06 is due to change in accounting practice and billing procedure in line with the Commission's Regulations. The Commission reiterates its directive in this regard that it will stipulate a road map (based on the study for segregation of technical losses and commercial losses, submitted by BEST) with specific target for reduction of technical loss and elimination of commercial loss while considering BEST's ARR Petition for FY 2006-07.

Employee Expenses

50. There is no change in the Employee Expenses for the licensed business as approved by the Commission in its detailed order. The Employee Expenses as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 88.26 Crore and Rs. 136.41 Crore, respectively.

Repairs and Maintenance (R & M) Expenses

51. There is no change in the Repairs and Maintenance Expenses as approved by the Commission in its detailed order. The R & M Expenses as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 10.19 Crore and Rs. 11.83 Crore, respectively.

Share of General Administration Expenses

52. The Share of General Administration Expenses as approved by the Commission in the detailed order remains unchanged. The Share of General Administration Expenses as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 37.74 Crore and Rs. 41.80 Crore, respectively.

Other Expenses (Insurance, Transport, etc.)

53. The Other Expenses as approved by the Commission in the detailed order remains unchanged. The Other Expenses as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 44.67 Crore and Rs. 49.76 Crore, respectively.

Depreciation

54. The amount of Depreciation as approved by the Commission in the detailed order for FY 2004-05 and FY 2005-06 remains unchanged. The Depreciation amount as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 34.51 Crore and Rs. 37.57 Crore, respectively.

Non-Tariff Income

55. The Non-Tariff Income as approved by the Commission in the detailed order remains unchanged. The Non-Tariff Income as approved by the Commission for FY 2004-05 and FY 2005-06 are Rs. 72.79 Crore and Rs. 78.26 Crore, respectively.

Revised ARR for BEST for FY 2004-05 an FY 2005-06

56. The Revised Annual Revenue Requirement for BEST is the summation of all the expenses and the Interest on Internal Funds and on Government Assistance as mentioned above (Paragraph 41 to Paragraph 56) less non-tariff income and has been summarised below.

Table: Revised Annual Revenue Requirement (Rs. Cr.)

Particulars	FY 2004-05			FY 2005-06		
	BEST Proposal*	MERC Approval in Detailed order dated 09/03/06	Revised MERC Approval after AT Judgment	BEST Proposal*	MERC Approval in Detailed order dated 09/03/06	Revised MERC Approval after AT Judgment
Power Purchase Cost	1088.50	1088.50	1088.50	1168.13	1119.93	1119.93
Employee Expenses	88.26	88.26	88.26	85.62	136.41	136.41
Repairs & Maintenance	10.19	10.19	10.19	11.83	11.83	11.83
Share of General Administration Expenses	37.74	37.74	37.74	36.03	41.80	41.80
Other Expenses (Insurance, Transport, etc.)	44.67	44.67	44.67	54.92	49.76	49.76
Depreciation	55.44	34.51	34.51	59.01	37.57	37.57
Interest on Loans	3.81	3.81	3.81	6.29	6.97	6.29
Interest on Consumer Security Deposits	7.55	5.80	7.55	9.00	6.36	9.00
Interest on Working Capital	-	7.64	0.00	-	7.15	0.00
Tax on Sale of Electricity (paid to State Government)	-	42.64	-	-	61.13	-
Return on Equity	-	92.99	0.00	-	95.82	0.00
Interest on Internal Funds and on Government Assistance	59.46	-	52.43	51.10	-	46.46
Transport Division Losses	231.08		-	140.30		-
Total Revenue Requirement	1626.70	1456.74	1367.65	1622.23	1574.74	1459.05
Less: Non-Tariff Income	72.79	72.79	72.79	83.42	78.26	78.26
Annual Revenue Requirement (Rs. Crore)	1553.91	1383.95	1294.86	1538.81	1496.48	1380.79

* As per BEST ARR and Tariff Proposal for FY 2004-05 and FY 2005-06 dated 27th September 2005

57. Thus, the Revised Annual Revenue Requirement (ARR) approved by the Commission amounts to **Rs. 1294.86 Crore** and **Rs. 1380.79 Crore** for FY 2004-05 and FY 2005-06, respectively.



Revised Tariff

58. The Commission hereby re-determines the Revised Tariff Schedule for BEST for FY 2005-06, to be given prospective effect by BEST from 1st October 2006 and continued till further revision.
59. The Revised Tariff Categories remain the same as that in the detailed order of the Commission.
60. As held by the Appellate Tribunal, the Commission has retained the new Tariff Category of Below the Poverty Line (BPL) Consumers introduced in the detailed order in the revised Tariff through this Supplementary Order. In case the consumption of 'BPL' category consumers exceeds 30 units in any month, then such consumers will thereafter be automatically considered under 'residential' category LF-1, and will be charged accordingly.
61. Gradual reduction in cross-subsidy has been initiated, while at the same time ensuring that no consumer category is faced with a tariff shock. The existing cross-subsidy and reduction in cross-subsidy considered by the Commission is given in the table in Appendix 2.
62. The Commission has estimated the Total Revenue of BEST for FY 2005-06 based on a number of assumptions (viz. projections for last 3 months of FY 2005-06, number of consumers for certain categories, kVA demand in some cases, consumption units for telescopic tariff, etc.). Thus, the Commission notes that the BEST's actual revenue is likely to vary from that estimated by the Commission. The Commission has been unable to determine the revenue impact of certain tariff components due to the lack of adequate data. However, the surplus/deficit, if any, as per audited results for respective financial year shall be used for the Electricity Supply division of BEST only for taking up truing up process where in the actual expenses and the actual revenue will be trued up with respect to the approved ARR, at the end of the year based on audited financial results and subject to a prudence check.

63. The Revised Tariff Schedule with the removal of effect of ToSE in it is as per the Table below.

Table 2: Summary of Revised LT and HT Tariff (post Appellate Tribunal Judgement)

Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)		Energy Rate (Paise/kWh)	RkVAh Rate (Paise/RkVAh)
	Single phase	Three phase		
BPL (Below Poverty Line Residential)				
0-30	Rs 3 per connection per month		40	-
LF-1 (Residential)				
0-100	Rs 10 per connection per month	Rs 100 per connection per month	75	-
101-300	Rs 10 per connection per month	Rs 100 per connection per month	200	-
>300 (only balance units)	Rs 50 per connection per month	Rs 100 per connection per month	360	-
LF-2 (Non-residential cum Commercial)				
0-300	Rs 150 per connection per month		350	
301-1000	Rs 150 per connection per month		500	
>1000	Rs 150 per connection per month		590	
RkVAh charges applicable for consumers above 3000 units per months consumption				
PF <0.92				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
PF >0.97				0
LTC-1 (LT Power Commercial - 1)				
All units	Rs. 300 per kVA per month		390	
PF <0.92				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
PF >0.97				0



Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)		Energy Rate (Paise/kWh)	RkVAh Rate (Paise/RkVAh)
	Single phase	Three phase		
C(D) (Advertisements and Hoardings)	Rs 200 per connection per month		1100	-
LTP -1 (LT Power Industrial -1)				
0-300	Rs 300 per connection per month		270	
301-1000	Rs 300 per connection per month		340	
>1000	Rs 300 per connection per month		510	
RkVAh charges applicable for consumers above 3000 units per months consumption				
PF <0.92				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
PF >0.97				0
LTP-2 (LT Power Industrial - 2)				
All units	Rs. 300 per kVA per month		330	
PF <0.92				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
PF >0.97				0
SL (Street Lights)	Rs. 300 per kVA per month		320	-
E (Elec. Crematoriums)	Rs 100 per connection per month		160	-
T (Temporary)	Rs 250 per connection per occasion of supply		850	-
TS (R) (Temporary Supply for Public Religious Functions)	Rs 200 per connection per occasion of supply		170	-
HTP-1 (HT Power -1 Schools, Charitable/ Public Trusts)				
All units	Rs. 300 per kVA per month		180	
PF <0.92				270

Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)		Energy Rate (Paise/kWh)	RkVAh Rate (Paise/RkVAh)
	Single phase	Three phase		
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
$PF > 0.97$				0
HTP-2 (HT Power Commercial -2)				
All units	Rs. 300 per kVA per month		350	
$PF < 0.92$				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
$PF > 0.97$				0
HTP-3 (HT Power Commercial -3)				
All units	Rs. 300 per kVA per month		330	
$PF < 0.92$				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
$PF > 0.97$				0
HTP-4 (HT Power Industrial -4)				
All units	Rs. 300 per kVA per month		225	
$PF < 0.92$				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
$PF > 0.97$				0
HTP-5 (HT Power Defence Bulk Supply -5)				
All units	Rs. 100 per kVA per month		200	
$PF < 0.92$				270
$0.92 \leq PF < 0.95$				180
$0.95 \leq PF \leq 0.97$				120
$PF > 0.97$				0

Notes:

1. Fuel Adjustment Cost (FAC) will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula prescribed by the Commission, and computed on a monthly basis.
2. Additional fixed charges of Rs. 100 per 10 kW or part thereof above sanctioned load of 10kW shall be payable by consumers in LF-1 category.



3. In case of LF-2 (Non-residential cum Commercial) consumers and Temporary (T) connection consumers, additional fixed charge of Rs. 150 per 10 kW load or part thereof above 10 kW sanctioned load shall be payable.
4. Billing Demand: The Monthly Billing Demand, where applicable, for LT/ HT consumers will be the higher of the following:
 - a. Actual established demand recorded in the month during the period of 0800 hours to 2400 hours;
 - b. 75% of the highest billing demand or Contract Demand, whichever is lower, during the preceding eleven months;
 - c. 50% of the Contract Demand as defined in the Supply Code.
("Contract Demand" means demand in kilowatt (kW) / kilovolt ampere (kVA), mutually agreed between BEST and the consumer as entered into in the agreement or agreed through other written communication).
5. Payment of Bills: Bills will be rendered monthly from 1st April 2007. The due date for the payment of a bill/s shall be mentioned on the bill and such due date shall be not less than twenty-one (21) days in case of residential consumers and not less than fifteen (15) days in case of other consumers from the bill date, in accordance with the provisions of MERC (Electricity Supply Code and Other Conditions of Supply).
6. Prompt Payment Discount at the rate of 1% of the energy bill (excluding fixed/demand charges, FAC, Electricity Duty) for the HT and LT Industrial and Commercial categories, provided the payment of the bill is received by BEST within 7 (seven) days from the date of issue of the energy bill or within 5 (five) days from date of receipt of the energy bill, whichever is later.
7. Delayed Payment Charges: If the payment of the energy bill is not made within the time limit, as specified in Point 5 above, a one-time Delayed Payment Charge of 2% of the amount of monthly Electricity bill (excluding statutory levies) will be payable by the consumer.
8. The Rate of Interest chargeable on arrears will be as given below:

S. No.	Delay in Months (Span of months)	Interest rate per annum (%)
1	Payment after due date up to 3 months (0-3)	12%
2	Payment made after 3 months and before 6 months (3-6)	15%
3	Payment made after 6 months	18%

The interest will be payable from the second month after the due date of payment, on the amount of bill plus the one-time delayed payment charges.

9. Security Deposit: The Security Deposit payable by consumers shall be equal to the average of 3 months' of billing or of the billing cycle period, whichever is lesser. For determining the average billing for this purpose, the average of the billing to the consumer for the last 12 months or, in cases where supply has been provided for a shorter period, the average of the billing for such shorter period, shall be considered.
10. The Tax on Sale of Electricity and Electricity Duty will be charged as applicable to a consumer category as per the Government notification from time to time and shown separately in the consumer's bill. However, the rate and the reference number of the Government Resolution/ Order vide which it is made effective, shall be stated in the bill. A copy of the said Resolution/ Order shall be made available on the BEST website.
11. Residential LF-1 Tariff shall be applicable for Residential premises used by professionals like Lawyers, Doctors, Professional Engineers, Chartered Accountants, etc. in furtherance of their



professional activity in their residences (but shall not include Nursing Homes and any Surgical Wards).

64. The impact of the tariff revision on the monthly electricity bills of the different consumer categories is presented in Appendix 1. The existing cross-subsidy and reduction in cross-subsidy considered by the Commission is given in the table in Appendix 2. The comparison of the Existing and Revised Tariff is presented in Annexure 3. The detailed revenue computation with revised tariff has been given in Appendix 4.

65. This Tariff Order shall come into force with effect **from October 1, 2006**.

Sd/-
(S. B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(Pramod Deo)
Chairman, MERC



Sd/-
(Malini Shankar)
Secretary, MERC



APPENDIX 1

Monthly Bill with Existing and Revised Tariffs (in light of the Appellate Tribunal's Judgement)

Sr. No.	Revised Tariff Consumer Category	Existing Tariff Consumer Category	Monthly Consumption (Units)	Monthly Bill Existing (Rs.) (excluding ToSE, Electricity Duty, Meter Rent)	Monthly Bill Revised (Rs.) (Excluding ToSE and Electricity Duty)	Increase/(Reduction)	
						Rs./ month	%
1	Below the Poverty Line Consumers (BPL) (0-30 units slab)	R	25	19	13	-6	-31%
2	Residential LF-1	R	250	389	385	-4	-1%
			500	1,409	1,245	-164	-12%
		S	275	569	435	-134	-23%
			1,000	2,947	3,045	99	3%
Sn	275	569	435	-134	-23%		
	1,000	3,822	3,045	-777	-20%		
3	Commercial LF-2	C1	275	1,383	1,113	-271	-20%
			480	2,594	2,100	-494	-19%
			2,000	13,260	10,600	-2,660	-20%
		H	700	3,365	3,200	-165	-5%
			2,000	11,204	10,600	-604	-5%
		C2	12,000	69,360	69,600	240	0%
4	LT Commercial LTC-1	RC(LV)	80,000	469,100	403,800	-65,300	-13.9%
5	Commercial Advertisements C(D)	C(D)	7,000	63,004	77,200	14,196	22.5%
6	LT Industrial LTP-1	GP1	275	1,271	1,043	-228	-18.0%
			700	3,659	2,470	-1,189	-32.5%
			2,000	11,823	8,590	-3,233	-27.3%
		GP2	5,000	26,550	25,780	-770	-2.9%
7	LT Industrial LTP-2	IND(LV)	45,000	253,100	214,800	-38,300	-15.1%
8	Electric Crematoriums (E)	E	9,000	16,470	14,500	-1,970	-12.0%
9	Temporary Supply (T)	TS	700	5,921	6,200	279	4.7%
10	Temporary Supply: Religious (TSR)	TSR	500	1,209	1,050	-159	-13.2%
11	HT Power HTP-1	S(HV),SN(HV)	400,000	1,132,000	1,014,000	-118,000	-10.4%
12	HT Power HTP-2	H(HV)	300,000	1,455,250	1,222,500	-232,750	-16.0%
13	HT Power HTP-3	RC(HV)	300,000	1,615,000	1,358,400	-256,600	-15.9%
14	HT Power HTP-4	IND (HV), GP2(HV)	330,000	1,199,500	1,112,700	-86,800	-7.2%
15	HT Power HTP-5	Defence Bulk Consum. R(HV)	500,000	1,669,450	1,509,500	-159,950	-10%



APPENDIX 2: Ratio of Avg. Billing Rate to Average Cost of Supply (2005-06) in light of the Appellate Tribunal's Judgement

Category	Average Cost of Supply (Rs./unit)	Average Realization (Rs./unit)		Ratio of Average Realization to Average Cost of Supply (%)		Percentage Point increase/decrease in tariff w.r.t. Average CoS
		Existing Tariff	Revised Tariff	Existing Tariff	Revised Tariff	
	(a)	(b)	(c)	(d)=(b)/(a)	(e)=(c)/(a)	(f)=(e)-(d)
LT Category						
BPL	3.79	-	0.77	-	20%	n.a.
LF-1	3.79	2.07	2.07	55%	55%	0%
LF-2	3.79	5.95	5.59	157%	148%	-9%
E	3.79	1.66	1.61	44%	43%	-1%
LTP-1	3.79	5.23	4.87	138%	129%	-10%
LTC-1	3.79	5.43	5.10	143%	135%	-9%
LTP-2	3.79	4.99	4.70	132%	124%	-8%
SL	3.79	3.59	3.79	95%	100%	5%
T	3.79	9.31	8.52	246%	225%	-21%
TS(R)	3.79	2.82	2.06	74%	54%	-20%
C(D)	3.79	8.92	11.31	236%	299%	63%
Sub-total (LT)	3.79	3.96	3.79	105%	100%	-5%
HT Category						
HTP-1	3.79	2.67	2.60	71%	69%	-2%
HTP-2	3.79	4.68	4.05	124%	107%	-17%
HTP-3	3.79	4.91	4.55	130%	120%	-9%
HTP-4	3.79	3.47	3.77	92%	100%	8%
HTP-5	3.79	3.16	2.96	83%	78%	-5%
Sub-total (HT)	3.79	4.27	4.13	113%	109%	-4%
TOTAL (LT + HT)	3.79	4.00	3.83	106%	101%	-4.4%



APPENDIX 3: Comparison of BEST Existing and Revised Tariff Schedule in light of the Appellate Tribunal's Judgement

Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
Residential (R)	0-150	-	75		(Below Poverty Line Residential) BPL	0-30	Rs. 3 /Conn./month	-	40	-
Residential (R)	0-150	-	75		Residential (LF-1)	0-100	Rs.10/Conn./month	Rs.100/Conn./month	75	-
	151-300	-	225			101-300	Rs.10/Conn./month	Rs.100/Conn./month	200	-
	>300	-	325			>300	Rs.50/Conn./month	Rs.100/Conn./month	360	-
Schools/ Hospitals (S)	0-150	-	140							
	>150	-	225							
Charitable Trust/ Public Trust (SN)	0-150	-	140							
	151-300	-	225							
	>300	-	350							



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking						
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)	
							single phase	three phase			
		-									
Commercial (C1)	0-300	-	400		Non-residential cum Commercial (LF-2)	0-300	Rs. 150/Conn./month		350		
	301-500	-	500			301-1000	Rs. 150/Conn./month		500		
	>500	-	600			>1000	Rs. 150/Conn./month		590		
					RkVAh Charges applicable for consumers with greater than 3000 units per month consumption						
					Applicable RkVAh Slabs						
Other Hospitals (H)	0-150	-	300		PF <0.92					270	
	151-500	-	400		$0.92 \leq PF < 0.95$					180	
	>500	-	500		$0.95 \leq PF \leq 0.97$					120	
					PF >0.97					0	
Commercial (C2)	all units	-	475								



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
C2 RkVAh Charges	for All RkVAh Units			240						
Industrial large RC(LV) with <75% Con Load for Mfg	all units	Rs.350/kVA/month	350		LT Power Commercial -1 (LTC-1)	all units	Rs/300/kVA/month		390	
	Applicable RkVAh Slabs				Applicable RkVAh Slabs					
					PF <0.92					270
	PF<0.95			170	0.92 ≤ PF < 0.95					180
	0.95<PF<0.97			85	0.95 ≤ PF ≤ 0.97					120
	No RkVAh Charge if PF>0.97			0	PF >0.97					0
Comm. Advertisements (CD)	all units	-	800		Advertisements and Hoardings (CD)	all units	Rs. 200/conn./month		1100	-
Industrial Low voltage (GP1)	0-150	-	325		LT Power Industrial -1 (LTP -1)	0-300	Rs. 300/Conn./month		270	
	151-500	-	400			301-1000	Rs. 300/Conn./month		340	
	>500	-	525			>1000	Rs. 300/Conn./month		510	



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
		-								
					RkVAh Charges applicable for consumers with greater than 3000 units per month consumption					
					PF <0.92					270
					0.92 ≤ PF < 0.95					180
					0.95 ≤ PF ≤ 0.97					120
Industrial General Purpose (GP2)	all units		400		PF >0.97					0
GP2 RkVAh Charges	for All RkVAh Units			200						
Industrial large Ind(LV)	all units	Rs.310/kVA/month	310		LT Power Industrial - 2 (LTP-2)	all units	Rs. 300/kVA/month		330	
					Applicable RkVAh Slabs					
					PF <0.92					270
IND(LV) RkVAh Charges	PF<0.95			150	0.92 ≤ PF < 0.95					180
	0.95<PF<0.97			75	0.95 ≤ PF ≤ 0.97					120



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
	No RkVAh Charge if PF>0.97			0	PF >0.97					0
Street Lighting (SL) - GRD SL	all units	-	270		Street Lights (SL)	all units	Rs. 300/kVA/month		320	-
PUB.ST.LTG.		-	270							
Electric Crematorium (E)	all units	-	80		Electric Crematoriums (E)	all units	Rs. 100/Conn./month		160	-
Temporary Supply (TS)	all units	Rs. 300/conn	700		Temporary Supply (T)	all units	Rs. 250/Conn./ Occasion of Supply		850	-
Stand by (SB)	all units	Rs. 75/kW/month	700							
Temp. Religious (TS(R))	all units	Rs. 200/conn	140		Temporary Supply for Public religious Functions -TS(R)	all units	Rs. 200/Conn./ Occasion of Supply		170	-



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking							
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)		
							single phase	three phase				
Schools/ Hospitals High Voltage S(HV)	all units	-	160		HT Power -1 (HTP-1 for supply to Schools/ Charitable/ Public Trusts)	all units	Rs. 300/kVA/month		180			
	for All RkVAh Units			80								
							Applicable RkVAh Slabs					
Charitable Trust/ Public Trust High Voltage SN (HV)	all units	-	245		PF <0.92					270		
	for All RkVAh Units			122	0.92 ≤ PF < 0.95					180		
					0.95 ≤ PF ≤ 0.97					120		
					PF >0.97					0		
Other Hospitals High Voltage H (HV)	all units	-	350		HT Power-2 (HTP-2 Commercial)		Rs. 300/kVA/month		350			
	for All RkVAh Units			175		Applicable RkVAh Slabs						
						PF <0.92						270
					0.92 ≤ PF < 0.95					180		



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
					0.95 ≤ PF ≤ 0.97					120
					PF > 0.97					0
Industrial High Voltage RC(HV) with <75% Con Load for Mfg.	all units	Rs.310.kVA/month	310		HT Power-3 (HTP-3 Commercial)	all units	Rs. 300/kVA/month		330	
	Applicable RkVAh Slabs				Applicable RkVAhSlabs					
	PF < 0.95			150	0.92 ≤ PF < 0.95					180
	0.95 < PF < 0.97			75	0.95 ≤ PF ≤ 0.97					120
	No RkVAh Charge if PF > 0.97			0	PF > 0.97					0
Industrial High Voltage Ind(HV)	all units	Rs. 170/kVA/month	197		HT Power - 4 (HTP-4 Industrial)	all units	Rs. 300/kVA/month		225	
	Applicable RkVAh Slabs				Applicable RkVAhSlabs					
	PF < 0.95			100	0.92 ≤ PF < 0.95					180
	0.95 < PF < 0.97			50	0.95 ≤ PF ≤ 0.97					120



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
	No RkVAh Charge if PF>0.97			0	PF >0.97					0
Bulk Supply Residential High Voltage R (HV)	all units	-	195		HT Power Bulk Supply HTP-5	all units	Rs. 100/kVA/month		200	
	for All RkVAh Units			97	Applicable RkVAh Slabs					
					PF <0.92					270
					0.92 ≤ PF < 0.95					180
					0.95 ≤ PF ≤ 0.97					120
					PF >0.97					0
Notes:					Notes:					
1. Meter Rent Applicable Additionally					1. Fuel Adjustment Cost (FAC) will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula prescribed by the Commission, and computed on a monthly basis.					
2. No FAC is charged for the first 200 units in R, S, Sn, H and TS(R). FAC will be charged in these categories above 200 units and to all other categories for all the unit sold					2. Additional fixed charges of Rs. 100 per 10 kW or part thereof above 10kW load shall be payable by consumers in LF-1 category.					
3.ToSE Charged as a separate item in the bill					3. In case of LF-2 (Non-residential cum Commercial) consumers and Temporary (T) connection consumers, additional fixed charge of Rs. 150 per 10 kW load or part thereof above 10 kW load shall be payable.					
4. PF Surcharge Applicable in case of consumers covered by RC(LV), in D(LV), RC(HV), IND (HV), C2, GP2 and Optional High Voltage Tariff					4. Billing Demand: The Monthly Billing Demand, where applicable, for LT/ HT consumers will be the higher of the following:					
5. Electricity Duty is charged separately as applicable					a. Actual established demand recorded in the month during the period of 0800					



Existing Tariff of BEST Undertaking					Revised Tariff of BEST Undertaking					
Existing Categories	Slabs	Demand Charges	Energy Rate (excl FAC) Paise /kWh	RkVAh Charges Paise/ RkVAh	Revised Tariff Categories	Slabs	Demand Charges per month		Energy Rate Paise per kWh	RkVAh Rate (Paise/ RkVAh)
							single phase	three phase		
Notes: (Continued.....)					hours to 2400 hours;					
6. Delayed Payment Charges, Prompt Payment Discount, Contract Demand, Billing Demand and clauses related to the scope of R and Sn Tariffs are as per the Foot Notes to the existing Tariff					b. 75% of the highest billing demand or Contract Demand, whichever is lower, during the preceding eleven months;					
					c. 50% of the Contract Demand as defined in the Supply Code.					
					("Contract Demand" means demand in kilowatt (kW) / kilovolt ampere (kVA), mutually agreed between BEST and the consumer as entered into in the agreement or agreed through other written communication).					
					5. Security Deposit: The Security Deposit payable by consumers shall be equal to the average of 3 months' of billing or of the billing cycle period, whichever is lesser. For determining the average billing for this purpose, the average of the billing to the consumer for the last 12 months or, in cases where supply has been provided for a shorter period, the average of the billing for such shorter period, shall be considered.					
					6. The Tax on Sale of Electricity and Electricity Duty will be charged as applicable to a consumer category as per the Government notification from time to time and shown separately in the consumer's bill. However, the rate and the reference number of the Government Resolution/ Order vide which it is made effective, shall be stated in the bill. A copy of the said Resolution/ Order shall be made available on the BEST website					
					7. Residential LF-1 Tariff shall be applicable for Residential premises used by professionals like Lawyers, Doctors, Professional Engineers, Chartered Accountants, etc. in furtherance of their professional activity in their residences (but shall not include Nursing Homes and any Surgical Wards)					
					8. Clauses related to Payment of Bills, Prompt Payment Discount, Delayed Payment Charges, Rate of Interest chargeable on arrears and Security Deposit will be applicable as specified in this Order					



APPENDIX 4: Revenue Computations with Revised Tariffs for FY 2005-06

	Revenue: Complete Revised Tariff BEST	Consumer data				Tariffs			Revenue								
Sr. No.	Consumer Category & Consumption Slab	No. of Cons.	Consumptn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/ month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)	Avg. Revised Billing Rate (Rs/ kWh)	Avg. Existing Billing Rate (Rs/ kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
	<i>Low Tension Categories</i>																
1	BPL	79,352	7.63	-	0	3	40	0	0.29	0.31	0.00	0.59	0.77	n.a.	n.a.	20.5%	n.a.
2	LF-1																
	0-100 units	165,417	622.79	-	0	10	75	0	2.50	46.71	0.00	49.21					
	101-300 units	318,853	481.91	-	0	10/100 (Three phase)	200	0	5.43	96.38	0.00	101.81					
	>300 units	87,171	460.95	-	0	50/100 (Three phase)	360	0	7.46	165.94	0.00	173.40					
	Sub-total	571,441	1565.65	-	0				15.39	309.03	0.00	324.42	2.07	2.07	0.10%	54.7%	54.7%
3	LF-2																
	0-300 units	178,290	382.3	-	0	150	350		32.09	133.81		165.90					
	301-1000 units	37,456	255.9	-	0	150	500		6.74	127.95		134.69					
	>1000 units	19,169	672.81	-		150	590		3.45	396.96		400.41					
	PF <0.92				120.05			270			32.41	32.41					
	0.92 ≤ PF < 0.95							180				-					



Revenue: Complete Revised Tariff BEST																	
Sr. No.	Consumer Category & Consumption Slab	Consumer data				Tariffs			Revenue				Avg. Revised Billing Rate (Rs/kWh)	Avg. Existing Billing Rate (Rs/kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
		No. of Cons.	Consmpn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)					
	0.95 ≤ PF ≤ 0.97							120				-					
	PF >0.97							0				-					
	Sub-total	234,915	1311.02	-	120.05				42.28	658.72	32.41	733.42	5.59	5.95	-6.0%	147.7%	157.1%
4	LTC-1	70	67	21,429		300	390		7.71	25.95		33.66					
	PF <0.92							270				-					
	0.92 ≤ PF < 0.95				0.85			180		0.15		0.15					
	0.95 ≤ PF ≤ 0.97				0.82			120		0.10		0.10					
	PF >0.97				7.75			0				-					
	Sub-total	70	66.54	21,429	9.42				7.71	25.95	0.25	33.92	5.10	5.43	-6.9%	128.5%	143.4%
5	C(D)	205	1.61	-	0	200	1100	0	0.05	1.77	0.00	1.82	11.31	8.92	26.7%	298.5%	235.5%
6	LTP-1																
	0-300 units	9,624	31.23	-	0	300	270		3.46	8.43		11.90					
	301-1000 units	3,114	34.73	-	0	300	340		1.12	11.81		12.93					
	>1000 units	3,041	95.43	-		300	510		1.09	48.67		49.76					



Sr. No.	Revenue: Complete Revised Tariff BEST Consumer Category & Consumption Slab	Consumer data				Tariffs			Revenue				Avg. Revised Billing Rate (Rs/kWh)	Avg. Existing Billing Rate (Rs/kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
		No. of Cons.	Consmpn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)					
	PF <0.92				14.69		270			3.97	3.97						
	0.92 ≤ PF < 0.95						180				-						
	0.95 ≤ PF ≤ 0.97						120				-						
	PF >0.97						0				-						
	Sub-total	15,779	161.39	-	14.69				5.68	68.91	3.97	78.56	4.87	5.23	-6.9%	128.5%	138.1%
7	LTP-2	12	6.48	2,489		300	330		0.90	2.14		3.04					
	PF <0.92						270					0.00					
	0.92 ≤ PF < 0.95				0.02		180				0.00	0.00					
	0.95 ≤ PF ≤ 0.97				0.04		120				0.01	0.01					
	PF >0.97				0.43		0				0.00	0.00					
	Sub-total	12	6.48	2,489	0.5				0.90	2.14	0.01	3.05	4.70	4.99	-5.9%	124.0%	131.8%
8	SL	333	38.15	75,160	0	300	320	0	2.25	12.21	0.00	14.46	3.79	3.59	5.6%	100.1%	94.8%
9	E	10	1.04	-	0	100	160	0	0.00	0.17	0.00	0.17	1.61	1.66	-2.9%	42.6%	43.8%
10	T	333	13.26	-	0	250	850	0	0.03	11.27	0.00	11.31	8.52	9.31	-8.4%	225.1%	245.8%



Sr. No.	Revenue: Complete Revised Tariff BEST Consumer Category & Consumption Slab	Consumer data				Tariffs			Revenue				Avg. Revised Billing Rate (Rs/kWh)	Avg. Existing Billing Rate (Rs/kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
		No. of Cons.	Consmpn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)					
11	TS (R)		0.66	-	0	200	170	0	0.02	0.11	0.00	0.14	2.06	2.82	27.0%	54.3%	74.5%
	<i>High Tension Categories</i>																
12	HTP-1	2	9.62	169		300	180		0.06	1.73		1.79					
	PF <0.92				2.62			270			0.71	0.71					
	0.92 ≤ PF < 0.95							180				-					
	0.95 ≤ PF ≤ 0.97							120				-					
	PF >0.97							0				-					
	Sub-total	2	9.62	169	2.62				0.06	1.73	0.71	2.60	2.67	-0.03	68.6%	70.5%	0.0%
13	HTP-2	5	19	335		300	350		0.12	6.65		6.77					
	PF <0.92				3			270			0.92	0.92					
	0.92 ≤ PF < 0.95							180				-					
	0.95 ≤ PF ≤ 0.97							120				-					
	PF >0.97							0				-					
	Sub-total	5	18.99	335	3.4				0.12	6.65	0.92	7.68	4.05	4.68	13.5%	106.8%	123.6%
14	HTP-3	68	259	80,433		300	330		28.96	85.42		114.38					



Revenue: Complete Revised Tariff BEST		Consumer data				Tariffs			Revenue								
Sr. No.	Consumer Category & Consumption Slab	No. of Cons.	Consmpn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)	Avg. Revised Billing Rate (Rs/ kWh)	Avg. Existing Billing Rate (Rs/ kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
	PF <0.92							270				-					
	0.92 ≤ PF < 0.95				10.96			180			1.97	1.97					
	0.95 ≤ PF ≤ 0.97				11.99			120			1.44	1.44					
	PF >0.97				24.37			0			0.00	-					
	Sub-total	68	258.85	80,433	47.31				28.96	85.42	3.41	117.79	4.55	4.91	-7.3%	120.2%	129.6%
15	HTP-4	38	152.59	59,219		300	225		21.32	34.33		55.65					
	PF <0.92							270				-					
	0.92 ≤ PF < 0.95				6.56			180			1.18	1.18					
	0.95 ≤ PF ≤ 0.97				6.12			120			0.73	0.73					
	PF >0.97				16.41			0				-					
	Sub-total	38	152.59	59,219	29.09				21.32	34.33	1.92	57.57	3.77	3.47	8.7%	99.6%	91.6%
16	HTP-5	5	32.45	572		100	200		0.07	6.49		6.56					
	PF <0.92				11.23			270			3.03	3.03					
	0.92 ≤ PF < 0.95							180				-					
	0.95 ≤ PF ≤ 0.97							120				-					



	Revenue: Complete Revised Tariff BEST	Consumer data				Tariffs			Revenue								
Sr. No.	Consumer Category & Consumption Slab	No. of Cons.	Consmpn. in MU	Monthly Demand kVA	Mn RkVAh	Demand Charges (Rs./conn/month OR Rs./ kVA/month) Single phase/ Three phase	Energy Charge (p/kWh)	RkVAh Charge (p/unit)	Demand Charge (Rs. Crore)	Energy Charge (Rs. Crore)	RkVAh Charge (Rs. Crore)	Total Revenue (Rs. Crore)	Avg. Revised Billing Rate (Rs/ kWh)	Avg. Existing Billing Rate (Rs/ kWh)	Tariff Inc/ Dec (%)	Ratio of Avg. revised rate to Avg. CoS	Ratio of Avg. existing rate to CoS
	PF >0.97							0				-					
	Sub-total	5	32.45	572	11.23				0.07	6.49	3.03	9.59	2.96	3.16	-6.5%	78.0%	83.4%
	TOTAL	902,568	3,645.94	239,806	238.32				125.14	1,225.21	46.62	1,396.97	3.83	4.00	-4.2%	101.2%	105.6%

