

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

Web site: [www.bestundertaking.com](http://www.bestundertaking.com)

**PUBLIC NOTICE**

**Suggestions and Objections on BEST's Annual Performance Review (APR) Petition for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of ARR and tariff for FY 2009-10**

**Case No. 118 of 2008**

1. Brihan-Mumbai Electric Supply and Transport Undertaking (BEST) has filed a Petition for Approval of Annual Performance Review (APR) for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of Aggregate Revenue Requirement (ARR) and tariff for FY 2009-10 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003. The Commission has admitted the Petition on February 20, 2009 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. Cr)**

Sl.	Particulars	Previous Year		Current Year		Ensuing Year	
		(FY 2007-08)		(FY 2008-09)		(FY 2009-10)	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Revised Estimate	MERC MYT Order *	Projections
1	Power Purchase Expenses	1900.99	1885.15	1837.05	2327.05	-	2479.59**
2	Standby Charges Payable	114.63	114.63	108.78	108.78	-	108.78
3	Transmission Charges Payable	97.61	97.61	109.61	109.61	-	109.61
4	Annual SLDC Fees & Charges	0.80	0.80	0.74	0.74	-	0.74
5	Operation & Maintenance Expenses	235.98	257.55	244.15	272.01	204.33	294.7
5.1	<i>Employee Expenses</i>	<i>128.15</i>	<i>150.35</i>	<i>130.89</i>	<i>155.06</i>	<i>99.43</i>	<i>171.3</i>
5.2	<i>Administration &amp; General Expenses</i>	<i>81.91</i>	<i>76.26</i>	<i>85.23</i>	<i>83.53</i>	<i>95.53</i>	<i>88.7</i>
5.3	<i>Repair &amp; Maintenance Expenses</i>	<i>25.92</i>	<i>30.94</i>	<i>28.03</i>	<i>33.42</i>	<i>8.97</i>	<i>34.7</i>
6	Depreciation, including advance against depreciation	41.65	40.39	44.90	45.02	55.65	49.66
7	Interest & other Finance Charges	21.89	40.33	32.52	77.61	0.00	77.37
7.1	<i>Interest on Long – term loan capital</i>	<i>4.79</i>	<i>7.97</i>	<i>4.38</i>	<i>24.62</i>	<i>32.54</i>	<i>38.6</i>
7.2	<i>Interest on Working Capital and on consumer security deposits</i>	<i>17.10</i>	<i>32.36</i>	<i>28.14</i>	<i>52.99</i>	<i>11.7</i>	<i>38.77</i>
8	Provision for Bad debts	0.06	0.04	0.08	0.12	0.10	0.13
9	Income Tax	0.00	0.00	0.00	0.00	-	0
10	FAC charges paid to TPC	123.70	123.70	0.00	***	-	0

Sl.	Particulars	Previous Year		Current Year		Ensuing Year	
		(FY 2007-08)		(FY 2008-09)		(FY 2009-10)	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Revised Estimate	MERC MYT Order *	Projections
<b>11</b>	<b>Total Revenue Expenditure</b>	2537.31	2560.20	2377.83	2940.94	0.00	3120.58
12	Return on Equity Capital	101.15	102.91	105.54	109.76	-	116.22
13	Return as Interest on Internal Funds	8.37	11.08	9.11	9.82	46.61	10.79
<b>14</b>	<b>Aggregate Revenue Requirement</b>	2646.83	2674.19	2492.48	3060.52	350.93	3247.59
<b>15</b>	Less: Non Tariff Income	46.18	51.66	49.72	50.13	73.48	53.75
<b>16</b>	<b>Aggregate Revenue Requirement from Retail Tariff</b>	<b>2600.65</b>	<b>2622.53</b>	<b>2442.76</b>	<b>3010.39</b>	<b>277.45</b>	<b>3193.84</b>

\* - The Commission has approved only certain items of ARR for FY 2009-10 in MYT Order.

\*\* - This is based on the TPC-G's APR Petition .

\*\*\* - Power Purchase Expenses includes FAC paid to M/s TPC.

**Table 2: Truing up for FY 2007-08 and Provisional Truing up for FY 2008-09**

**Table 2.1: Truing up for FY 2007-08 (Rs Cr)**

Particular	Approved	Actual
Power Purchase Expenses	2237.73	2221.89
Other Expenses	299.58	338.31
Returns (ROE and Interest)	109.520	113.989
Less Other Income	46.18	51.66
Total Expenses	2600.65	2622.53
Total Revenue	2428.69	2320.78
Total Amount of True up		<b>301.75</b>

**Table 2.2 Provisional truing up for FY 2008-09 (Rs Cr)**

Particular	Approved	Estimated
Power Purchase Expenses	2056.18	2546.20
Other Expenses	321.65	394.74
Returns (ROE and Interest)	114.65	119.580
Less Other Income	49.72	50.13
Total Expenses	2442.76	3010.39
Total Revenue	2822.30	2728.87
Total Amount of True up		<b>281.52</b>

**Table 3: Consumer Category-wise Sales (In MUs)**

Sl.	Consumer Category	Slabs	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year (FY 2009-10)	CAGR or Basis used for Projections
			MERC APR Order (Provisional Truing up)	Actual	MERC APR Order	Revised Estimate	Projected	
	<b>LT Category</b>							
1	<b>BPL</b>	<b>0-30</b>	0.11	0.10	0.11	0.04	0.04	0%
2	<b>LT-I</b>	<b>0-100</b>	1762.45	680.54	412.00	654.20	666.00	1.80%
		<b>101-300</b>		516.35	581.00	541.18	567.14	4.80%
		<b>301-500</b>		145.29	258.00	161.01	168.73	4.80%
		<b>&gt;500</b>		328.37	567.00	358.51	372.13	3.80%
3	<b>LT-II A</b>	<b>0-300</b>	1455.88	406.32	242.00	396.01	411.06	3.80%
		<b>301-500</b>		108.39	94.00	110.66	115.97	4.80%
		<b>501-1000</b>		139.64	149.00	143.05	149.92	4.80%
		<b>&gt;1000</b>		299.07	725.00	298.07	297.49	-0.19%
4	<b>LT-II B</b>	<b>all units</b>		154.31	164.00	156.23	171.52	9.79%
5	<b>LT-II C</b>	<b>all units</b>	263.06	490.95	410.00	513.67	563.95	9.79%
6	<b>LT-III</b>	<b>all units</b>	25.06	2.28	24.59	2.21	2.30	3.80%
7	<b>LT-IV</b>	<b>0-300</b>	76.30	25.04	20.00	23.09	23.51	1.80%
		<b>301-500</b>		9.32	9.00	8.90	9.06	1.80%
		<b>501-1000</b>		14.18	15.00	13.83	14.08	1.80%
		<b>&gt;1000</b>		28.70	31.00	29.87	30.41	1.80%
8	<b>LT-V A</b>	<b>all units</b>	43.92	57.20	45.96	45.72	45.64	-0.19%
9	<b>LT-V B</b>	<b>all units</b>	44.24	44.36	37.89	47.13	47.98	1.80%
10	<b>LT-VI</b>	<b>all units</b>	22.32	29.66	22.6	22.62	22.57	-0.19%
11	<b>LT-VII</b>	<b>all units</b>	3.94	1.05	3.62	1.07	1.07	-0.19%
12	<b>LT-VIII</b>	<b>all units</b>	19.1	21.48	21.92	18.72	18.68	-0.19%
13	<b>LT-IX</b>	<b>all units</b>	0.02	0.07	0.02	0.06	0.06	-0.19%

Sl.	Consumer Category	Slabs	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year (FY 2009-10)	CAGR or Basis used for Projections
			MERC APR Order (Provisional Truing up)	Actual	MERC APR Order	Revised Estimate	Projected	
	<b>HT Category</b>							
14	<b>HT-II</b>	<b>all units</b>	295.87	299.31	307.7	309.10	320.85	3.80%
15	<b>HT-I</b>	<b>all units</b>	190.83	182.81	185.38	174.61	177.75	1.80%
16	<b>HT-III</b>	<b>all units</b>	35.62	35.01	37.39	55.96	59.21	5.80%
			<b>4238.73</b>	<b>4023.94</b>	<b>4363.37</b>	<b>4085.52</b>	<b>4257.11</b>	<b>4.20%</b>

Note: BEST has assumed a CAGR of 4.2% on total sales, based on which, the estimated sales for FY 2009-10 comes to be 4257.11 MU. This sales have been further apportioned to various tariff categories and slabs based on the individual growth rates depending on past trend and current demand observed by BEST.

**Table 4: Energy Balance**

Particulars	Actual FY 07-08	Estimated FY 08-09	Projected FY 09-10
Net Sales (MU)	# 3939.64	4085.52	4257.11
Distribution loss (in %)	10.38%	10.5%	10.5%
Energy Requirement (MU) at T<=>D interface	4396.0	4564.8	4756.54
Transmission Losses (%)	<b>4.54%</b>	4.85%	4.85%
Total Energy Requirement (MU)	4605.95	4797.5	4999

# Gross Sales 4024 MU adjusted to reconcile the impact of switch from bimonthly to monthly billing

**Table 5: Trajectory of Operational Parameters**

Sl.	Particulars	Distribution Losses (%)			Collection Efficiency (%)		
		FY 2007-08	FY 2008-09	FY 2009-10	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Revised Estimate	Projected	Actual	Revised Estimate	Projected
1	BEST	10.38%	10.5%	10.5%	97	97	97

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

Sl.	Name of Project	Expenditure incurred till FY 2007-08 end	Capitalisation incurred till FY 2007-08 end	Expenditure Planned and Capitalisation Projected			
				FY 2008-09		FY 2009-10	
				Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects	35.65		13.22		27.33	
2	New Projects	121.12		268.69	120.00	214.39	130.00
	<b>Total</b>	<b>156.77</b>	<b>143.55</b>	<b>281.91</b>	<b>120.00</b>	<b>241.72</b>	<b>130.00</b>

**Table 7: Aggregate Revenue Gap of BEST for FY 2008-09 and FY 2009-10 (Rs. Crore)**

Sl.	Particulars	FY 2008-09	FY 2009-10
1	Aggregate Revenue Requirement from Retail Tariff	3010.39	3193.84
2	Revenue from Existing tariff	2728.87	2631.05
3	Revenue gap	281.52	562.79
4	True up amount till FY 2007-08(after considering gains and losses due to controllable / uncontrollable factors)	650.75	0
5	True up amount till FY 2008-09#	0	798.79
6	Net Revenue requirement	3661.14	3992.63

# Net figure after adjusting Rs 53.02 Cr received from TPC for FY 2006-07 and impact of FAC order dt 01-12-2008. BEST proposes to recover the entire gap during FY 2009-10

### 8. Recovery of Revenue Gap in FY 2009-10

Particular	Rs Cr
Recovery from Expensive Power Charges	785.97
Recovery from Surcharge	254.80
Recovery from Standby Charges	108.78
Recovery from Energy Charges	2843.07
Total Recovery	3992.63

## 9. Tariff Proposal of BEST

9 (a) For FY 2009-10 BEST has not envisaged any new category. The Commission has introduced the concept of reliability charges for recovering the cost of expensive power and separate recovery of standby charges in the tariff, and the same principle is continued. BPL Category, Residential categories(LT1) having consumption up to 300 Units per month, LT-IV (Industrial upto 20 KW) upto 300 units/month, LT VII (Crematorium & Burial Grounds) and LT IX (Temporary Supply Religious) are excluded from recovery of expensive power charges. BEST proposes a surcharge in order to recover its unrecovered FAC for the FY 2007-08 and FY 2008-09. This surcharge would be a one time surcharge and would be levied only during FY 2009-10.

### 9 (b) : Comparison of Proposed and Existing Tariff

		Existing Tariff							Proposed Tariff							% Increase in Total Variable Charges	
Tariff	Slab	Fixed Charge Rs/ Month	Fixed /Demand Charge Rs Per Kva Per Month	Energy Charge (Rs. / kWh)	Reliability Charge (Rs. / kWh)			Total Variable Charge Rs /kWh	Fixed Charge Rs/ Month	Fixed / Demand Charge Rs Per kVA Per Month	Energy Charge (Rs. / kWh)	Reliability Charge (Rs. / kWh)			Surcharge Rs./ kWh		Total Variable Charge Rs./ kWh
					Stand-by Charge Rs./ kWh	Expensive Power Charges Rs./ kWh	Total					Stand-by Charge Rs./ kWh	Expensive Power Charges Rs./ kWh	Total			
<b>LT Category</b>																	
BPL	0-30	3	0	0.4	0	0	0	0.4	3	0	0.4	0	0	0.00	0	0.40	0.00%
LT-I	0-100	10	0	0.7	0.21	0	0.21	0.91	25		1.5	0.26		0.26	0.60	2.35	158.69%
	101-300	30	0	2.05	0.21	0	0.21	2.26	50		4	0.26		0.26	0.60	4.85	114.78%
	301-500	60	0	4.7	0.21	0.34	0.55	5.25	75		5	0.26	2.62	2.88	0.60	8.47	61.42%
	>500	100	0	6.5	0.21	0.56	0.77	7.27	100		7	0.26	2.62	2.88	0.60	10.47	44.08%

LT-II A	0-300	200	0	3.5	0.21	0.45	0.66	4.16	225		5	0.26	2.62	2.88	0.60	8.47	103.72%
	301-500	200	0	6.5	0.21	0.45	0.66	7.16	225		7	0.26	2.62	2.88	0.60	10.47	46.29%
	501-1000	200	0	8.3	0.21	0.45	0.66	8.96	225		9	0.26	2.62	2.88	0.60	12.47	39.23%
	>1000	200	0	8.8	0.21	0.45	0.66	9.46	225		9.5	0.26	2.62	2.88	0.60	12.97	37.15%
LT-II B	all units	0	150	9.4	0.21	0.56	0.77	10.17		200	10	0.26	2.62	2.88	0.60	13.47	32.49%
LT-II C	all units	0	150	9.75	0.21	0.68	0.89	10.64		200	11	0.26	2.62	2.88	0.60	14.47	36.04%
LT-III	all units	300	0	14	0.21	0.56	0.77	14.77	350		15	0.26	2.62	2.88	0.60	18.47	25.08%
LT-IV	0-300	250	0	3.6	0.21	0	0.21	3.81	300		4.5	0.26		0.26	0.60	5.35	40.53%
	301-500	300	0	4.75	0.21	0.56	0.77	5.52	350		6	0.26	2.62	2.88	0.60	9.47	71.64%
	501-1000	350	0	6	0.21	0.56	0.77	6.77	400		7	0.26	2.62	2.88	0.60	10.47	54.72%
	>1000	350	0	8	0.21	0.56	0.77	8.77	400		8.5	0.26	2.62	2.88	0.60	11.97	36.54%
LT-V A	all units	0	150	7.6	0.21	0.23	0.44	8.04		200	8	0.26	2.62	2.88	0.60	11.47	42.72%
LT-V B	all units	0	150	6.65	0.21	0.23	0.44	7.09		200	7	0.26	2.62	2.88	0.60	10.47	47.74%
LT-VI	all	0	150	7	0.21	0.23	0.44	7.44		200	7	0.26	2.62	2.88	0.60	10.47	40.79%

	units																
LT-VII	all units	100	0	1.8	0.21	0	0.21	2.01	100		2	0.26		0.26	0.60	2.85	41.99%
LT-VIII	all units	150	0	10	0.21	0.23	0.44	10.44	200		12	0.26	2.62	2.88	0.60	15.47	48.22%
LT-IX	all units	150	0	1.8	0.21	0	0.21	2.01	200		2	0.26		0.26	0.60	2.85	41.99%
<b>HT Category</b>																	
HT-II	all units	0	200	5.55	0.21	0.45	0.66	6.21		250	5.75	0.26	2.62	2.88	0.60	9.22	48.54%
HT-I	all units	0	200	5	0.21	0.45	0.66	5.66		250	5.5	0.26	2.62	2.88	0.60	8.97	58.56%
HT-III	all units	0	200	3.1	0.21	0.45	0.66	3.76		250	3.5	0.26	2.62	2.88	0.60	6.97	85.49%

Note 1: Terms and Conditions of TOD tariff remains the same

Note 2: Rs 100 per month will be levied on residential consumers availing 3 phase supply. Additional fixed Charges Rs 100 per 10 kW load or part thereof above 10 kW shall be payable.

9 (c) Wheeling charges are not applicable to BEST.

### 10. Cross-subsidy Reduction for FY 2009-10

Category	Slabs	Projected Average Cost of Supply for FY 2009-10 (Rs/kWh)	Average Billing Rate (Rs/Kwh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Tariff w.r.t Avg. CoS	% Increase in Average Billing Rate
			Existing Tariff	Revised Tariff	Existing Tariff	Revised Tariff		
<b>LT Category</b>								
<b>BPL</b>	<b>0-30</b>	9.38	1.188	1.19	12.67%	12.67%	0.00%	0.00%
<b>LT-I</b>	<b>0-100</b>	9.38	0.954	2.46	10.17%	26.28%	16.10%	158.29%
	<b>101-300</b>	9.38	2.481	5.22	26.46%	55.69%	29.23%	110.49%
	<b>301-500</b>	9.38	5.511	8.80	58.76%	93.84%	35.08%	59.69%
	<b>&gt;500</b>	9.38	7.425	10.63	79.17%	113.34%	34.17%	43.16%
<b>LT-II A</b>	<b>0-300</b>	9.38	5.238	9.69	55.85%	103.28%	47.44%	84.95%
	<b>301-500</b>	9.38	7.674	11.05	81.82%	117.85%	36.03%	44.03%
	<b>501-1000</b>	9.38	9.293	12.85	99.09%	137.00%	37.92%	38.27%
	<b>&gt;1000</b>	9.38	9.600	13.13	102.35%	140.01%	37.66%	36.79%
<b>LT-II B</b>	<b>all units</b>	9.38	10.651	14.12	113.57%	150.51%	36.95%	32.53%
<b>LT-II C</b>	<b>all units</b>	9.38	11.157	15.16	118.95%	161.68%	42.72%	35.91%
<b>LT-III</b>	<b>all units</b>	9.38	15.701	19.56	167.41%	208.56%	41.15%	24.58%
<b>LT-IV</b>	<b>0-300</b>	9.38	4.863	6.62	51.84%	70.55%	18.71%	36.08%
	<b>301-500</b>	9.38	6.017	10.05	64.16%	107.21%	43.05%	67.10%
	<b>501-1000</b>	9.38	7.246	11.02	77.25%	117.48%	40.22%	52.07%
	<b>&gt;1000</b>	9.38	9.016	12.26	96.13%	130.67%	34.54%	35.93%
<b>LT-V A</b>	<b>all units</b>	9.38	8.723	12.39	93.01%	132.06%	39.05%	41.98%
<b>LT-V B</b>	<b>all units</b>	9.38	7.561	11.10	80.61%	118.37%	37.76%	46.84%
<b>LT-VI</b>	<b>all units</b>	9.38	8.127	11.39	86.65%	121.46%	34.81%	40.18%
<b>LT-VII</b>	<b>all units</b>	9.38	2.022	2.87	21.56%	30.56%	9.00%	41.73%
<b>LT-VIII</b>	<b>all units</b>	9.38	10.492	15.54	111.86%	165.73%	53.86%	48.15%
<b>LT-IX</b>	<b>all units</b>	9.38	2.010	2.85	21.43%	30.43%	9.00%	41.99%

<b>HT Category</b>								
<b>HT-II</b>	<b>all units</b>	9.38	6.714	9.86	71.59%	105.08%	33.49%	46.78%
<b>HT-I</b>	<b>all units</b>	9.38	6.225	9.67	66.37%	103.07%	36.70%	55.29%
<b>HT-III</b>	<b>all units</b>	9.38	4.466	7.86	47.62%	83.78%	36.16%	75.93%
	<b>Total</b>	<b>9.38</b>	<b>6.180</b>	<b>9.38</b>				<b>51.75%</b>

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 DD/ Cheque/ Cash 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:**

<b>Office</b>	<b>Address</b>	<b>Tele / Fax No.</b>
Divisional Office 1	BEST Undertaking, Customer Care ( ‘A’ Ward ), Electric House, 1 <sup>st</sup> Floor, BEST Marg, Colaba, Mumbai 400001.	22856262 Ext. 517, 523
Divisional Office 2	BEST Undertaking, Customer Care ( ‘G’ South), 2 <sup>nd</sup> Floor, Transportation Engineering Bldg., Tilak Road, Dadar, Mumbai 400014.	24183276 24146262 Ext. 541

- 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 **Wednesday, March 18, 2009**, along with proof of service on the General Manager, Brihanmumbai Electric Supply and Transport Undertaking.
- Every person who intends to file suggestions and objections can submit the same in English or in Marathi, in six copies, and should mention the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the suggestions and objections are being filed on behalf of any organization or 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 **VISTA Hall, 30<sup>th</sup> Floor, Centre I, World Trade Centre, Cuffe Parade, Mumbai 400005 on Wednesday, March 25, 2009, at 11:00 Hrs**, for which no separate notice will be given.
- BEST shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Saturday, March 21, 2009** for all the suggestions and objections received till **Wednesday, March 18, 2009**. Stakeholders can submit their rejoinders on replies provided by BEST either during the public hearing or latest by **Thursday, April 2, 2009**.

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).

Signature  
Uttam Khobragade  
General Manager  
Brihanmumbai Electric Supply and Transport Undertaking