

**BRIHAN-MUMBAI ELECTRIC SUPPLY AND TRANSPORT UNDERTAKING**  
**BEST Undertaking, BEST Bhavan, BEST Marg, Colaba, Mumbai – 400 001**  
 Web site: [www.bestundertaking.com](http://www.bestundertaking.com)

**PUBLIC NOTICE**

**Objections / suggestions on BEST's Petition for Truing Up for FY 2009-10 and Annual  
 Performance Review (APR) for FY 2010-11  
 (Case No. 125 of 2011)**

1. The Brihan-Mumbai Electric Supply and Transport Undertaking (BEST) has filed the Petition for Truing Up for FY 2009-10 and Approval of Annual Performance Review (APR) for FY 2010-11 under MERC (Terms and Conditions of Tariff) Regulations, 2005 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003 (Act). The Commission has admitted the Petition on November 30, 2011 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)**

Sl.	Particulars	Truing Up (FY 2009-10)		Provisional Truing Up (FY 2010-11)	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Provisional
1	Power Purchase Expenses (including External Power Purchase)	1717.80	1736.43	1867.02	1706.54
2	Operation & Maintenance Expenses	255.48	281.16	275.41	316.79
2.1	Employee Expenses	152.44	174.76	165.38	199.32
2.2	Administration & General Expenses	76.48	77.39	81.85	82.75
2.3	Repair & Maintenance Expenses	26.56	29.01	28.17	34.72
3	Depreciation, including advance against depreciation	47.32	46.56	48.92	51.59
4	Interest on Long-term Loan Capital & Short Term Finance	14.68	23.31	16.71	13.15
5	Interest on Working Capital & Consumers' Security Deposit	31.27	32.96	25.58	27.17
5.1	Interest on Working Capital (Normative)	18.33	16.40	9.81	11.78
5.2	Difference between normative and actual Interest on Working Capital	0	3.21	0	1.60
5.3	Interest on Consumers' Security Deposit	12.94	13.35	15.77	13.79
6	Bad Debts Written off	0.04	0.03	0.04	0
7	Other Expenses	56.00	128.51	57.00	54.63
8	Income Tax	0	0	0	0
9	Stand-by charges payable to MSEDCL	106.91	106.91	109.63	109.63
10	Transmission Charges payable to MSETCL	91.39	91.39	111.10	111.11
11	Annual SLDC fees & charges	0.46	0.51	1.14	0.69
12	Contribution to contingency reserves	3.56	7.04	3.88	7.77
13	Incentive for Reduction in Distribution loss		13.89		30.20

Sl.	Particulars	Truing Up (FY 2009-10)		Provisional Truing Up (FY 2010-11)	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Provisional
14	<b>Total Revenue Expenditure</b>	<b>2324.91</b>	<b>2468.70</b>	<b>2516.42</b>	<b>2429.26</b>
15	Return on Equity Capital	99.16	114.38	99.16	121.42
16	Return as Interest on Internal funds	5.19	5.19	5.28	5.28
17	<b>Aggregate Revenue Requirement</b>	<b>2429.26</b>	<b>2588.27</b>	<b>2620.86</b>	<b>2555.96</b>
18	Less: Non Tariff Income	82.26	62.65	90.49	71.56
19	<b>Aggregate Revenue Requirement from Retail Tariff</b>	<b>2347.00</b>	<b>2525.62</b>	<b>2530.37</b>	<b>2484.40</b>
20	Add: Deficit in Transport Division		<b>504.88</b>		<b>400.38</b>
21	Truing up for FY 2007-08	<b>225.79</b>	<b>225.79</b>		
22	Truing up for FY 2008-09	<b>323.66</b>	<b>323.66</b>		
23	Impact of Review Order (Case no. 44 of 2009)			<b>11.95</b>	<b>11.95</b>
24	Impact due to truing up for FY 2007-08, after cost-benefit analysis			<b>-1.34</b>	<b>-1.34</b>
25	Revenue gap / (surplus) after provisional truing-up of FY 2009-10			<b>-14.73</b>	<b>683.38</b>
26	Net Aggregate Revenue Requirement	<b>2896.45</b>	<b>3579.95</b>	<b>2526.27</b>	<b>3578.77</b>

**Table 2: Truing up for FY 2009-10 and Provisional Truing up for FY 2010-11**

**Truing Up of FY 2009-10**

(Rs. Crore)

S.No.	Particulars	Truing Up FY 2009-10	
		MERC APR Order (Provisional Truing up)	Actual
1	Power Purchase Expenses	1717.8	1736.43
2	Operation & Maintenance Expenses	255.49	281.16
2.1	Employee Expenses	152.44	174.76
2.2	Administration & General Expenses	76.48	77.39
2.3	Repair & Maintenance Expenses	26.56	29.01
3	Depreciation, including advance against depreciation	47.32	46.56
4	Interest on Long-term Loan Capital	14.68	23.31
5	Interest on Working Capital (Normative)	18.33	16.40
5.1	Interest on Working Capital (Additional)	0	3.21
6	Interest on Consumer security deposits	12.94	13.35
7	Bad Debts Written off	0.04	0.03
8	Other Expenses	56	128.51
	Income Tax		0

S.No.	Particulars	Truing Up FY 2009-10	
9	Stand-by charges payable to MSEDCL	106.91	106.91
10	Transmission Charges payable to MSETCL	91.39	91.39
11	Annual SLDC fees & Charges	0.46	0.51
12	Contribution to contingency reserves	3.56	7.04
13	Incentive for reduction of distribution loss	0	13.89
14	Sharing of Efficiency Losses	0	
15	<b>Total Revenue Expenditure</b>	<b>2324.92</b>	<b>2468.70</b>
16	Return on Equity	99.16	114.38
17	Return on Internal Funds	5.19	5.19
18	<b>Aggregate Revenue Requirement</b>	<b>2429.26</b>	<b>2588.27</b>
19	Less: Non tariff income	82.26	62.65
20	<b>Aggregate Revenue Requirement from Retail Tariff</b>	<b>2347.00</b>	<b>2525.62</b>
21	Truing up for FY 2007-08	225.79	225.79
22	Truing up for FY 2008-09	323.66	323.66
23	<b>Net ARR</b>	<b>2896.45</b>	<b>3075.07</b>
24	Revenue from sale of electricity	<b>2911.18</b>	<b>2896.57</b>
25	<b>Revenue Gap / (Surplus)</b>	<b>-14.73</b>	<b>178.50</b>
26	Add: Deficit in Transport Division FY 2009-10		504.88
27	<b>Revenue Gap to be passed to consumers</b>	<b>-14.73</b>	<b>683.38</b>

#### Provisional Truing-Up (FY 2010-11)

(Rs. Crore)

S.No.	Particulars	Provisional Truing-Up FY 2010-11	
		MERC APR Order	Provisional
1	Power Purchase Expenses ( including External Power Purchase)	1867.02	1706.54
2	Operation & Maintenance Expenses	275.41	316.79
2.1	Employee Expenses	165.38	199.32
2.2	Administration & General Expenses	81.85	82.75
2.3	Repair & Maintenance Expenses	28.17	34.72
3	Depreciation, including advance against depreciation	48.92	51.59
4	Interest on Long-term Loan Capital & Short Term Finance	16.71	13.15
5	Interest on Working Capital ( Normative)	9.81	11.78
5.1	Interest on Working Capital (Additional)	0.00	1.60

S.No.	Particulars	Provisional Truing-Up FY 2010-11	
		MERC APR Order	Provisional
5.2	Interest on Consumer Deposits	15.77	13.79
6	Bad Debts Written off	0.04	0.00
7	Other Expenses	57.00	54.63
8	Income Tax	0.00	0.00
9	Stand-by charges payable to MSEDCL	109.63	109.63
10	Transmission Charges payable to Transmission licensee	111.10	111.11
11	Annual SLDC fees & charges	1.14	0.69
12	Contribution to contingency reserves	3.88	7.77
13	Incentive for reduction of distribution loss	0.00	30.20
14	<b>Total Revenue Expenditure</b>	<b>2516.43</b>	<b>2429.26</b>
15	Return on Equity Capital	99.16	121.42
16	Return as Interest on Internal funds	5.28	5.28
17	<b>Aggregate Revenue Requirement</b>	<b>2620.87</b>	<b>2555.96</b>
18	Less: Non Tariff Income	90.49	71.56
<b>19</b>	<b>Aggregate Revenue Requirement from Retail Tariff</b>	<b>2530.38</b>	<b>2484.40</b>
20	Impact of Review Order (Case no. 44 of 2009)	11.95	11.95
21	Impact due to truing up for FY 2007-08, after cost-benefit analysis	-1.34	-1.34
22	Revenue gap / (surplus) after provisional truing-up of FY 2009-10	-14.73	178.50
<b>23</b>	<b>Net Aggregate Revenue Requirement</b>	<b>2526.27</b>	<b>2673.51</b>
24	<b>Revenue from existing tariff</b>	<b>2528.06</b>	<b>2677.57</b>
<b>25</b>	<b>Net Revenue Gap/(Surplus)</b>	<b>(1.79)</b>	<b>(4.06)</b>
26	Add: Deficit in Transport Division FY 2009-10		504.88
27	Add: Deficit in Transport Division FY 2010-11		400.38
<b>28</b>	<b>Revenue Gap to be passed to consumers</b>		<b>901.20</b>

**Table 3: Energy Sales**

(In MU's)					
Sl.	Consumer Category	Truing Up (FY 2009-10)		Provisional Truing-Up (FY 2010-11)	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Provisional
	LOW TENSION CATEGORIES				
1	LT I - BPL	0.09	0.09	0.09	0.13
2	LT I – Residential	1694	1693.88	1740	1712.81
3	LT II A Commercial upto 20 KW	877	876.83	877	895.21
4	LT II B Commercial >20KW<= 50KW	254	254.38	338	274.76
5	LT II C Commercial > 50KW	527	526.89	629	555.10
6	LT III Industrial upto 20KW	57	57.39	58	53.71
7	LT IV A Industrial >20KW<= 100KW	53	53.09	53	62.27
8	LT IV B Industrial > 100KW	49	48.66	53	48.11
9	LT V Advt.& Hoardings	3	2.85	3.49	3.59
10	LT VI St. Ltg.	29	28.88	29	26.96
11	LT VII A Temp. Religious	0.05	0.05	0.05	0.10
12	LT VII B Temp. Others	31	30.82	33	35.63
13	LT VIII Crematorium & Burial Grounds	1	1.21	1.24	1.10
	HIGH TENSION CATEGORIES				
14	HT I - Industries	137	136.53	137	132.15
15	HT II – Commercial	375	374.81	403	425.55
16	HT III – Group Housing	32	32.15	35	32.22
17	HT IV - Temp. Supply	3	2.64	2.64	7.70
18	Total	4121	4121.17	4390	4267.11

**Table 4: Revenue at Existing Tariffs (Rs. Crore)**

New Tariff Category	Truing Up (FY 2009-10)		Provisional Truing Up (FY 2010-11)	
	MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Provisional
LT I - BPL		0.00	0.00	0.01
LT I – Residential		668.80	639.88	685.33
LT II A Commercial upto 20 KW		706.73	582.50	661.08

New Tariff Category	Truing Up (FY 2009-10)		Provisional Truing Up (FY 2010-11)	
LT II B Commercial >20KW<= 50KW		229.83	278.59	223.90
LT II C Commercial > 50KW		515.70	531.02	485.51
LT V Advt.& Hoardings		8.51	4.22	6.84
LT III Industrial upto 20KW		37.01	35.20	33.09
LT IV A Industrial >20KW<= 100KW		42.35	36.79	43.11
LT IV B Industrial > 100KW		36.12	32.25	32.86
LT VI St. Ltg.		20.06	17.06	16.92
LT VIII Crematorium & Burial Grounds		0.64	0.33	0.40
LT VII B Temp. Others		33.43	29.05	36.19
LT VII A Temp. Religious		0.07	0.02	0.04
HT I - Industries		85.58	78.14	78.88
HT II – Commercial		253.27	234.84	265.76
HT III – Group Housing		13.22	12.53	12.12
HT IV - Temp. Supply		2.38	2.17	6.59
<b>Sub Total</b>		<b>2653.72</b>	<b>2514.60</b>	<b>2588.69</b>
Diff. In Cost		-4.46		3.68
Penalty (PF)		12.37	10.00	12.98
FAC		222.00		47.68
Diff. in M. Tax		-0.32		-0.05
TOD charges		11.41	3.39	15.93
Penalty (CD)		1.85		8.67
<b>Total</b>	<b>2911.18</b>	<b>2896.57</b>	<b>2528.06</b>	<b>2677.57</b>

**Table 5: Energy Balance**

Particulars	Truing Up FY 2009-10		Provisional Truing Up FY 2010-11	
	Approved	Actual	Approved	Provisional
Energy Sale (MU)	4121	4121.17	4390	4267.11
Distribution loss (in %)	10%	9.35%	9.5%	7.94%
Energy Purchase at T-D interface (MU)	4579	4546.13	4852	4635.28
InSTS losses (%)	4.85%	4.62%	4.85%	4.31%
Energy required at G-T interface (MU)	4812	4766.11	5098	4844.23

**Table 6: Operational Parameters**

Sl.	Particulars	Distribution Losses (%)		Collection Efficiency (%)	
		FY 2009-10	FY 2010-11	FY 2009-10	FY 2010-11
		Actual	Actual	Actual	Actual
1	BEST	9.35%	7.94%	103.23%	102.63%

**Table 7: BEST's Capital Expenditure (Rs. Crore)**

Sl.	Name of Project	Estimated Cost	FY 2009-10		FY 2010-11	
			Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects					
a)	DPR Projects		34.27	22.56	175.34	163.58
b)	Non-DPR Projects		11.19	11.19	7.14	9.24
	<b>Sub-total</b>		<b>45.46</b>	<b>33.75</b>	<b>182.48</b>	<b>172.82</b>
2	New Projects					
a)	DPR Projects		99.84	98.03	7.68	5.78
b)	Non-DPR Projects		9.92	4.26	1.46	0.68
	<b>Sub-total</b>		<b>109.76</b>	<b>102.29</b>	<b>9.14</b>	<b>6.46</b>
	<b>Total</b>		<b>155.22</b>	<b>136.04</b>	<b>191.62</b>	<b>179.28</b>

**Table 8: Impact of Transport Division Deficit**

BEST has submitted that the Hon'ble Supreme Court in its Order dated February 08, 2011, in the matter of Civil Appeal No. 848 of 2007 between the Municipal Corporation of Greater Mumbai (MCGM) (Appellant) and MERC and Others, has ruled that BEST, being a local authority in the business of electricity supply, is entitled to encumbrances of other businesses, i.e., Transport business.

BEST has therefore, included the deficit of the Transport Division for FY 2009-10 and FY 2010-11 by including it in the ARR of the respective years, in accordance with the above Order of the Hon'ble Supreme Court. The Transport Division deficit for FY 2009-10 and FY 2010-11 is as given below:

Sl.	Particulars	Rs. Crore
1	Transport Division Deficit for FY 2009-10 (audited)	504.88
2	Transport Division Deficit for FY 2010-11 (provisional)	400.38
3	<b>Total</b>	<b>905.26</b>

**Table 9: Aggregate Revenue Gap of BEST**

Sl.	Particulars	Rs. Crore
	<b>Net Revenue Requirement for FY 2009-10</b>	<b>3075.07</b>
	Revenue from Sale of Power	2896.57

Sl.	Particulars	Rs. Crore
<b>I</b>	<b>Revenue Gap/(Surplus) of FY 2009-10</b>	<b>178.50</b>
	<b>Net Revenue Requirement FY 2010-11</b>	<b>2484.40</b>
	Impact of Review order (Case 44 of 2009)	11.95
	Impact due to truing-up for FY 2007-08	-1.34
	Revenue - Gap of FY 2009-10	178.50
	<b>Net Aggregate Revenue Requirement</b>	<b>2673.51</b>
	Revenue from Sale of Power	2677.57
<b>II</b>	<b>Revenue Gap/ (Surplus) of FY 2010-11</b>	<b>-4.06</b>
<b>III</b>	<b>Deficit of Transport Division in FY 2009-10</b>	<b>504.88</b>
<b>IV</b>	<b>Deficit of Transport Division in FY 2010-11</b>	<b>400.38</b>
<b>V</b>	<b>Total Revenue gap (II+III+IV)</b>	<b>901.20</b>

3. 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 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, 1st Floor, BEST Marg, Colaba, Mumbai 400001.	22856262 Ext. 517, 523
Divisional Office 2	BEST Undertaking, Customer Care (‘G’ South), 2nd Floor, Transportation Engineering Bldg., Tilak Road, Dadar, Mumbai 400014.	24183276 / 24146262 Ext. 541.

4. The Commission has directed BEST to invite suggestions and objections from the public on the above Petition through this Notice. Suggestions and objections may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13<sup>th</sup> Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: [mercindia@mercindia.org.in](mailto:mercindia@mercindia.org.in)] by **Tuesday, January 10, 2012** along with proof of service on the General Manager, Brihanmumbai Electric Supply and Transport Undertaking.

5. Every person who intends to file suggestions and objections 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 suggestions and objections are 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, 1<sup>st</sup> Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400005 on Monday, January 16, 2012, at 10:00 Hrs**, for which no separate notice will be given.
6. BEST shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Friday, January 13, 2012** for all suggestions and objections received till **Tuesday, January 10, 2012**. Stakeholders can submit their rejoinders on replies provided by BEST either during the public hearing or latest by **Thursday, January 19, 2012**.
7. The detailed Petition document and the summary are available on BEST's website [www.bestundertaking.com](http://www.bestundertaking.com) and the executive summary is also available on the web site of the Commission [www.mercindia.org.in](http://www.mercindia.org.in) in downloadable format (free of cost).

GENERAL MANAGER  
Brihanmumbai Electric Supply and Transport Undertaking