
Executive Summary

1 Overview

M/s. Mindspace Business Parks Private Limited (hereinafter referred to as “MBPPL” or “the Petitioner”) [formerly known as Serene Properties Private Limited], is a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at Plot No. C-30, Block ‘G’, Opp. SIDBI, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India.

MBPPL, under Section 3 of the Special Economic Zones (SEZ) Act, 2005 (28 of 2005), is setting up a sector specific Special Economic Zone (SEZ) for Information Technology and Information Technology Enabled Services (IT & ITeS) at Plot No. 3, Kalwa, TTC Industrial Area, MIDC, Taluka Thane, District Thane, in the State of Maharashtra.

In view of the above, MBPPL is a deemed Distribution Licensee in its SEZ area at Plot No. 3, Kalwa, TTC Industrial Area, MIDC, Taluka Thane, District Thane, in the State of Maharashtra. The Hon’ble Commission, vide Order dated April 11, 2012 in Case No. 157 of 2011, has taken on record the deemed Distribution Licensee status of MBPPL and subsequently notified the Specific Conditions of Licence for MBPPL on August 21, 2013.

Further, the Specific Conditions of Distribution Licence were issued by the Hon’ble Commission in the name of Serene Properties Private Limited, but with effect from November 23, 2015, Serene Properties Private Limited was renamed as Mindspace Business Parks Private Limited, which has been approved by the Hon’ble Commission and the Specific Conditions have been duly amended.

1.1 Multi Year Tariff (MYT) Petition filed by MBPPL

Since, the operation of MBPPL as a Distribution Licensee commenced from April, 9 2015, i.e., in FY 2015-16, MBPPL filed the Petition for Provisional True up for FY 2015-16 in accordance with the MERC MYT Regulations, 2011, as specified in Regulation 5.1 (a) (ii) of the MERC MYT Regulations, 2015. Further, MBPPL filed the MYT Petition for the third Control Period from FY 2016-17 to FY 2019-20 in accordance with

Regulation 5.1 (a) (iii) of the MERC MYT Regulations, 2015. The Hon'ble Commission issued the MYT Order in Case No. 10 of 2016 on October 26, 2016.

1.2 Review Petition filed by MBPPL on the MYT Order

MBPPL filed a Petition on 9 December, 2016 under Regulation 85 of the MERC (Conduct of Business) Regulations, 2004 for review of the MYT Order dated 26 October, 2016 in Case No.10 of 2016. The Hon'ble Commission issued the Review Order on 28 November, 2017 and has not granted any specific relief on MBPPL's prayers.

1.3 Mid Term Review (MTR) Filing under MERC MYT Regulations, 2015

MBPPL is required to file the Mid Term Review (MTR) Petition by November 30, 2017. Vide letter ref: MBPPL/Power/2017-18/M555 dated 28 November, 2017, MBPPL requested the Hon'ble Commission to grant an extension of 10 days for filing the MYT Petition, on account of late receipt of Segmental Accounts for the Electricity Distribution business and the recently issued Review Order.

As various other Generating Companies and Licensees also made similar requests for extension of time for filing of MTR Petition, the Hon'ble Commission, vide its Order dated 30 November, 2017, considered the requests of these Utilities and in exercise of the power conferred under Regulation 102 of the MERC MYT Regulations, 2015, extended the last date for filing MTR Petition to 21 December, 2017.

Accordingly, MBPPL is hereby filing its MTR Petition comprising request for approval of:

- a) Truing up for FY 2015-16 in accordance with the provisions of MERC MYT Regulations, 2011,
- b) Truing up for FY 2016-17, Provisional True up for FY 2017-18, revised ARR and Tariff for FY 2018-19 and FY 2019-20, in accordance with the provisions of the MERC MYT Regulations, 2015, as amended from time to time.

2 Truing-up for FY 2015-16

Since, the operations of MBPPL as a Distribution Licensee commenced from April, 9 2015, i.e., in FY 2015-16, MBPPL is filing the Petition for Truing-up for FY 2015-16 in accordance with the MERC MYT Regulations, 2011, as specified in Regulation 5.1 (a) (ii) of the MERC MYT Regulations, 2015.

MBPPL has sought truing-up for FY 2015-16 under the MYT Regulations 2011 against the provisional true-up approved in the Hon'ble Commission's MYT Order in Case No. 10 of 2016. The true-up for FY 2015-16 is based on the audited segmental accounts of MBPPL's Distribution Licensee business, which is annexed to this Petition.

2.1 Energy Sales

For the purpose of Truing-up, MBPPL has considered the actual sales for FY 2015-16. The actual energy sold by MBPPL in FY 2015-16 is 81.87 MU, which is same as sales approved in the MYT order, as the Hon'ble Commission had considered the provisional category-wise sales for FY 2015-16 as submitted by MBPPL.

2.2 Distribution Loss

MBPPL has considered the actual distribution loss for the period based on actual energy sales and energy received for FY 2015-16. In the MYT Order in Case No. 10 of 2016, the Hon'ble Commission had considered the provisional Distribution loss (0.08%) for FY 2015-16 and the Distribution Loss of 0.64%, after excluding the Transformational losses. The actual distribution losses for FY 2015-16 are same as that approved by the Hon'ble Commission in the MYT Order.

2.3 Energy Balance

MBPPL has considered the actual energy sales and power purchase for FY 2015-16 and estimated the energy sales, as discussed above. In the MYT Order in Case No. 10 of 2016, the Hon'ble Commission had considered the provisional power purchase and energy sales, and InSTS loss of 3.92% for approving the Energy Balance for FY 2015-16. The actual Energy Balance for FY 2015-16 is the same as that approved by the Hon'ble Commission in the MYT Order.

2.4 Power Purchase Cost

The summary of power purchase cost for FY 2015-16 is as under:

Table 2-1: Power Purchase Cost for FY 2015-16

Source of Power (Station wise)	MYT Order			Actual for true-up		
	Unit received at MBPPL's periphery (MU)	Total Cost of Power Purchase (Rs. Crore)	Average Cost of Power Purchase (Rs/kWh)	Unit received at MBPPL's periphery (MU)	Total Cost of Power Purchase (Rs. Crore)	Average Cost of Power Purchase (Rs/kWh)
GEPL from outside State	39.27	15.97	4.07	39.27	15.97	4.07
GEPL from Intra-State	42.18	17.09	4.05	42.18	17.09	4.05
Imbalance Pool	0.36	-	-	0.36	1.20	
REC Purchase	-	1.17		-	1.17	
UI Settlement	-	0.26		-	-	
Total	81.81	34.49	4.23	81.81	35.43	4.33

2.5 Operation & Maintenance Expenses

MBPPL was issued the Specific Conditions of Distribution Licence after the date of effectiveness of the MERC MYT Regulations, 2011. Further, no norms or methodology has been specified in the MERC MYT Regulations, 2011, for determination of O&M expenses for MBPPL. The Hon'ble Commission is required to determine the O&M expenses for MBPPL on a case-specific basis. In the MYT Order in Case No. 10 of 2016, the Hon'ble Commission approved the O&M expenses for MBPPL for FY 2015-16 by applying O&M norms of TPC-D directly.

MBPPL filed a Review Petition on the disallowance of the O&M expenses, and the premise on which the disallowance was made. In the Review Order, the Hon'ble Commission has not addressed the specific arguments made by MBPPL in its Review Petition and has merely repeated the arguments made in the MYT Order, and not provided any relief to MBPPL by allowing any additional O&M expenses. In the present Petition, MBPPL has provided detailed justification and rationale for allowing the O&M expenses for FY 2015-16 on actual basis.

Employee Expenses

As per the terms of the Agreement with KRCSPL, MBPPL will pay 35 paise per kWh of energy sales as employee expense to KRCSPL with an escalation of 12% every year.

A&G Expenses

MBPPL has considered the actual A&G expenses for FY 2015-16.

R&M Expenses

As regards R&M Expenses, MBPPL has entered into an Agreement with Vatsa Electric Company for repair and maintenance of the distribution network. MBPPL has considered the actual R&M expenses for FY 2015-16.

Further, in case of RInfra-D, the Hon'ble Commission has deviated from the O&M norms specified in the MYT Regulations, 2011, and has been allowing the O&M expenses from FY 2012-13 to FY 2015-16 on the basis of actual O&M expenses, subject to prudence check, without applying the O&M norms specified in the MYT Regulations, 2011, on account of the fact that the O&M norms did not reflect the normative expenses accurately. Further, while truing up for FY 2012-13 in RInfra-D's Mid-term Review Order dated 26 June, 2015 in Case No. 4 of 2015, the Hon'ble Commission has allowed the actual O&M expenses by applying the Removal of Difficulty power.

Thus, there is a regulatory precedence of the Hon'ble Commission itself allowing the actual O&M expenses of a Distribution Licensee in the State of Maharashtra during the same Control Period, which is within the scope of MYT Regulations, 2011, on the rationale that the O&M norms specified in the MYT Regulations, 2011 are not appropriate. This precedence is directly applicable to MBPPL, as the O&M norms of TPC-D have been made applicable to MBPPL, which do not reflect the O&M norms of MBPPL.

In view of all the above, MBPPL respectfully submits that there is sufficient justification and rationale for allowing the actual O&M expenses incurred by MBPPL, as submitted in the audited accounts.

Hence, MBPPL requests the Hon'ble Commission to approve the actual O&M expenses of Rs. 3.21 crore for the Wires Business and Rs. 1.73 crore for the Retail Supply Business, in the truing up for FY 2015-16.

As the actual O&M expenses are required to be allowed in the true-up for FY 2015-16, there is no relevance of the computation of efficiency gains/losses, which has not been done.

2.6 Capital Expenditure and Capitalisation

The Hon'ble Commission, in the MYT Order, provisionally approved a capital cost of Rs. 44.72 Crore, as the opening balance for FY 2015-16, as against MBPPL's claim of Rs. 88.70 Crore, subject to further prudence check at the time of MTR Petition. In accordance with the above directive, MBPPL has submitted all the required supporting information and justification for the provisionally approved capital cost separately to the Hon'ble Commission for its approval and requests the Hon'ble Commission to approve the capital cost at the beginning of FY 2015-16, based on prudence check of the information submitted. For the purposes of this MTR Petition, MBPPL has accordingly considered the opening balance of GFA as Rs. 44.72 crore, as approved by the Hon'ble Commission in the MTR Order.

For the purposes of this MTR Petition, MBPPL has considered the actual capitalisation of Rs. 7.59 crore and Rs. 0.25 crore for the Wires Business and Supply Business in FY 2015-16.

2.7 Debt:Equity Ratio

MBPPL has considered the funding of the capitalisation in accordance with Regulation 30 of the MERC MYT Regulations, 2011, which allows the normative debt:equity ratio of 70:30, after deducting the consumer contribution.

2.8 Depreciation

MBPPL has computed the depreciation for FY 2015-16 as per Regulation 31 of MERC MYT Regulations, 2011, on the average GFA for the year, considering the capitalisation projected during the year. Since, the operation of distribution licensee has started from April 9 of 2015, the depreciation has been considered from April 9,

2015. Further, no depreciation has been considered on the assets funded by consumer contribution.

2.9 Interest on Long-Term Loan Capital

MBPPL has computed the interest on normative Loan against the capitalisation shown in earlier paragraphs. For arriving at the debt component, the normative debt: equity ratio of 70:30 has been considered. The depreciation has been considered as normative repayment of loan during the year. The interest on loan had been calculated on the normative loan by applying the weighted average rate of 11.15% in accordance with Regulation 33.6 of the MYT Regulations, 2011. Further, this normative loan of Rs. 62.10 Crore has been refinanced in May 2015 by taking an actual loan from IDFC Bank at the interest rate of 11.15% on drawdown date. Accordingly, MBPPL has considered the interest rates based on refinanced loan and computed the Interest on Long-Term Loan Capital for FY 2015-16 as per Regulation 33 of the MERC MYT Regulations, 2011.

2.10 Interest on Working Capital

MBPPL has computed Interest on Working Capital as per Regulation 35 of the MERC MYT Regulations, 2011, for composite Distribution Wires and Retail Supply Business. It has considered the State Bank Advance Rate of 14.05% as on date of filing of present Petition.

2.11 Interest on Consumer Security Deposits

The actual Consumer Security Deposit (CSD) collected in FY 2015-16 was Rs. 3.57 crore, as against Rs. 3.79 crore considered in the MYT Order. MBPPL has claimed the actual interest on CSD paid/adjusted in FY 2015-16 of Rs. 0.32 crore, as recorded in its audited accounts.

2.12 Return on Equity

MBPPL has computed the Return on Equity for the composite business, since, MERC MYT Regulations, 2011 specifies the rate of return for Distribution Wires and Retail Supply Business as 15.5% and 17.5%, respectively.

2.13 Income Tax

In MYT Order, Hon'ble Commission has stated that at the time of true-up for FY 2015-16, the Income Tax allowable shall be computed on the basis of the actual income and expenditure. This is the same approach being followed for other Distribution Licensees such as RInfra-D and TPC-D, whose regulated business is part of a Company, and separate Income Tax is not paid for the regulated business, but for the Company as a whole.

Accordingly, MBPPL has calculated the Income Tax for the regulated Distribution Licensee business for FY 2015-16, based on the revenue and expenses offered for true-up in this Petition. The detailed calculations of Income Tax are provided in Form 12 of the Formats prescribed by the Hon'ble Commission, which have been submitted along with this Petition.

2.14 Provisioning for Bad Debts

MBPPL has not considered any provisioning for bad debts as no such provisioning has been done in its audited accounts for FY 2015-16.

2.15 Contribution to Contingency Reserves

The contribution to contingency reserves for FY 2015-16 has been considered at 0.50% of the opening GFA, as approved by the Hon'ble Commission in the MYT Order in Case No. 10 of 2016.

2.16 Non-Tariff Income

MBPPL has considered the actual Non-Tariff Income of Rs. 0.29 Crore, based on the audited accounts for FY 2015-16, which comprises income from service connection and other charges and income from electricity deposits.

2.17 Revenue from Sale of Electricity

MBPPL has considered the actual revenue from sale of electricity for FY 2015-16 based on the audited accounts. It may be noted that the approved ceiling tariff applicable in MBPPL's licence area, which was based on MSEDCL's approved tariff, was a

composite tariff for the entire FY 2015-16, and hence, it is not possible to separate the revenue from Wheeling Charges and Retail Supply Tariff, and hence, the revenue of MBPPL for FY 2015-16 has to be seen in a combined manner. In the MYT Order in Case No. 10 of 2016, the Hon'ble Commission has also considered the revenue from sale of electricity in a consolidated manner.

2.18 Aggregate Revenue Requirement

The consolidated ARR of MBPPL for FY 2015-16 is summarised as under:

Table 2-2: Aggregate Revenue Requirement for FY 2015-16

Sr. No.	Particulars	MYT Order			Actual for true-up		
		Consolidated ARR	Wires Business	Supply Business	Consolidated ARR	Wires Business	Supply Business
1	Power Purchase cost (Incl. InSTS Charges & MSLDC Fees & Charges)	34.49	-	34.49	35.43	-	35.43
2	O&M Expenses	3.08	2.07	1.01	4.94	3.21	1.73
3	Depreciation	2.19	2.10	0.08	2.36	2.28	0.08
4	Interest on Loan Capital	3.42	3.30	0.12	3.94	3.83	0.11
5	Interest on Working Capital	0.43	0.04	0.39	0.50	0.05	0.45
6	Interest on CSD	0.29	0.03	0.26	0.32	0.03	0.29
7	Provision for bad and doubtful debts	-	-	-	-	-	-
8	Contribution to contingency reserves	0.22	0.22	0.01	0.23	0.22	0.01
9	Income Tax	0.50	0.45	0.05	2.22	2.00	0.22
10	Total Revenue Expenditure	44.62	8.21	36.41	49.93	11.62	38.31
11	Add: Return on Equity	2.12	2.03	0.08	2.24	2.14	0.10
12	Aggregate Revenue Requirement	46.74	10.24	36.49	52.18	13.77	38.41
13	Less: Non-Tariff Income	0.02	-	0.02	0.30	-	0.30
14	Less: Income from other business	-	-	-	-	-	-
15	Total Aggregate Revenue Requirement	46.72	10.24	36.48	51.88	13.77	38.12
18	Revenue from sale of Electricity	58.80			58.17		
19	Revenue Gap/(Surplus)	(12.08)			(6.29)		

2.19 Revenue Gap/(Surplus)

In the MYT Order, the Hon'ble Commission has already passed through the Revenue Surplus of Rs. 12.08 crore computed after provisional truing up for FY 2015-16 spread

equally over the 4 years of the MYT Control Period, viz., Rs. 3.02 crore in each year from FY 2016-17 to FY 2019-20. The revised Tariffs to be approved by the Hon'ble Commission after truing up for FY 2015-16 and FY 2016-17 and provisional true-up for FY 2017-18, shall be in force for FY 2018-19 and FY 2019-20. The category-wise tariffs approved for FY 2016-17 and FY 2017-18 are already reduced to that extent. As the Revenue Surplus for FY 2015-16 computed by MBPPL works out to be lower, at Rs. 6.29 crore, MBPPL has spread the Revenue Surplus of Rs. 6.29 crore, in the following manner:

Table 2-3: Revenue gap/(surplus) for FY 2015-16

Sr. No.	Particulars	MYT Order	After Final True-Up
A	Revenue Gap/(Surplus) adjusted in the ARR		
1	of FY 2016-17	(3.02)	(3.02)
2	of FY 2017-18	(3.02)	(3.02)
3	of FY 2018-19	(3.02)	(0.25)
4	of FY 2019-20	(3.02)	-
	Total	(12.08)	(6.29)

Accordingly, the Carrying/ (Holding) Cost on above Revenue Gap/ (Surplus) has been considered while computing the cumulative Revenue Gap/ (Surplus) for FY 2018-19 and FY 2019-20.

3 Truing up for FY 2016-17 and Provisional Truing up for FY 2017-18

In accordance with Regulation 8.2 of the MYT Regulations, 2015, the Mid-Term Review Petition shall include comparison of actual operational and financial performance vis-à-vis the approved forecast for the first two years, i.e., FY 2016-17 and FY 2017-18.

Accordingly, MBPPL submits the Truing up for FY 2016-17 and Provisional Truing up for FY 2017-18. The Truing up for FY 2016-17 has been prepared on the basis of audited segmental accounts of MBPPL's Distribution Licensee Business and in accordance with the provisions of MYT Regulations, 2015, as applicable. The copy of audited

segmental accounts of MBPPL's Distribution Licensee Business for FY 2016-17 is attached to this Petition.

Since, FY 2017-18 is already over, the actual values of energy sales, power purchase and revenue have been considered for FY 2017-18. Accordingly, the provisional Truing up for FY 2017-18 has been prepared based on the actual values of energy sales, power purchase, revenue and estimated values of capitalisation and other revenue expenditure and; in accordance with the provisions of MYT Regulations, 2015, as applicable.

3.1 Energy Sales

As against the approved sales of 94.19 MU for FY 2016-17, the actual energy sales realised in FY 2016-17 is lower at 82.88 MU. The reduction in actual sales is because of partial occupancy of Building Nos. 9 and 12. The actual energy sales for FY 2016-17 has been considered for Truing up purpose.

For the purpose of the provisional Truing up for FY 2017-18, MBPPL has considered the actual sales for FY 2017-18 .

3.2 Distribution Loss

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The Hon'ble Commission, in the MYT Order, approved the distribution loss of 0.64% for the Control Period from FY 2016-17 to FY 2019-20 on the basis of actual distribution loss of FY 2015-16 after excluding the transformation losses.

After considering the actual energy sales, actual energy purchase and actual Intra-State Transmission Loss based on State Grid Loss account maintained by MSLDC, the actual distribution loss for FY 2016-17 and FY 2017-18 have been worked out as 0.80% and 0.91%, respectively. The same has been claimed for truing up for FY 2016-17 and the provisional Truing up for FY 2017-18.

3.3 Power Purchase Cost

The actual power purchase quantum and cost for FY 2016-17 is shown in the following Table:

Table 3-5: Power Purchase Cost for FY 2016-17

Source of Power (Station wise)	MYT Order			Actual for Truing up		
	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)
Purchase from Short-Term Source	20.82	8.08	3.88	23.36	8.82	3.78
Medium-Term PPA - Base Load	55.90	20.79	3.72	62.66	21.25	3.39
Medium-Term PPA - Peak Load	25.25	9.39	3.72	18.99	7.84	4.13
Sale of Surplus Power	(3.29)	(1.22)	3.72	(15.22)	(4.74)	3.11
Imbalance Pool	-	-	-	(3.09)	-	-
Rebate	-	-	-	-	(0.30)	-
Solar REC Purchase	-	0.35	3.50	-	0.26	-
Non-Solar Purchase	-	1.48	1.5	-	1.26	-
Total	98.67	38.86	3.94	86.70	34.39	3.97

The actual power purchase quantum and cost for FY 2017-18 is shown in the following Table:

Table 3-6: Power Purchase Cost for FY 2017-18

Source of Power (Station wise)	MYT Order			Actual for provisional Truing up		
	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)
Medium-Term PPA - Base Load	74.46	27.70	3.72	77.51	27.36	3.53
Medium-Term PPA - Peak Load	33.66	12.52	3.72	27.90	11.20	4.02
Sale of Surplus Power	-	-	-	(15.72)	(6.23)	3.97
Purchase of Additional Power	4.07	1.51	3.72	-	-	-
Imbalance Pool	-	-	-	(2.64)	-	-
Rebate	-	-	-	-	(0.35)	-
Solar REC Purchase	-	0.79	3.50	-	0.02	-

Source of Power (Station wise)	MYT Order			Actual for provisional Truing up		
	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Per unit cost (Rs./kWh)
Non-Solar Purchase	-	1.77	1.50	-	1.51	-
Total	112.19	44.29	3.95	87.05	33.50	3.85

3.4 O&M Expenses

For computing the normative O&M expenses, the actual O&M expenses claimed for Truing up for FY 2015-16 has been considered as Base Year O&M Expenses. Further, the normative O&M expenses for FY 2016-17 and FY 2017-18 have been derived by applying the escalation factor of 4.75% on Base Year O&M Expenses. It is submitted that there is sufficient justification and rationale for allowing the actual O&M expenses incurred by MBPPL, as submitted in the audited accounts for FY 2016-17.

Further, for the purpose of provisional Truing up for FY 2017-18, the actual O&M expenses for first half of FY 2017-18 have been considered. The O&M expenses for second half for FY 2017-18 has been estimated based on existing contracts for services and past trends of the expenses.

3.5 Capitalisation

During FY 2016-17, MBPPL has achieved actual capitalisation of Rs. 0.55 Crore towards Non-DPR schemes. For FY 2017-18, MBPPL has estimated the capital expenditure and capitalisation of Rs. 0.42 Crore against Non-DPR schemes.

For the purpose of Truing up for FY 2016-17 and provisional Truing up for FY 2017-18, MBPPL has considered the normative debt:equity ratio of 70:30 in accordance with Regulation 26 of the MYT Regulations, 2015.

3.6 Depreciation

MBPPL has computed the depreciation for FY 2016-17 and FY 2017-18 in accordance with Regulation 27 of the MYT Regulations, 2015, by applying the asset class-wise

depreciation rate specified in the MYT Regulations, 2015 on the average asset class-wise GFA during the year.

3.7 Interest on Long Term Loan Capital

MBPPL has computed the Interest on Long Term Loan Capital in accordance with Regulation 29 of the MYT Regulations, 2015. The interest on loan had been calculated on the average normative loan for the year by applying the weighted average rate of 10.57% for FY 2016-17 and 10.45% for FY 2017-18 in accordance with Regulation 29.5 of the MYT Regulations, 2015.

3.8 Return on Equity

MBPPL has considered the RoE for FY 2016-17 and FY 2017-18 in accordance with Regulation 28 of the MYT Regulations, 2015. MBPPL has computed the RoE at 15.50% and 17.50% for the Wires Business and Supply Business.

3.9 Interest on Working Capital and Consumer's Security Deposit

MBPPL has computed the normative working capital requirement in accordance with the MYT Regulations, 2015, based on the individual components as claimed in earlier paragraphs. As regards the CSD, the actual CSD collected in FY 2016-17 was Rs. 3.84 crore. MBPPL has claimed the actual interest of Rs. 0.34 crore on CSD paid/adjusted in FY 2016-17, as recorded in its audited accounts.

3.10 Income Tax

The Income Tax has been computed on the regulatory Profit Before Tax for FY 2016-17. Further, in the MYT Order, the Hon'ble Commission held that the RoE-based methodology should be followed for computing the Income Tax for future years, where actual data is not available. In view of this, MBPPL has projected the Income Tax for FY 2017-18 based on the grossed-up RoE.

3.11 Provision for Bad and doubtful debts

MBPPL has not claimed any provision for Bad and doubtful debt for FY 2016-17 and FY 2017-18.

3.12 Contribution to Contingency Reserve

In line with the MYT Regulations, 2015 and the approach adopted by the Hon'ble Commission in the MYT Order, MBPPL has considered the Contribution to Contingency Reserve at 0.5% of cost of Fixed Assets for FY 2016-17 and FY 2017-18.

3.13 Non-Tariff Income

MBPPL has considered the actual Non-Tariff Income of Rs. 0.30 Crore, based on the audited accounts for FY 2016-17, which comprises income from service connection and other charges and income from electricity deposits. Further, for the purpose of provisional Truing up for FY 2017-18, the Non-Tariff Income towards service connection charges has been considered based on actual income incurred during FY 2016-17.

3.14 Aggregate Revenue Requirement for FY 2016-17 and FY 2017-18

The Summary of ARR for FY 2016-17 and FY 2017-18 for Distribution Wires Business is shown in the following Table:

Table 3-1: ARR Summary for Wires Business for FY 2016-17 and FY 2017-18 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17		FY 2017-18	
		MYT Order	Actual for Truing up	MYT Order	Estimated
1	Operation & Maintenance Expenses	2.18	3.37	2.24	3.55
2	Depreciation	2.26	2.52	2.37	2.54
3	Interest on Loan Capital	3.19	3.41	3.11	3.14
4	Interest on Working Capital	0.01	0.01	0.01	-
5	Interest on deposit from Consumers and Distribution System Users	0.05	0.03	0.06	0.04
6	Provision for bad and doubtful debts	-	-	-	-
7	Contribution to contingency reserves	0.23	0.25	0.24	0.26
8	Income Tax	0.45	0.30	0.45	0.57
9	Total Revenue Expenditure	8.39	9.90	8.48	10.10
10	Add: Return on Equity Capital	2.16	2.38	2.26	2.40

Sr. No.	Particulars	FY 2016-17		FY 2017-18	
		MYT Order	Actual for Truing up	MYT Order	Estimated
11	Aggregate Revenue Requirement	10.55	12.28	10.75	12.50
12	Less: Non-Tariff Income	-	-	-	-
13	Less: Income from Other Business	-	-	-	-
14	Total Aggregate Revenue Requirement	10.55	12.28	10.75	12.50

The Summary of ARR for FY 2016-17 and FY 2017-18 for the Retail Supply Business is shown in the following Table:

Table 3-2: ARR Summary for Retail Supply Business for FY 2016-17 and FY 2017-18 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17		FY 2017-18	
		MYT Order	Actual for Truing up	MYT Order	Estimated
1	Power Purchase Expenses (including Inter-State Transmission Charges)	38.86	34.39	44.29	33.50
2	Operation & Maintenance Expenses	1.07	1.82	1.10	1.91
3	Depreciation	0.10	0.09	0.10	0.09
4	Interest on Loan Capital	0.13	0.11	0.12	0.10
5	Interest on Working Capital	0.13	0.08	0.12	-
6	Interest on Consumer Security Deposit	0.49	0.31	0.56	0.35
7	Provision for bad and doubtful debts	-	-	-	-
8	Contribution to contingency reserves	0.01	0.01	0.01	0.01
9	Intra-State Transmission Charges	4.04	4.89	5.18	5.18
10	MSLDC Fees & Charges	0.01	0.01	0.02	0.02
11	Income Tax	0.05	0.03	0.05	0.06
12	Total Revenue Expenditure	44.88	41.75	51.55	41.22
13	Add: Return on Equity Capital	0.10	0.09	0.10	0.09
14	Aggregate Revenue Requirement	44.98	41.83	51.64	41.31
15	Less: Non-Tariff Income	0.01	0.30	0.01	0.05
16	Less: Income from other business	-	-	-	-
17	Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-	-
18	Less: Receipts on account of Additional Surcharge, if any	-	-	-	-
19	Aggregate Revenue Requirement from Retail Supply	44.97	41.54	51.63	41.26

3.15 Revenue Gap/(surplus) for FY 2016-17 and FY 2017-18

MBPPL has computed the combined Revenue Gap/(Surplus) for FY 2016-17 and FY 2017-18 as shown in the following Table:

Table 3-3: Revenue Gap/(Surplus) for FY 2016-17 and FY 2017-18 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17		FY 2017-18	
		MYT Order	Actual for Truing up	MYT Order	Estimated
1	ARR for Distribution Wires Business	10.55	12.28	10.75	12.50
2	ARR for Retail Supply Business	44.97	41.54	51.63	41.26
3	Combined ARR for Wires and Retail Supply Business	55.52	53.82	62.38	53.76
4	Add; Revenue Gap/(Surplus) for FY 2015-16	(3.02)	(3.02)	(3.02)	(3.02)
5	Less: Revenue from sale of electricity	52.53	52.96	59.4	44.74
6	Revenue Gap/(Surplus)	(0.04)	(2.16)	(0.04)	6.00

MBPPL requests the Hon'ble Commission to approve the Revenue Gap/(Surplus) after final truing up for FY 2016-17 and provisional true-up for FY 2017-18 as shown in the above Table.

4 Aggregate Revenue Requirement for FY 2018-19 and FY 2019-20

4.1 Energy Sales

In the MYT Order, the Hon'ble Commission has approved the energy sales of 112.37 MU for FY 2018-19 and 117.51 MU for FY 2019-20, which includes the energy sales towards Building No. 15. However, there is a delay in construction of Building 15, and it is expected to commence construction of the same in April 2018, and the Building is expected to be completed beyond the Control Period, i.e., after FY 2019-20. Based on the present status of buildings, MBPPL has projected the energy sales for FY 2018-19 and FY 2019-20.

4.2 Distribution Loss

The Hon'ble Commission in the MYT Order has approved the distribution loss of 0.64% on the basis of actual distribution loss of FY 2015-16 after excluding the transformation losses. MBPPL has established the distribution network primarily on the higher voltage level of 22 kV. Consequently, the Distribution Losses on account of technical losses in the system are very low. The actual Distribution Loss for FY 2017-

18 is 0.91%. In view of this, MBPPL has projected Distribution Loss of 0.91% for FY 2018-19 and FY 2019-20.

4.3 Energy Balance

For projecting the Energy Balance for FY 2018-19 and FY 2019-20, MBPPL has considered the projected energy sales, distribution loss and InSTS loss of 3.92% as approved by the Hon'ble Commission in the MYT Order. Accordingly, MBPPL has projected the energy requirement for MBPPL at the State periphery for FY 2018-19 and FY 2019-20

4.4 Power Purchase Expenses

MBPPL, in the present Petition, submits the estimated Power Purchase quantum and cost of power purchase for FY 2018-19 and FY 2019-20 as shown in the following Table:

Table 4-1: Power Purchase for MBPPL for FY 2018-19 and FY 2019-20

Particulars	Source	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
Power Purchase Quantum (MU)	Source for Base Load - JPL	74.46	74.46	74.46	74.66
	Source for Peak Load - GMRETL	33.66	34.30	33.66	34.43
	Purchase of Solar REC	-	-	-	-
	Purchase of Non-Solar REC	-	-	-	-
	Sale of Surplus Power	-	(11.24)	-	(9.60)
	Purchase of additional Power	9.59	-	14.97	-
	Total		117.71	97.52	123.09
Power Purchase Cost (Rs. Crore)	Source for Base Load - JPL	27.70	29.24	27.70	29.74
	Source for Peak Load - GMRETL	12.52	14.01	12.52	14.29
	Purchase of Solar REC	1.13	0.27	1.51	0.35
	Purchase of Non-Solar REC	1.94	1.07	2.12	1.15
	Sale of Surplus Power	-	(3.35)	-	(2.91)
	Purchase of additional Power	3.57	-	5.57	-
	Total		46.86	41.24	49.42

Particulars	Source	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
Average Power Purchase Rate (Rs./kWh)	Source for Base Load as per the Medium-Term PPA	3.72	3.93	3.72	3.98
	Source for Peak Load as per the Medium-Term PPA	3.72	4.09	3.72	4.15
	Purchase for Solar REC	-	-	-	-
	Purchase for Non-Solar REC	-	-	-	-
	Sale of Surplus Power	-	2.98	-	3.03
	Purchase of additional Power	3.72	-	3.72	-
	Total		3.98	4.23	4.02

4.5 Transmission Charges and MSLDC Charges

MBPPL has projected the Transmission Charges and MSLDC Charges as determined by the Hon'ble Commission vide Order dated July 22, 2016 in Case No. 91 of 2016.

4.6 Operation & Maintenance Expenses

In continuation of the rationale discussed in earlier Section of this Petition, MBPPL requests the Hon'ble Commission to allow the actual O&M expenses based on the existing contracts for services and suitable escalation factor for FY 2018-19 and FY 2019-20.

4.7 Capital Expenditure and Capitalisation

For FY 2018-19 and FY 2019-20, MBPPL has proposed capitalisation towards the installation of harmonic filters in order to maintain the quality of supply at interconnection point. MBPPL has proposed capitalisation of Rs. 0.90 Crore for FY 2018-19 and Rs. 0.90 Crore for FY 2019-20, towards Non-DPR schemes since capital expenditure to be incurred is less than 10 Crore. No capitalisation has been projected towards any metering scheme, i.e., under Retail supply business.

4.8 Debt: Equity Ratio

MBPPL has considered the normative debt:equity ratio of 70:30 as provided in Regulation 26 of the MERC MYT Regulations, 2015.

4.9 Depreciation

MBPPL has calculated depreciation as per Regulation 27 of the MERC MYT Regulations, 2015 for the Distribution Wires and Retail Supply Business, separately by applying the average depreciation rate of 5.28% on the average GFA during the year.

4.10 Interest on Loan

MBPPL has computed the Interest on Loan as per Regulation 29 of the MERC MYT Regulations, 2015. The interest rate has been considered based on the weighted average interest rate of the actual loan basket of MBPPL.

4.11 Interest on Working Capital and Consumers' Security Deposit

MBPPL has computed the normative IoWC as per Regulation 31 of the MYT Regulations, 2015, for the composite Distribution Wires and Supply Business. The rate of interest has been considered equivalent to the 1-year MCLR, as on date of filing of the present Petition, plus 150 basis points, i.e., 9.75%. The same Interest rate has been considered for computation of Interest on Consumer's Security Deposit, in accordance with the provisions of MYT Regulations, 2015, as amended from time to time.

4.12 Return on Equity

MBPPL has computed the Return on Equity Capital for the Control Period in accordance with Regulation 28 of the MERC MYT Regulations, 2015 for Distribution Wires and Retail Supply Business separately.

4.13 Income Tax

In MYT Order, the Hon'ble Commission held that the RoE-based methodology should be followed for computing the Income Tax for future years, where actual data is not available. In view of this, MBPPL has projected the Income Tax for FY 2018-19 and FY 2019-20 based on the grossed-up RoE.

4.14 Provisioning for Bad Debts

MBPPL has not considered any provisioning for bad and doubtful debts as it has not envisaged any outstanding receivables for FY 2018-19 and FY 2019-20, based on past trend.

4.15 Contribution to Contingency Reserves

In line with the approach adopted by the Hon'ble Commission in the MYT Order, MBPPL has considered the Contribution to Contingency Reserve at 0.5% of cost of Fixed Assets for FY 2018-19 and FY 2019-20.

4.16 Non-Tariff Income

MBPPL has considered the Non-Tariff income of Rs. 0.05 Crore each for FY 2018-19 and FY 2019-20 mainly towards the income from consumer charges levied in accordance with Schedule of Charges approved by the Hon'ble Commission.

4.17 Aggregate Revenue Requirement

The Summary of ARR for FY 2018-19 and FY 2019-20 for Distribution Wires Business is shown in the following Table:

Table 4-2: ARR Summary for Wires Business for FY 2018-19 and FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
1	Operation & Maintenance Expenses	2.31	3.99	2.38	4.44
2	Depreciation	2.52	2.58	2.60	2.63
3	Interest on Loan Capital	3.09	2.59	2.93	2.40
4	Interest on Working Capital	0.01	0.01	0.01	0.01
5	Interest on deposit from Consumers and Distribution System Users	0.07	0.04	0.07	0.04
6	Provision for bad and doubtful debts	-	-	-	-
7	Contribution to contingency reserves	0.26	0.26	0.27	0.26
8	Income Tax	0.45	0.58	0.45	0.59
9	Total Revenue Expenditure	8.71	10.04	8.70	10.38
10	Add: Return on Equity Capital	2.42	2.43	2.49	2.47
11	Aggregate Revenue Requirement	11.13	12.48	11.19	12.85
12	Less: Non-Tariff Income	-	-	-	-
13	Less: Income from Other Business	-	-	-	-
14	Total Aggregate Revenue Requirement	11.13	12.48	11.19	12.85

The Summary of ARR for FY 2018-19 and FY 2019-20 for the Retail Supply Business is shown in the following Table:

Table 4-3: ARR Summary for Retail Supply Business for FY 2018-19 and FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
1	Power Purchase Expenses (including Inter-State Transmission Charges)	46.86	41.24	49.42	42.61
2	Operation & Maintenance Expenses	1.13	2.15	1.16	2.39
3	Depreciation	0.10	0.09	0.10	0.09
4	Interest on Loan Capital	0.11	0.08	0.10	0.07
5	Interest on Working Capital	0.11	0.02	0.10	0.04
6	Interest on Consumer Security Deposit	0.59	0.32	0.61	0.32
7	Provision for bad and doubtful debts	-	-	-	-
8	Contribution to contingency reserves	0.01	0.01	0.01	0.01
9	Intra-State Transmission Charges	5.79	5.79	5.81	5.81
10	MSLDC Fees & Charges	0.02	0.02	0.02	0.02
11	Income Tax	0.05	0.06	0.05	0.07
12	Total Revenue Expenditure	54.77	49.79	57.38	51.43
13	Add: Return on Equity Capital	0.10	0.09	0.10	0.09
14	Aggregate Revenue Requirement	54.86	49.87	57.48	51.52
15	Less: Non-Tariff Income	0.01	0.05	0.01	0.05
16	Less: Income from other business	-	-	-	-
17	Less: Receipts on account of Cross-Subsidy Surcharge	-	-	-	-
18	Less: Receipts on account of Additional Surcharge, if any	-	-	-	-
19	Aggregate Revenue Requirement from Retail Supply	54.85	49.82	57.47	51.47

MBPPL requests the Hon'ble Commission to approve the ARR for Distribution Wires Business and Retail Supply Business for FY 2018-19 and FY 2019-20 as shown in the above Tables.

5 Tariff Philosophy and Tariff Design

5.1 Past Revenue Gap/(surplus)

The Revenue Surplus for FY 2015-16 has been spread over the period from FY 2016-17 onwards as approved by the Hon'ble Commission. After adjusting the Revenue

Surplus of Rs. 3.02 each in FY 2016-17 and FY 2017-18, the remaining amount of Revenue Surplus has been adjusted in FY 2018-19. The rate of interest for computing the carrying/(holding) cost has been considered same as that considered for computing the IoWC for the respective year, in accordance with the applicable MYT Regulations, 2015.

Similarly, the Revenue Gap/(Surplus) arising out of Truing up for FY 2016-17 and carrying/(holding) cost on such revenue gap/(surplus) has been proposed to be recovered in FY 2018-19.

Further, the Revenue Gap/(Surplus) arising out of provisional Truing up for FY 2017-18 has been considered to be recovered in FY 2018-19 and FY 2019-20 in order to smoothen the tariff increase. No carrying/(holding) cost has been considered on the amount arising out of provisional Truing up for FY 2017-18, in accordance with approach adopted by the Hon'ble Commission in previous Tariff Orders, wherein carrying/(holding) cost is considered only on the amount arising out of final Truing up for any year.

5.2 Revenue Gap/(Surplus) at Tariff approved in MYT Order

After taking into account the projected ARR and past Revenue Gaps/(Surplus) along with carrying/(holding) cost, the Revenue Gap/(Surplus) at existing tariff has been computed as shown in the following Table:

Table 5-1: Revenue Gap/(Surplus) at Tariff approved in MYT Order (Rs. Crore)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
1	ARR for Wires Business	11.12	12.48	11.19	12.85
2	ARR for Retail Supply Business	54.85	49.82	57.47	51.47
3	Combined ARR for Wires and Retail Supply Business	65.97	62.30	68.66	64.32
4	Add: Revenue Gap/(surplus) for Truing up for FY 2015-16	(3.02)	(0.24)	(3.02)	-
5	Add: Carrying/(holding) cost for Truing up for FY 2015-16	-	(1.15)	-	-
6	Add: Revenue Gap/(surplus) for Truing up for FY 2016-17	-	(2.16)	-	-
7	Add: Carrying/(holding) cost for Truing up for FY 2016-17	-	(0.44)	-	-

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
8	Add: Revenue Gap/(Surplus) for Provisional Truing up for FY 2017-18	-	1.20	-	4.80
9	Net ARR for recovery	62.95	59.50	65.64	69.11
10	Less: Revenue from approved Tariff	62.96	52.57	65.63	54.42
11	Revenue Gap/(Surplus)	(0.01)	6.94	(0.01)	14.69

The tariff approved for FY 2018-19 and FY 2019-20 in the MYT Order does not meet the Net ARR of the Wires and Retail Supply Business. The gap between Average Cost of Supply (ACoS) and Average Billing Rate (ABR) has been computed as shown in the following Table:

Table 5-2: Projected Revenue Requirement and ACoS for FY 2018-19 and FY 2019-20

Particulars	FY 2018-19	FY 2019-20
Net ARR for recovery (Rs. Crore)	59.50	69.11
Energy Sales (MU)	92.84	94.72
Average Cost of Supply (ACoS) (Rs. /kWh)	6.41	7.30
Average Billing Rate (ABR)	5.66	5.75
ACoS-ABR Gap (Rs. /kWh)	0.75	1.55

Accordingly, it is proposed to increase the average tariff by Rs. 0.75/kWh in FY 2018-19 and Rs. 1.55/kWh (over the tariff prevalent in FY 2017-18) in FY 2019-20, in order to meet the projected revenue requirement. Accordingly, the Net ARR for recovery, ACoS and proposed tariff increase is shown in the following Table:

Table 5-3: Proposed ACoS and tariff increase for FY 2018-19 and FY 2019-20

Particulars	FY 2018-19 (existing)	FY 2018-19 (Proposed)	FY 2019-20 (Proposed)
Net ARR for recovery (Rs. Crore)	52.57	59.50	69.11
ACoS (Rs. /kWh)	5.66	6.41	7.30
Proposed Tariff Hike (%)	-	13.20%	13.84%

5.3 Determination of Wheeling Charges

Common Wheeling charges have been proposed for HT and LT category based on the ARR for Wires Business and projected energy sales as under:

Table 5-4: Proposed Wheeling Charges for FY 2018-19 and FY 2019-20

Particulars	FY 2018-19		FY 2019-20	
	Approved in MYT Order	Proposed	Approved in MYT Order	Proposed
ARR for Distribution Wires Business (Rs. Crore)	10.61	12.48	10.70	12.85
Energy Sales (MU)	112.37	92.84	117.51	94.72
Wheeling Charges (Rs. /kWh)	0.94	1.34	0.91	1.36

5.4 Philosophy for Retail Supply Tariff

MBPPL proposes the following tariff philosophy for the determination of Retail Supply Tariff for the Control Period:

Fixed/Demand Charges

The Hon'ble Commission has retained the existing Fixed/Demand Charges, which are not at par with other Distribution Licensees in the State. Also, the recovery from the approved Fixed/Demand Charges is only 18% of the fixed cost, which is very low. There is an urgent need to increase the Fixed/Demand Charges from the present level, in order to increase the recovery of the fixed cost incurred by MBPPL through Fixed/Demand Charges. Hence, MBPPL has proposed to increase the Fixed/Demand Charges at par with the approved Fixed/Demand charges for MSEDCL for FY 2018-19 and FY 2019-20. MBPPL respectfully requests the Hon'ble Commission that the Fixed/Demand Charges may be increased further, in line with any increase that may be approved for other Distribution Licensees in the State based on the respective MTR Petitions filed by the Distribution Licensees.

The proposed increase in Fixed/Demand Charges will increase the revenue from Fixed/Demand Charges up to 26% and 27% of the fixed cost incurred by MBPPL in FY 2018-19 and FY 2019-20, respectively.

Reduction of Cross-subsidy

MBPPL, in its MYT Petition, had proposed category wise tariffs such that the ABR for all consumer categories would be equal to ACoS, so as not to create any cross-subsidy keeping in view the objective of the Act, as the tariffs were being determined for the first time for MBPPL. However, in the MYT Order, the Hon'ble Commission stated that it is not inclined to eliminate the cross-subsidy entirely for the time being and determined tariffs so as to minimise the level of cross-subsidy considering the consumer profile and consumption mix.

MBPPL has proposed the category-wise tariffs such that while cross-subsidy has not been eliminated entirely, the Gap between ACoS and ABR has been minimised. The ABR for all categories has been proposed within $\pm 20\%$ of ACoS for FY 2018-19 and FY 2019-20, as mandated by the Tariff Policy.

Time of Day Tariff

As per the approved Tariff Schedule, the following Time of Day (ToD) Tariff is applicable for HT Industrial, HT-Commercial, LT Industrial and LT Commercial category having load above 20 kW:

Table 5-5: Existing Time of the Day Tariff

Time Slot	Energy Charge (Rs./kWh)
2200 Hrs - 0600 Hrs	(1.50)
0600 Hrs - 0900 Hrs & 1200 Hrs - 1800 Hrs	0.00
0900 Hrs - 1200 Hrs	0.80
1800 Hrs - 2200 Hrs	1.10

The implementation of ToD tariff is revenue-neutral for MBPPL. Any under or over recovery arising from its implementation will be met through tariff at the time of Truing up. MBPPL has hence, proposed to continue with the ToD Tariff approved by the Hon'ble Commission in the MYT Order. In case the Hon'ble Commission decides to review the applicable ToD tariffs across the Distribution Licensees in the State, then such revised ToD tariffs would also be applicable for MBPPL.

5.5 Tariff Proposal for the Control Period from FY 2018-19 and FY 2019-20

Based on the tariff philosophy discussed in the earlier paragraphs, MBPPL proposes the following tariff for its area of supply for FY 2018-19 and FY 2019-20:

Table 5-6: Proposed Tariff for FY 2018-19

Consumer Category	FY 2017-18 (Existing applicable Tariff)			FY 2018-19 (Approved in MYT Order)			FY 2018-19 (Proposed in the present Petition)		
	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)
HT Categories									
HT I: HT -Industry	Rs. 190 per kVA	0.95	4.27	Rs. 190 per kVA	0.95	4.27	Rs. 270 per kVA	1.34	4.32
HT II: HT Commercial	Rs. 190 per kVA	0.95	4.25	Rs. 190 per kVA	0.95	4.25	Rs. 270 per kVA	1.34	4.50
LT Categories									
LT I: LT General Purpose	Rs. 190	0.95	4.46	Rs. 190	0.95	4.46	Rs. 270	1.34	4.85
LT II (A): LT Commercial (0-20 kW)	Rs. 190	0.95	4.55	Rs. 190	0.95	4.55	Rs. 270	1.34	4.90
LT II (B): LT Commercial (Above 20 kW)	Rs. 190 per kVA	0.95	4.55	Rs. 190 per kVA	0.95	4.55	Rs. 270 per kVA	1.34	4.55
LT III (A): LT Industry (0-20 kW)	Rs. 190	0.95	4.55	Rs. 190	0.95	4.55	Rs. 270	1.34	4.55
LT III (B): LT Industry (Above 20 kW)	Rs. 190 per kVA	0.95	4.55	Rs. 190 per kVA	0.95	4.55	Rs. 270 per kVA	1.34	4.55
TOD Tariffs (in addition to above Base Tariff(s) -compulsory for HT I, HT II, LT II (B) and LT III (B))									
2200 Hrs-0600 Hrs			(1.50)			(1.50)			(1.50)
0600 Hrs-0900 Hrs & 1200 Hrs-1800 Hrs			-			-			-
0900 Hrs-1200 Hrs			0.80			0.80			0.80
1800 Hrs-2200 Hrs			1.10			1.10			1.10

Table 5-7: Proposed Tariff for FY 2019-20

Consumer Category	FY 2017-18 (Existing applicable Tariff)			FY 2019-20 (Approved in MYT Order)			FY 2019-20 (Proposed in the present Petition)		
	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)	Fixed/Demand Charge per month	Wheeling Charges (Rs. /kWh)	Energy Charges (Rs. /kWh)
HT Categories									
HT I: HT -Industry	Rs. 190 per kVA	0.95	4.27	Rs. 190 per kVA	0.95	4.34	Rs. 290 per kVA	1.36	5.12
HT II: HT Commercial	Rs. 190 per kVA	0.95	4.25	Rs. 190 per kVA	0.95	4.75	Rs. 290 per kVA	1.36	5.45
LT Categories									
LT I: LT General Purpose	Rs. 190	0.95	4.46	Rs. 190	0.95	4.46	Rs. 290	1.36	5.85
LT II (A): LT Commercial (0-20 kW)	Rs. 190	0.95	4.55	Rs. 190	0.95	4.58	Rs. 290	1.36	5.90
LT II (B): LT Commercial (Above 20 kW)	Rs. 190 per kVA	0.95	4.55	Rs. 190 per kVA	0.95	4.58	Rs. 290 per kVA	1.36	5.35
LT III (A): LT Industry (0-20 kW)	Rs. 190	0.95	4.55	Rs. 190	0.95	4.58	Rs. 290	1.36	5.40
LT III (B): LT Industry (Above 20 kW)	Rs. 190 per kVA	0.95	4.55	Rs. 190 per kVA	0.95	4.58	Rs. 290 per kVA	1.36	5.35
TOD Tariffs (in addition to above Base Tariff(s) -compulsory for HT I, HT II, LT II (B) and LT III (B))									
2200 Hrs-0600 Hrs			(1.50)			(1.50)			(1.50)
0600 Hrs-0900 Hrs & 1200 Hrs-1800 Hrs			-			-			-
0900 Hrs-1200 Hrs			0.80			0.80			0.80
1800 Hrs-2200 Hrs			1.10			1.10			1.10

MBPPL humbly requests the Hon'ble Commission to approve the category-wise tariffs for FY 2018-19 and FY 2019-20 as proposed above.

Further, MBPPL submits the present level of cross-subsidy and the proposed trajectory for reduction of cross-subsidy, as shown in the Table below:

Table 5-8: Cross-Subsidy Trajectory for FY 2018-19

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)			Ratio of Average Billing Rate to Projected Average Cost of Supply (%)			% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Existing Tariff #	Previous Tariff Order*	Proposed Tariff	Existing Tariff #	Previous Tariff Order*	Proposed Tariff		
HT Category	6.39								
HT I		5.41	5.52	6.38	85%	100%	100%	12%	13%
HTII		5.50	5.80	6.41	86%	105%	100%	13%	15%
LT Category									
LT I (G-P)		-	5.52	-	0%	100%	0%	0%	0%
LT II (A)		5.63	5.62	6.41	88%	101%	100%	12%	14%
LT II (B)		6.19	7.22	8.21	97%	130%	128%	17%	16%
LT III (A)		5.79	5.53	6.41	91%	100%	100%	9%	9%
LT III (B)		5.49	5.73	6.72	86%	103%	105%	12%	13%

Note: * - considered the ABR and cross-subsidy approved by the Commission for the previous year, i.e., FY 2017-18, in order to show the trajectory of cross-subsidy

- Existing tariff means tariff approved in MYT Order for FY 2018-19

Table 5-9: Cross-Subsidy Trajectory for FY 2019-20

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)			Ratio of Average Billing Rate to Projected Average Cost of Supply (%)			% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Existing Tariff#	Previous Tariff Order*	Proposed Tariff	Existing Tariff#	Previous Tariff Order*	Proposed Tariff		
HT Category	7.49								
HT I		5.48	5.57	7.26	73%	99%	99%	21%	27%
HTII		6.00	6.43	7.30	80%	115%	100%	18%	22%
LT Category									
LT I (G-P)		-	5.62	-	0%	100%	0%	0%	0%
LT II (A)		5.66	5.71	7.33	76%	102%	100%	23%	30%
LT II (B)		6.21	7.29	9.13	83%	130%	125%	28%	28%
LT III (A)		5.82	5.62	7.30	78%	100%	100%	19%	24%
LT III (B)		5.52	5.80	7.60	74%	104%	104%	22%	27%

Note: * - considered the ABR and cross-subsidy approved by the Commission for the previous year, i.e., FY 2018-19, in order to show the trajectory of cross-subsidy

- Existing tariff means tariff approved in MYT Order for FY 2019-20

5.6 Determination of Cross Subsidy Surcharge

MBPPL has computed CSS by adopting the Formula stipulated in the Tariff Policy, as under:

Table 5-10: Proposed Cross-Subsidy Surcharge for FY 2018-19 and FY 2019-20

Consumer Category	T (ABR)	C	L	C/(1-L%)	D	R	CSS
	Rs./kWh	Rs./kWh	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
FY 2018-19							
HT I	6.38	4.23	4.83%	4.44	1.34	-	0.59
HT II	6.38	4.23	4.83%	4.44	1.34	-	0.62
FY 2019-20							
HT I	7.26	4.28	4.83%	4.50	1.36	-	1.40
HT II	7.30	4.28	4.83%	4.50	1.36	-	1.45

MBPPL humbly requests the Hon'ble Commission to approve the category-wise Cross Subsidy Surcharge for the Control Period as proposed above.

5.7 Schedule of Charges

The Hon'ble Commission has approved the Schedule of Charges for MBPPL in the MYT Order. MBPPL has not proposed any revision to the Schedule of Charges approved by the Hon'ble Commission.

6 Prayers

MBPPL prays to the Hon'ble Commission as under:

- To admit the Mid Term Review Petition as per the provisions of the MYT Regulations, 2015 as amended from time to time and consider for further proceedings before the Hon'ble Commission;
- To approve the Truing up and Revenue Gap/(Surplus) for FY 2015-16 and FY 2016-17 and recovery of the same through tariff, as proposed by MBPPL;
- To revise the approved O&M expenses for FY 2015-16 and FY 2016-17 and future years based on the detailed justification submitted by the Petitioner;

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- (d) To approve the provisional Truing up and Revenue Gap/ (Surplus) for FY 2017-18 and recovery of the same through tariff, as proposed by MBPPL;
 - (e) To approve Aggregate Revenue Requirement for FY 2018-19 and FY 2019-20 and its recovery through tariff, as proposed by MBPPL;
 - (f) To approve Retail Supply Tariff for FY 2018-19 and FY 2019-20 and the tariff schedule, as proposed by MBPPL;
 - (g) To invoke its powers under Regulation 102 of the MYT Regulations, 2015 in order to allow deviations from the MYT Regulations, 2015 wherever sought in this Petition;
 - (h) Allow additions/alterations/modifications/changes to the Petition at a future date;
 - (i) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued;
 - (j) Condone any inadvertent errors/inconsistencies/omissions/rounding off differences, etc., as may be there in the Petition.