



महाराष्ट्र MAHARASHTRA

2024

CY 159054



प्रधान मुद्रांक कार्यालय, मुंबई
प.मु.वि.क्र १००००३०
- 2 JAN 2025
सकल अधिकारी

श्रीमती रांगिता जाधव

BEFORE
THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
MUMBAI

PETITION NO. 229 OF 2024

IN THE MATTER OF

THE PETITION OF MAHARASHTRA AIRPORT DEVELOPMENT COMPANY LIMITED FOR APPROVAL OF TRUING UP OF FY 2020-21 TO FY 2023-24, PROVISIONAL TRUING UP OF FY 2024-25, AND AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FROM FY 2025-26 TO FY 2029-30 FOR ITS DISTRIBUTION BUSINESS IN ACCORDANCE WITH REGULATION 5.1 (A) OF THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2024
AND



IN THE MATTER OF
MAHARASHTRA AIRPORT DEVELOPMENT COMPANY LIMITED (MADC)
8th Floor, World Trade Centre,
Cuffe Parade,
Mumbai - 400005

... Petitioner

AFFIDAVIT VERIFYING THE PETITION

I, **Vijay M. Pardhi**, aged 46 years, son of Shri. Marotrao Pardhi having my office at Colaba, Mumbai, do solemnly affirm and say as follows:

1. I am the authorized signatory of Maharashtra Airport Development Company Limited, the applicant in the above matter and am duly authorized by the said applicant to make this affidavit.
2. The statements made in the Petition, are true to my knowledge and belief based on the information received and I believe them to be true.
3. I say that there are no proceedings pending in any court of law/tribunal or arbitrator or any other authority, wherein the Petitioner is a party and where issues arising and/or reliefs sought are identical or similar to the issues arising in the matter pending before the Hon'ble Commission.

I solemnly affirm at Mumbai on this 10th day of January 2025 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Identified before me

Petitioners

Authorized signatory,



Maharashtra Airport Development Company Limited
(MADC)

BEFORE ME


R. R. SHARMA

B.Sc., (Hon.), LL.B. ★
ADVOCATE HIGH COURT
NOTARY, GOVT. OF INDIA
Flat No. 304, 3rd Floor, Building No. I-4,
Moonam Sagar Complex Co-op. Hsg. Soc
Near Allahabad Bank, Mira Road (E),
Thane, Maharashtra-401104

10 JAN 2025



NOTARY Reg. No. 226/2025
Date 10 JAN 2025

Before the Maharashtra Electricity Regulatory Commission

Mumbai

Filing No.:

Case No.:

IN THE MATTER OF

THE PETITION OF MAHARASHTRA AIRPORT DEVELOPMENT COMPANY LIMITED FOR APPROVAL OF TRUING UP OF FY 2020-21 TO FY 2023-24, PROVISIONAL TRUING UP OF FY 2024-25, AND AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FROM FY 2025-26 TO FY 2029-30 FOR ITS DISTRIBUTION BUSINESS IN ACCORDANCE WITH REGULATION 5.1 (A) OF THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2024

AND

IN THE MATTER OF **Maharashtra Airport Development Company Limited**

8th Floor, World Trade Centre, Cuffe Parade,
Mumbai-400005. Petitioner

PETITIONER, UNDER SECTIONS 61, 62 and 64 OF THE ELECTRICITY ACT, 2003 AND UNDER THE MERC (TRANSACTION OF BUSINESS AND FEES AND CHARGES) REGULATIONS 2022, FILES FOR APPROVAL BY THE HON'BLE COMMISSION OF ITS PETITION FOR TRUING UP OF FY 2020-21 TO FY 2023-24, AND PROVISIONAL TRUING UP OF FY 2024-25 UNDER THE MERC (MULTI YEAR TARIFF) REGULATIONS, 2019, AND AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2025-26 TO FY 2029-30 UNDER THE MERC (MULTI YEAR TARIFF) REGULATIONS, 2024, FOR ITS DISTRIBUTION BUSINESS.

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LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administrative and General
ABR	Average Billing Rate
ACOS	Average Cost of Supply
AMNEPL	Abhijeet MADC Nagpur Energy Pvt. Ltd.
AMR	Automatic Meter Reading
ARR	Aggregate Revenue Requirement
BG	Bank Guarantee
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
Cr.	Crores
CSD	Consumers' Security Deposit
CSS	Cross Subsidy Surcharge
CT	Current Transformer
DG	Diesel Generator
DPR	Detailed Project Report
EA	Electricity Act, 2003
FAC	Fuel Adjustment Charge
FY	Financial Year
GFA	Gross Fixed Assets
GoM	Government of Maharashtra
Hon'ble	Honourable
HT	High Tension
IEX	Indian Energy Exchange
IoWC	Interest on Working Capital
kV	Kilovolt
kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere
kW	Kilo-Watt
kWh	Kilo-Watt Hour
LF	Load Factor
LOI	Letter of Intent
LT	Low Tension
MADC	Maharashtra Airport Development Company
MAT	Minimum Alternate Tax

Abbreviation	Description
MCLR	Marginal cost of funds-based lending rate
MERC	Maharashtra Electricity Regulatory Commission
MIHAN	Multi-modal International Cargo Hub and Airport at Nagpur
MoP	Ministry of Power
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSETCL	Maharashtra State Electricity Transmission Company Limited
MSLDC	Maharashtra State Load Despatch Centre
MU	Million Units
MW	Mega Watt
MVA	Mega Volt Ampere
MYT	Multi Year Tariff
NFA	Net Fixed Assets
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
PPA	Power Purchase Agreement
R&M	Repairs & Maintenance
RCoS	Retail Cost of Supply
RE	Renewable Energy
REC	Renewable Energy Certificate
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SEZ	Special Economic Zone
SLDC	State Load Dispatch Centre
STU	State Transmission Utility
T&D	Transmission & Distribution
ToD	Time of Day
TSU	Transmission System User
TTSC	Total Transmission System Cost
UI	Unscheduled Interchange
VCMD	Vice Chairman and Managing Director
WPI	Wholesale Price Index
YoY	Year on Year

1 Background

1.1 Company Profile and related history

- 1.1.1.1 Maharashtra Airport Development Company Limited (“MADC” or “The Petitioner”), was constituted in the year 2002 as a Special Purpose Company by Government of Maharashtra to develop a Multi-modal International Hub Airport at Nagpur (“MIHAN”) in the State of Maharashtra to provide regional air connectivity. The Petitioner has been playing a lead role in the implementation of MIHAN project and other airport projects across the State of Maharashtra. MADC is a Company incorporated under the Companies Act and has its registered office at 8th Floor, World Trade Centre I, Cuffe Parade, Mumbai- 400005.
- 1.1.1.2 On 02.01.2007, with a view to provide an efficient, uninterrupted supply of power in the MIHAN area, the Petitioner issued an advertisement inviting proposals from interested parties for the selection of a Joint Venture partner for the development of a coal based power plant. Pursuant to the above mentioned advertisement on 24.04.2007, MADC selected Abhijeet Group to implement the Project in association with the Petitioner on a Build, Operate and Transfer basis.
- 1.1.1.3 Abhijeet MADC Nagpur Energy Pvt. Ltd. (AMNEPL) was created as joint venture with the Abhijeet Group and as of today, MADC holds 26% of the issued equity capital in AMNEPL. On 22.06.2007, the Memorandum of Association (MoA) and the Articles of Association (AoA) of AMNEPL was executed. A Concession Agreement (“The Agreement”) was executed between MADC and AMNEPL on 07.11.2007 pursuant to the competitive bidding process.
- 1.1.1.4 Thereafter, the development of the Project was initiated by AMNEPL and simultaneously, the Petitioner started the development of the Distribution Network. The first Unit of the Project was declared commissioned on January 6, 2011 by AMNEPL. Thereafter, the remaining Units were declared commissioned by AMNEPL with the fourth Unit being declared as commissioned on August 1, 2011.

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- 1.1.1.5 The Hon'ble Commission, vide Order dated 3 August, 2012 in Case No.16 of 2011, of declared the Petitioner to be the Deemed Distribution Licensee for the notified SEZ area of MIHAN, Nagpur, Maharashtra. The Hon'ble Commission notified the Specific Conditions of Distribution Licence for MADC on 3 December, 2013.
- 1.1.1.6 The Petitioner submitted its Petition dated 13.07.2012, for adoption of Tariff and approval for modification in the Concession Agreement dated 7.11.2007 between the Petitioner and AMNEPL, after both the parties mutually agreed to put a clause in the Concession Agreement to make it compliant with the provisions of the Electricity Act, 2003. In the first hearing of the matter that took place on 17.08.2012, the Petitioner requested the permission of the Hon'ble Commission to file an amended Petition. The Petitioner, in its amended Petition, admitted that it had proceeded on the wrong legal basis in the original Petition and submitted that the tariff determination for distribution and retail supply of electricity to the consumers in the MIHAN SEZ area would be covered under Section 62(1) (d) of the Act. In the second hearing on the matter on 22.10.2012, the Petitioner sought permission to withdraw the Petition. The Commission, vide its Order dated 5.12.2012 in Case No. 65 of 2012, allowed the Petitioner to withdraw the Petition.
- 1.1.1.7 On 15.02.2013, AMNEPL submitted a Petition for approval of Capital Expenditure and determination of Tariff for sale of firm power generated from one Unit of 61.5 MW of the power plant. The Petitioner submitted an Intervention Application in the matter on 08.04.2013 stating that it is being filed pursuant to the Concession Agreement dated 07.11.2007 entered between the Petitioner and AMNEPL. However, the Petitioner had not submitted any application to the Commission for obtaining approval of Power Purchase Agreement for procuring power from AMNEPL. Further, in the entire process of bidding and signing of Concession Agreement, no prior approval from the Commission was obtained. The Commission recognized the fact that the Concession Agreement had been originally signed considering the power supply from a Captive Power Plant directly to the consumers and was never meant to be for supply of power to a Distribution Licensee. Hence, the Concession Agreement could not be construed as a

Power Purchase Agreement between AMNEPL as Generating Company and MADC as Distribution Licensee. The Commission, vide its Order dated 23.08.2013 in Case No. 23 of 2013 rejected the Petition for determination of tariff filed by AMNEPL.

- 1.1.1.8 At this time, a dispute arose between the Petitioner and AMNEPL and default notices were issued by both, the Petitioner and AMNEPL to each other. On 23.10.2013, AMNEPL issued notice of default to the Petitioner. Subsequently on 24.10.2013, AMNEPL arbitrarily and unilaterally issued the 'notice of intent to terminate' the Agreement to the Petitioner. Thereafter, the Project was shut down by AMNEPL on 05.11.2013 unilaterally, and power was being supplied by AMNEPL using DG sets.
- 1.1.1.9 On 26.11.2013, the Petitioner replied to the said 'notice of default' as well as 'notice of intent to terminate' and urged AMNEPL to withdraw the said notices as they were misconceived and issued in complete derogation of the mechanism prescribed under the Agreement. On 24.01.2014, AMNEPL extended the cure period of its notice dated 24.10.2013 further by a period of two months, but in the mid of March 2014, AMNEPL had shut down their DG Sets and stopped supplying power to consumers. The Petitioner, in its Petition in Case No. 62 of 2014 dated 11.03.2014 submitted that AMNEPL had shut down their DG sets and stopped supplying power to MIHAN SEZ area and requested the Commission to pass suitable directions to secure the supply of power. Thereafter, the Petitioner also issued a 'notice of default' dated 13.03.2014, pointing out the various defaults on the part of AMNEPL.
- 1.1.1.10 The Hon'ble Commission, in its Daily Order dated 11.04.2014, recognized that based on statistics of interruptions provided, there was an emergent situation for which ad-interim arrangement was needed to be in place for providing uninterrupted supply of power to the consumers. The Hon'ble Commission based on the hearing on 11.04.2014 enquired MSEDCL regarding its preparedness to supply the power to the consumers in the Petitioner's area, to which MSEDCL confirmed the availability of power and its readiness to supply at the earliest. Subsequently, the Hon'ble Commission issued a Corrigendum on 15.04.2014 to the Daily Order dated 11.04.2014 and included MSETCL to settle the technical details of actual management of transmission,

distribution and associated system between the four parties (AMNEPL, the Petitioner, MSEDCL and MSETCL). AMNEPL challenged the Daily Order dated 11.04.2014 before the Hon'ble Bombay High Court. The Hon'ble High Court directed AMENPL to file any rejoinder by 30 April, 2014 and directed the Hon'ble Commission to issue the Order afresh on or before 6 May, 2014 after hearing all parties.

1.1.1.11 AMNEPL in its subsequent submissions dated 25 April, 2014 and 27 April, 2014 could not submit details related to the emergent situation. The Hon'ble Commission also noted that MSEDCL further submitted that there was no technical issue for supplying power by AMNEPL and MSEDCL to consumers. However, if any technical issue arises in future the same will be resolved by the Petitioner, AMNEPL, MSETCL and MSEDCL. After hearing all the parties, the Hon'ble Commission vide its Order dated 06.05.2014 in Case No. 62 of 2014, directed that the consumers would be enabled with an option to get uninterrupted power from MSEDCL, and MSEDCL would start supplying power to such consumers who have applied to it. For supplying to the consumers who desire to take supply from MSEDCL, MSEDCL after processing their request to supply them with power might use the transmission/distribution network of AMNEPL and the Petitioner, wherever necessary, for which MSEDCL would pay appropriate charges. This would be an interim arrangement and both parties (AMNEPL and the Petitioner) were free to approach the Hon'ble Commission, once normalcy was restored.

1.1.1.12 On 26.07.2014, AMNEPL issued notice of termination to the Petitioner. On 10.04.2015, AMNEPL claimed Rs. 2101.52 Crore from the Petitioner as termination claim.

1.1.1.13 The Petitioner submitted a Petition dated 31.07.2014, as Deemed Distribution Licensee for the Multimodal International Hub Airport at Nagpur (MIHAN) Special Economic Zone (SEZ) area, for approval of short-term power procurement and Tariff. The Petitioner also proposed Average Cost of Supply (ACoS) as Rs 4.386 per Unit. It also proposed the consumer category-wise tariff to be applied to its consumers on a provisional basis. The Hon'ble Commission vide its Order dated 20.01.2015 in Case No. 149 of 2014 noted that MSEDCL was another Distribution Licensee in the same area. Thus, the

Petitioner's licence area fell under the proviso to Section 62(1) of the EA, 2003 which provides that, in case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may fix a ceiling tariff for retail sale of electricity. MSEDCL's tariff was the only approved tariff for the area. Hence, the Hon'ble Commission ruled that the tariff approved for the respective consumer categories of MSEDCL would be the ceiling Tariff for the MIHAN SEZ area. To the extent that such proposed tariff is lower than the ceiling tariff, i.e., MSEDCL's Tariff for the respective consumer categories, the Petitioner was at liberty to apply the same to its own consumers.

1.1.1.14 The Hon'ble Commission, vide its Daily Order dated 18.11.2014, also ruled that the Petitioner may procure power through Power Exchange or through competitive bidding under short-term to meet its power requirement. Pursuant to the above Order of the Hon'ble Commission, after obtaining proprietary membership of the Indian Energy Exchange (IEX), the Petitioner started purchasing power through IEX from 22 November, 2014 on a day-ahead basis and supplied power to the consumers in MIHAN SEZ area. The Petitioner has purchased power through IEX up to February 2015 at rates varying between Rs.3.26 per kWh and Rs. 3.56 per kWh. Since IEX rates were changing every day, the Petitioner purchased power from Lloyds Metals and Energy Ltd. through competitive bidding for March 2015 at Rs.3.50 per kWh for the period from 00:00 Hrs to 24:00 Hrs., and at Rs.3.90 per kWh for the period from 12:00 Hrs to 18:00 Hrs. The Petitioner started purchasing power through IEX again from 1 April, 2015, and continued to purchase power through IEX up to 10 June, 2015.

1.1.1.15 The Petitioner called for tenders for short-term procurement of power, and issued a Letter of Intent (LOI) to MSEDCL on 9 June, 2015 to supply power to the Petitioner at Rs.3.15/kWh for 11 months from 11 June, 2015 to 30 April, 2016. Since 11 June, 2015, the Petitioner had been purchasing power from MSEDCL at Rs.3.15/kWh at the interface point of 220 kV AMNEPL Bus and MSETCL Transmission Network at Khairi-Khurd, Hingna, Nagpur. Upon the request of the Petitioner, MSEDCL extended the contract period of supply by 6 months, which was up to 31 October, 2016.

1.1.1.16 The Petitioner is using the 220 kV Transmission system of AMNEPL for

supplying power to consumers in MIHAN SEZ and paying provisionally to AMNEPL at Rs. 0.1425 per kWh (75% of the billed rate of Rs.0.19 per kWh by AMNEPL).

1.1.1.17 The Hon'ble Commission, vide its Daily Order dated 13.10.2016, allowed the Petitioner to charge consumers in the MIHAN SEZ area based on the category-wise tariff applicable to MSEDCL consumers, as modified from time to time, as the ceiling tariff, till its ARR and tariff are determined by the Commission. The Hon'ble Commission also directed the Petitioner to issue a tender for short-term power procurement as per the MoP Guidelines of 2016 and to file a Petition for the adoption of the short-term PPA arrived at on that basis, by 30 November, 2016. The Hon'ble Commission also allowed the existing arrangement with MSEDCL to be continued till 31.12.2016.

1.1.1.18 Pursuant to the approval of the Hon'ble Commission, the Petitioner floated tender inviting bids on 24.11.2016 through an e-tendering process. However, as only single bid was received from MSEDCL and as the Petitioner endeavoured to have a more competitive process, it decided to scrap the present tender and to re-initiate the process of tendering as per the 2016 MoP Guidelines.

1.1.1.19 At the hearing on 26.12.2016, the Petitioner sought approval for the continuation of the existing arrangement for the supply of power by MSEDCL for 3 months, i.e., for a further period from 1 January to 31 March, 2017. During the extended period, the Petitioner would undertake a re-tendering process as per the 2016 MoP Guidelines so as to finalize the short-term power procurement.

1.1.1.20 The Hon'ble Commission, vide its Order dated 27.12.2016 in Case No. 175 of 2016, directed the Petitioner to float its tender on the MSTC portal on an immediate basis and undertake the entire competitive bidding process strictly in accordance with the 2016 MoP Guidelines, and file its Petition for the adoption of the procurement rate and PPA to the Commission by 15 February, 2017. The short-term power procurement based on this competitive bidding process would start from 1 March, 2017 and subsist for the period of 6 months. In the meantime, the Hon'ble Commission allowed the Petitioner to procure power from MSEDCL in accordance with the existing arrangement up to

28.02.2017.

- 1.1.1.21 The Petitioner floated a tender for 3-7 MW for the period from 01.03.2017 to 31.08.2017 on MoP's E-Bidding portal and placed Letter of Acceptance (LOA) with MSEDCL @ Rs. 3.33/kWh.
- 1.1.1.22 The Hon'ble Commission, vide its Order dated 28.02.2017 in Case No. 31 of 2017, approved the PPA between the Petitioner and MSEDCL and adopted Rs. 3.33/kWh as the power purchase cost.
- 1.1.1.23 The Petitioner submitted another Petition on 26.07.2017 seeking approval to undertake procurement of power for one year from 1.9.2017 in accordance with the Ministry of Power (MoP), Govt. of India's 'Guidelines for short-term Procurement of Power ('MoP Guidelines') and related matters.
- 1.1.1.24 The Hon'ble Commission, vide its Order dated 4.8.2017 in Case No. 116 of 2017, approved the power procurement plan for one year from 1.9.2017 to 31.8.2018. After following competitive bidding process, Petitioner submitted its petition for approval of PPA and adoption of Tariff for 4-9 MW short-term power purchase from 1.9.2017 to 31.8.2018 from MSEDCL at a rate of Rs.4.01/kWh, which was approved by the Hon'ble Commission vide its Order dated 30.8.2017 in Case No. 125 of 2017.
- 1.1.1.25 The Petitioner thereafter submitted a Petition on 27.06.2018 seeking approval for procurement of power for the period from 1.9.2018 to 31.08.2019 through tariff-based bidding process. The Petitioner also sought permission from the Hon'ble Commission to procure power from IEX in case requirement of power in the MIHAN SEZ increases from 12 MW.
- 1.1.1.26 The Hon'ble Commission, vide its Order dated 19.7.2018 in Case No. 191 of 2018, approved the power procurement plan for one year from 1.9.2018 to 31.8.2019. After following competitive bidding process, the Petitioner submitted its petition for approval of PPA and adoption of Tariff for short-term power purchase from 1.9.2018 to 31.8.2019 from MSEDCL at a rate of Rs.4.89/kWh, which was approved by the Hon'ble Commission vide its Order dated 20.8.2018 in Case No. 238 of 2018.
- 1.1.1.27 As the above period was coming to an end, the Petitioner submitted the

Petition on 22.07.2019 seeking approval for its power procurement plan and to undertake competitive bidding for power procurement for the period from 01.09.2019 to 31.8.2020. The Petitioner also sought permission from the Hon'ble Commission to procure power from IEX in case requirement of power in the MIHAN SEZ increases from 16 MW.

1.1.1.28 The Hon'ble Commission, vide its Order dated 13.8.2019 in Case No. 165 of 2019, approved the power procurement plan for one year from 01.09.2019 to 31.8.2020. After following competitive bidding process, the Petitioner submitted its Petition for seeking consent from the Hon'ble Commission to select the single bidder, i.e., MSEDCL and stated that on approval of Hon'ble Commission, it will file separate Petition for approval of PPA and adoption of Tariff for short-term power purchase from 1.9.2019 to 31.8.2020 from MSEDCL at a rate of Rs.4.89/kWh. The Hon'ble Commission, in its Order dated 30.8.2019 in Case No. 244 of 2019, adopted the power procurement rate of Rs.4.89/kWh for the period from 01.09.2019 to 31.08.2020.

1.1.1.29 Based on the practice adopted for power procurement, the Petitioner submitted a Petition on 21.08.2020 seeking approval for its power procurement plan and to undertake competitive bidding for power procurement for the period from 01.09.2020 to 28.02.2021 and procurement of power from IEX in case requirement of power in the MIHAN SEZ increases from 16 MW. E-hearing was held on 26.08.2020 and Order was issued on 29.08.2020, wherein the Hon'ble Commission approved extension of short-term PPA with MSEDCL for a further period of 6 months from 01.09.2020 to 28.02.2021 at Rs. 4.89/kWh.

1.1.1.30 Further, as term of aforesaid PPA was expiring on 28 February 2021, MADC initiated competitive bidding process as per the guidelines dated 30 January, 2019 issued by the MoP and accordingly, the bid was floated on DEEP Portal. However, MADC received only one bid of MSEDCL and E- Reverse Auction was carried on 4 February, 2021 wherein MSEDCL quoted tariff of Rs. 5.25/kWh. MSEDCL, being single bidder, MADC requested MSEDCL to offer discount vide letter dated 18 February, 2020, which was refused by MSEDCL. As existing Short-Term PPA with MSEDCL was to expire on 28 February, 2021, MADC placed LOA with MSEDCL for supply of power from 1 March,

2021 to 28 February, 2025 at price Rs. 5.25/kWh discovered through competitive bidding.

1.1.1.31 Pursuant to the aforesaid bidding process, MADC approached the Hon'ble Commission for adoption of tariff discovered through competitive bidding. The Hon'ble Commission, in its Order dated 3 May, 2021 in Case No. 20 of 2021, rejected the adoption of Tariff Rs. 5.25/kWh, being non-reflective of market price. However, the Hon'ble Commission allowed MADC to continue scheduling of power against LoA issued at rate of Rs. 5.25/kWh in order to maintain continuity of power supply to consumers in MIHAN SEZ. The relevant extract from the said Order is provided below:

"13.6 The Commission notes that discovered rate of Rs 5.25/kWh through competitive bidding is exclusive of interstate transmission charges and transmission losses (since the source is intrastate). Whereas tariff for the contract which expired on 28 February, 2021 was Rs 4.89/ kWh (inclusive of interstate transmission charges and transmission losses). MSEDCL is power supplier in both the cases. Thus, new discovered rate is on higher side.

.....

13.12 Hence, the Commission is of considered opinion that such high rate cannot be adopted under Section 63 of the EA, 2003 as it is not reflective of market price."

1.1.1.32 The Hon'ble Commission also directed MADC to undertake re-bidding of its power requirement, complete the procedure and file the Petition for adoption of tariff within six months from the date of the said Order. Accordingly, appropriate view on this issue based on new rate as discovered in re-bidding process will be considered and accordingly the Hon'ble Commission may disallow certain power purchase expenses during Multi Year Tariff (MYT) Order.

1.1.1.33 Accordingly, as directed by the Hon'ble Commission, MADC filed Petition on 30 September, 2021, seeking approval of power procurement plan, PPA and adoption of Tariff for medium-term power procurement of 16 MW starting from 1 November, 2021 to 31 October, 2025. The maximum requirement for first year was stated to be 13 MW with increase of 1 MW every year so that maximum requirement for fourth year would become 16 MW. The requirement was worked out based on Availability Based Tariff (ABT) meter

data of MADC for March to June 2021. Also, the payment of Energy Charge was based on 'final implemented schedule' at interface point, i.e., Interface of MSETCL and AMNEPL at 220 kV Khiri Khurd Hingana substation.

1.1.1.34 Manikaran Power Limited (MPL) emerged as the lowest bidder with quoted lump sum rate of Rs. 4.48 per kWh which included fixed charges as Rs. 2.24 per kWh to be paid on the basis of 'Declared Capacity' as per load profile and energy charges as Rs. 2.24 per kWh to be paid on the basis of 'final implemented schedule' at interface point. The Hon'ble Commission vide its Order dated 28 October, 2021 in Case No. 137 of 2021, adopted tariff for power procurement for the period from 01.11.2021 to 31.10.2025 at Rs.4.48/kWh from MPL.

1.1.1.35 The Petitioner is in the process of floating tender for medium term power procurement from 01.11.2025 onwards. Presently, necessary arrangement is under progress for processing of tender.

1.2 History to previous Tariff Petition filing

1.2.1.1 The Hon'ble Commission notified the MERC (Multi Year Tariff) Regulations, 2015 on 8th December, 2015 effective from 01.04.2016 for the 3rd Control Period from FY 2016-17 to FY 2019-20.

1.2.1.2 In the Order dated 10th May, 2016 (Case No. 47 of 2015), the Hon'ble Commission directed the Petitioner to file MYT Petition within three months, i.e., till August 2016. This was further extended by three months, i.e., till November 2016. The Petitioner further requested to extend the submission period by another 3 months, i.e., till February 2017. The Petitioner requested the Hon'ble Commission for the final extension for one month, i.e. till March 2017.

1.2.1.3 The Petitioner filed the petition for approval of Truing up of FY 2014-15 and FY 2015-16 as per Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 ('MYT Regulations 2011'), Provisional Truing up of FY 2016-17 and FY 2017-18, Projected Aggregate Revenue Requirement ("ARR") of FY 2018-19 and FY 2019-20 and Tariff for FY 2019-20 in accordance

with the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2015 ('MYT Regulations 2015'), for its Electricity Distribution Business on 3 July, 2017 (Case No. 96 of 2017).

1.2.1.4 The Hon'ble Commission issued the Order dated 23.12.2019 and returned the Petition with further direction to file fresh Petition covering the ARR of the Control Period as per MYT Regulations 2015 along with the ARR and other stipulated details for new Control Period from FY 2020-21 to FY 2024-25 under MYT Regulations, 2019 within three months from date of this Order.

1.2.2 The relevant extract of the Order is as given below:

"20. In view of the above findings, the Commission thinks it fit to return the present MYT Petition to MADC with direction to file fresh Petition covering the ARR of the present control period as per the MYT Regulations 2015 along with ARR and other stipulated details for new Control Period of FY 2020-21 to FY 2024-25 under MYT Regulations, 2019, within three months from date of this Order."

1.2.2.1 The Petitioner, vide its letter dated 19.03.2020 requested the Hon'ble Commission to allow the Petitioner 3 months more time due to appointment of Consultant only on 18th March 2020.

1.2.2.2 Considering the ongoing challenges due to COVID-19 pandemic, the Hon'ble Commission vide Order dated 29.08.2020 in Case No. 174 of 2020 also specifically extended the date of submission of the Petition to 30.11.2020. The relevant extract is as follows.

"Considering Covid-19 circumstances, the Commission deems it fit to grant additional 3 months to MADC for filing of MYT Petition. In case MADC fails to do so by 30 November 2020, the Commission would consider it as non-compliance of its Order and may imposed penalty as specified under Section 142 of the Electricity Act, 2003. To avoid such adverse action, MADC should file MYT Petition on or before 30 November 2020."

1.2.2.3 MADC filed its MYT Petition dated 23.12.2019 in Case No. 235 of 2020 for the fourth Control Period as per directions of the Hon'ble Commission and as per

the provisions of MYT Regulations 2019, seeking approval of:

- a) Final True-up of FY 2014-15 and FY 2015-16, in accordance with the provisions of the MERC MYT Regulations, 2011;
- b) Final True up of FY 2016-17 to FY 2019-20, in accordance with the provisions of the MERC MYT Regulations, 2015;
- c) ARR for each year of the Control Period from FY 2020-21 to FY 2024-25, in accordance with MERC MYT Regulations, 2019;
- d) Revenue from sale of power at existing Tariffs and projected Revenue Gap/(Surplus) for each year of the Control Period from FY 2020-21 to FY 2024-25, in accordance with MERC MYT Regulations, 2019; and
- e) Proposed category-wise Tariff for each year of the Control Period from FY 2020-21 to FY 2024-25, in accordance with MERC MYT Regulations, 2019.

1.2.2.4 The Hon'ble Commission after undertaking the due regulatory process issued the MYT Order for MADC on 21st July, 2022.

1.3 Filing of Present Petition under MERC MYT Regulations, 2024

1.3.1.1 The Hon'ble Commission notified the MERC (Multi Year Tariff) Regulations, 2024 ("MERC MYT Regulations, 2024") for the Control Period from FY 2025-26 to FY 2029-30, on 19 August, 2024. Being a Distribution Licensee in the State of Maharashtra, MADC is required to file the Petition for approval of Truing-up of FY 2020-21 to FY 2023-24, Provisional Truing-up of FY 2024-25 and determination of ARR and Tariff for the Control Period from FY 2025-26 to FY 2029-30, in accordance with the provisions of the MERC MYT Regulations, 2024.

1.3.1.2 Regulation 5 of the MERC MYT Regulations, 2024 specifies as under:

"5. Petitions to be filed in the Control Period –

5.1 The Petitions to be filed in the Control Period under these Regulations are as under: –

(a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and STU, and by November 30, 2024, by Distribution Licensees, comprising:

i. Truing-up for FY 2022-23 and FY 2023-24 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;

Provided that the Commission may, if it considers appropriate, carry out the Truing-up for years prior to FY 2022-23 under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019, along with the Truing-up for FY 2022-23, in case such Truing-up is yet to be completed;

ii. Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;

iii. Aggregate Revenue Requirement for each year of the Control Period under these Regulations;

iv. Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;

v. Proposed category-wise Tariff or Fees & Charges for each year of the Control Period under these Regulations;

1.3.1.3 Accordingly, MADC is hereby filing its MYT Petition requesting for approval of:

- a) Truing up for FY 2020-21 to FY 2023-24 in accordance with the provisions of MERC MYT Regulations, 2019;
- b) Provisional True up for FY 2024-25, in accordance with the provisions of the MERC MYT Regulations, 2019;
- c) ARR for each year of the Control Period from FY 2025-26 to FY 2029-30, in accordance with MERC MYT Regulations, 2024;
- d) Revenue from sale of power at existing Tariffs and projected Revenue Gap for each year of the Control Period from FY 2025-26 to FY 2029-30, in accordance with MERC MYT Regulations, 2024; and,
- e) Proposed category-wise Tariff for each year of the Control Period from FY 2025-26 to FY 2029-30, in accordance with MERC MYT Regulations, 2024.

1.4 Segregation of ARR into Wire Business and Supply Business

As regards the segregation of ARR into Wires Business and Supply Business for each component of ARR, the same has been considered as specified in the MERC MYT Regulations, 2019 and MERC MYT Regulations, 2024 as shown below:

Table 1-1: Allocation Matrix for segregation of ARR into Wires and Supply Business

Particulars	Wires Business	Supply Business
Power Purchase Expenses	0%	100%
Inter-State Transmission Charges	0%	100%
Intra-State Transmission Charges	0%	100%
Operation & Maintenance Expenses	65%	35%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%
Interest on Working Capital	10%	90%
Interest on Consumer Security Deposits	10%	90%
Provision for Bad & Doubtful Debts	10%	90%
Income Tax	90%	10%
Contribution to Contingency Reserves	90%	10%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

1.5 Structure of the Petition

The Petition consists of the following Chapters as outlined below:

Chapter 1: Background (Present Chapter)

Chapter 2: Truing up for FY 2020-21 to FY 2023-24

Chapter 3: Provisional Truing up for FY 2024-25

Chapter 4: ARR for the 5th Control Period from FY 2025-26 to FY 2029-30

Chapter 5: Cumulative Revenue Gap and Tariff Philosophy for the 5th Control Period from FY 2025-26 to FY 2029-30

Chapter 6: Proposed Tariff Schedule, Wheeling Charges and Cross-subsidy Surcharge for the fifth Control Period from FY 2025-26 to FY 2029-30

Chapter 7: Schedule of Charges

Chapter 8: Summary of Directives

Chapter 9: Prayers to the Hon'ble Commission

2 Truing-up for FY 2020-21 to FY 2023-24

- 2.1.1.1 The Petitioner has sought final Truing up of the ARR for FY 2020-21 to FY 2023-24 in accordance with the MYT Regulations, 2019, as specified in Regulation 5.1 (a)(i) of the MYT Regulations, 2024 based on the actual expenditure and revenue as per the audited Annual Accounts. The Petitioner has submitted the Audited Accounts of its Electricity Distribution business for FY 2020-21 to FY 2023-24, duly certified by the Statutory Auditor, as **Annexure 2 to Annexure 5**. The Petitioner further submits the Cost Audit Report for FY 2020-21 to FY 2023-24, as **Annexure 6 to Annexure 9**.
- 2.1.1.2 The Petitioner has presented the comparison of expenditure and revenue approved by the Hon'ble Commission in the MYT Order dated 21st July 2022 for FY 2020-21 to FY 2023-24 vis-à-vis the actual/audited performance. The Petitioner has considered the approved values as per MYT Order wherever applicable, for the purpose of providing justification for variation between the approved values and actuals/audited/claimed in Truing up of FY 2020-21 to FY 2023-24.

2.2 Energy Sales

- 2.2.1.1 The Hon'ble Commission, in the MYT Order in Case No. 235 of 2020, approved the energy sales of 71.04 MU for FY 2020-21, 76.96 MU for FY 2021-22, 82.88 MU for FY 2022-23, and 88.80 MU for FY 2023-24.
- 2.2.1.2 The Petitioner has submitted actual month-wise and category-wise energy sales for FY 2020-21 to FY 2023-24 in Form F1, along with the Petition. The Petitioner has submitted the month-wise and category-wise energy sales for FY 2020-21 and FY 2021-22 in kWh terms. However, for FY 2023-24 (from August 2023) onwards, the month-wise and category-wise energy sales have been submitted in kWh and kVAh terms, as the category-wise tariffs have been levied in kVAh terms from August 2023, but the energy balance and power purchase are considered in kWh terms for all years.
- 2.2.1.3 The actual sales of MADC were 62.60 MU, 66.29 MU, 73.34 MU, and 78.28 MU for FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24, respectively. Though the actual sales have increased year-on-year despite the impact of COVID-19 during this period, especially FY 2020-21 and FY 2021-22, the actual sales are

still lower than the approved sales for all the years. MADC submits that the sales have not increased as envisaged by the Petitioner and approved by the Hon'ble Commission in the MYT Order.

2.2.1.4 The Petitioner has considered the actual sales for the purpose of Truing up for FY 2020-21 to FY 2023-24, as shown in the following Tables:

Table 2-1: Energy Sales for FY 2020-21 and FY 2021-22 (MU)

Consumer Category	FY 2020-21		FY 2021-22	
	MYT Order	April-March (Audited)	MYT Order	April-March (Audited)
HT Category				
HT I	64.98	43.73	70.39	61.57
HT II - Commercial	2.82	16.02	3.06	2.04
Sub-total	67.80	59.75	73.45	63.61
LT Category				
LT I - Industry	1.44	0.99	1.56	0.92
LT II - Commercial	0.91	0.90	0.99	0.74
LT III - Street Light	0.88	0.95	0.95	1.01
LT IV - Public Services/ General Purpose	0.02	0.02	0.02	0.02
Sub-total	3.24	2.85	3.51	2.68
Total	71.04	62.60	76.96	66.29

Table 2-2: Energy Sales for FY 2022-23 and FY 2023-24 (MU)

Consumer Category	FY 2022-23		FY 2023-24	
	MYT Order	April-March (Audited)	MYT Order	April-March (Audited)
HT Category				
HT I	75.81	67.76	81.22	72.80
HT II - Commercial	3.29	2.70	3.53	2.66
Sub-total	79.10	70.46	84.75	75.46
LT Category				
LT I - Industry	1.68	1.06	1.80	1.03
LT II - Commercial	1.06	0.90	1.14	0.93
LT III - Street Light	1.02	0.90	1.09	0.84
LT IV - Public Services/ General Purpose	0.02	0.02	0.02	0.01
Sub-total	3.78	2.88	4.05	2.81

Consumer Category	FY 2022-23		FY 2023-24	
	MYT Order	April-March (Audited)	MYT Order	April-March (Audited)
Total	82.88	73.34	88.80	78.28

2.2.1.5 The Petitioner requests the Hon'ble Commission to true-up the actual energy sales for FY 2020-21 to FY 2023-24 as shown in the above Table.

2.3 Distribution Loss

2.3.1.1 In the MYT Order, the Hon'ble Commission had approved Distribution Loss of 0.94% for each year of the Control Period from FY 2020-21 to FY 2024-25, based on the actual Distribution Loss of FY 2019-20.

2.3.1.2 After considering the actual energy sales and the actual energy drawal at the interface point (T<>D Interface), as certified by MSLDC through its Gross Energy Consumption (GEC) certification, the actual distribution loss for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 have been computed as 0.51%, 1.94%, 1.27%, and 1.64%, respectively. The same have been claimed for truing up for FY 2020-21 to FY 2023-24.

2.3.1.3 For FY 2020-21 to FY 2023-24, the distribution losses are slightly higher as compared to the loss approved in the MYT Order, on account of the following reasons:

- a) The actual sales have been lower than approved in FY 2020-21 to FY 2023-24, as the sales have not increased as envisaged.
- b) It may be noted that the maximum load on MADC system is around 16 MW, though the transformation capacity of 160 MVA has been created anticipating much higher load. The Hon'ble Commission will anticipate that with such lower loading of transformers, the transformer 'no load losses' will be higher in absolute terms, and when the distribution losses are calculated in percentage terms based on the lower actual sales, the distribution losses in percentage terms are bound to be higher.
- c) Despite the above, MADC has been able to ensure that the distribution losses are well within control and have not exceeded 2%, which is creditable. In fact, the actual distribution loss in FY 2020-21 was only

0.51%, which is much lower than the approved distribution losses of 0.94%.

- d) The distribution system is entirely underground and the distribution losses in the system are purely technical losses, and there is no element of commercial losses or theft.

2.3.1.4 The Distribution Loss for FY 2020-21 to FY 2023-24 is shown in the following Tables:

Table 2-3: Distribution Loss for FY 2020-21 and FY 2021-22

Particulars	FY 2020-21		FY 2021-22	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Distribution Loss (%)	0.94	0.51	0.94	1.94

Table 2-4: Distribution Loss for FY 2022-23 and FY 2023-24

Particulars	FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Distribution Loss (%)	0.94	1.27	0.94	1.64

2.3.1.5 Regulation 9 of the MYT Regulations, 2019 specifies the Distribution Loss as a controllable factor and the mechanism for sharing of gains or losses on account of variation in Distribution Losses has also been specified in Regulation 11 of the MYT Regulations, 2019. The Petitioner requests the Hon’ble Commission not to consider any sharing of gains or losses vis-à-vis the distribution loss target for FY 2020-21 to FY 2023-24 at the time of truing up, as the Distribution Losses are purely technical losses, irrespective of whether there is an efficiency gain or loss. The variation of actual Distribution Loss as against approved losses depends entirely on the supply voltage, client demand patterns and transformer under loading conditions, over which the Petitioner has very little or no control.

2.3.1.6 Though the Petitioner has requested the Hon’ble Commission not to share the efficiency gains and losses on account of distribution losses, the Petitioner has computed the efficiency gain/loss for FY 2020-21 to FY 2023-24, in accordance with the approach adopted by the Hon’ble Commission for other Distribution Licensees, as shown in the Table below:

Table 2-5: Sharing of Gain/Loss on account of Distribution Loss from FY 2020-21 to FY 2023-24

Sr. No.	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Energy Sales	MU	62.60	66.29	73.34	78.28
2	Normative Distribution Loss	%	0.94%	0.94%	0.94%	0.94%
3	Energy Requirement at T< >D interface at normative Distribution Losses	MU	63.19	66.92	74.03	79.02
4	AMNEPL Transmission Loss	%	0.71%	1.00%	0.63%	0.63%
5	Intra-State Transmission Loss*	%	2.92%	3.20%	3.26%	3.28%
6	Energy Requirement at G< >T interface at normative Distribution Losses	MU	65.56	69.83	77.02	82.21
7	Energy input @ Actual Distribution Loss	MU	65.27	70.54	77.27	82.80
8	Increase/(Reduction) in Power Purchase quantum due to variation in distribution loss	MU	(0.28)	0.71	0.25	0.59
9	Average Power Purchase Rate	Rs. / unit	4.66	4.56	4.90	4.70
10	Efficiency (gain)/loss due to difference in actual and normative distribution loss	Rs. Crore	(0.13)	0.32	0.12	0.28
11	Amount to be retained by MADC (1/3rd of (gain)/loss)	Rs. Crore	(0.04)	0.11	0.04	0.09
12	Amount to be passed on to consumers by MADC (2/3rd of above (Gain)/loss)	Rs. Crore	(0.09)	0.22	0.08	0.18

*Note: * - intra-State Transmission Loss has been considered, though the Hon'ble Commission has not approved the same for MADC, based on detailed justification provided in subsequent paragraphs of the Petition. Also, if this is not done, even though MADC's actual distribution loss is lower than that approved in FY 2020-21, the calculations will show efficiency loss*

2.3.1.7 As can be seen from the above table, there is a net efficiency loss to the Petitioner except for FY 2020-21, after considering the loss on this account for FY 2021-22 to FY 2023-24. However, the Petitioner has submitted the computation in response to the Hon'ble Commission's directions and requests the Hon'ble Commission to not share the efficiency gains and losses on this account, due to reasons elaborated above.

2.3.1.8 **The Petitioner, hence, requests the Hon'ble Commission to approve the Distribution Losses of 0.51%, 1.94%, 1.27%, and 1.64% in the true-up for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, respectively.**

2.4 Energy Balance

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- 2.4.1.1 The Petitioner has considered the Energy Balance for FY 2020-21 to FY 2023-24 after considering the actual energy sales, actual Distribution Loss and actual energy purchased. Further, in case of MADC, applicable transmission losses are in two parts, viz., transmission losses on AMNEPL system and the intra-State Transmission System (InSTS) losses.
- 2.4.1.2 The Hon'ble Commission had approved the transmission losses on AMNEPL system for the Control Period from FY 2020-21 to FY 2024-25 as 0.63%, based on the actual losses observed in FY 2019-20. MADC has claimed the actual the transmission losses on AMNEPL system in the truing up for FY 2020-21 to FY 2023-24, at 0.71%, 1.00%, 0.63%, and 0.63% for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, respectively, based on the actual losses, which are purely technical losses over which MADC has no control.
- 2.4.1.3 As regards the InSTS losses, in the MYT Order, the Hon'ble Commission had not allowed the same in the Energy Balance of MADC, on the basis that the same are not applicable for MADC. The relevant extract of the MYT Order is reproduced below:

"5.4.6 However, as detailed out in the subsequent section of this order, it is observed that MADC has entered into power purchase agreement for the entire 4th Control Period, whereby power will be delivered and Commercial arrangement for power would be at interface point as 220 kV AMNEPL Bus and MSETCL transmission Network at Khairi-Khurd, Hingana, Nagpur. Accordingly, InSTS loss will not be applicable as power is scheduled at the AMNEPL bus bar which will be accounted for post InSTS loss. Hence, the Commission has not considered any InSTS loss for the projection purpose as the same will not be applicable."

- 2.4.1.4 As can be seen from the above extract, the Hon'ble Commission had concluded that InSTS losses will not be applicable for MADC. However, the ground reality is that InSTS losses are automatically applied by MSLDC, while scheduling the power for MADC. The same is evident from the State Grid Loss Account maintained by MSLDC, wherein the energy drawn by MADC at the T<>D interface has been grossed up with the applicable InSTS loss for the respective month to arrive at the loss adjusted energy drawn by MADC. For instance, the energy drawal of 80.57 MU at T<>D interface by

MADC for FY 2023-24 has been grossed up by MSLDC with the applicable InSTS loss of 3.28% for FY 2023-24 to arrive at the loss adjusted drawal of 83.30 MU.

2.4.1.5 Further, Clause 5.6 of the PPA between MADC and Manikaran Power Ltd., which has been approved by the Hon'ble Commission, stipulates as under:

“5.6.1 Currently, Intra-state transmission losses are not applicable as MADC drawl is grossed up by intra state transmission losses to match with source connected to Maharashtra STU network. In case if the transmission losses are made applicable and payable then the same shall be borne by the Utility (MADC).”(emphasis added)

2.4.1.6 Thus, the PPA recognises that the MADC drawal is grossed up by InSTS losses, and MSLDC is also including the InSTS loss while scheduling the power for MADC. Hence, MADC respectfully submits that as it is clear that InSTS losses are applicable for MADC, **the Hon'ble Commission may kindly consider the same in the Energy Balance of MADC in the true-up for the respective years. Further, MADC also requests the Hon'ble Commission that in case the Hon'ble Commission is of the view that InSTS losses should not be applied to MADC, then the Hon'ble Commission may kindly direct MSLDC appropriately in this regard,** as MSLDC's website considers all DISCOMs similarly, and automatically factors in the InSTS loss while scheduling power. No exclusion is provided in MSLDC website for any DISCOM. This may ensure that henceforth, MSLDC shall not apply InSTS losses. However, **for the period from FY 2020-21 to FY 2024-25, as MSLDC has already applied the InSTS losses, MADC requests the Hon'ble Commission to allow the same for MADC.**

2.4.1.7 Hence, the Petitioner has considered the actual InSTS loss for FY 2020-21 to FY 2023-24 based on the State Grid Loss account maintained by the Maharashtra State Load Despatch Centre (MSLDC). The actual InSTS losses in FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24 were 2.92%, 3.20%, 3.26% and 3.28%, respectively, as recorded by MSLDC for the respective year. The copy of the GEC approved by MSLDC for FY 2022-23 and FY 2023-24 are submitted as **Annexure 10** and **Annexure 11**, respectively.

2.4.1.8 The Energy Balance for FY 2020-21 to FY 2023-24 is shown in the following

Tables:

Table 2-6: Energy Balance for FY 2020-21 and FY 2021-22

Particulars	FY 2020-21		FY 2021-22	
	MYT Order	Actual for truing up	MYT Order	Actual for truing up
Energy Sales (MU)	71.04	62.60	76.96	66.29
Distribution loss (%)	0.94%	0.51%	0.94%	1.94%
Energy Requirement at T<>D (MU)	71.72	62.92	77.69	67.60
AMNEPL dedicated line Transmission loss (%)	0.63%	0.71%	0.63%	1.00%
Energy Requirement after AMNEPL dedicated Transmission loss (MU)	72.17	63.37	78.19	68.28
Intra-State Transmission Loss (%)	-	2.92%	-	3.20%
Energy Requirement at G<>T (MU)	72.17	65.27	78.19	70.54
Energy Purchased	72.17	65.27	78.19	72.54
Less: Surplus Energy Traded (MU)	-	-	-	-
DSM (MU)	-	-	-	(2.00)
Total Energy Purchased	72.17	65.27	78.19	70.54

Table 2-7: Energy Balance for FY 2022-23 and FY 2023-24

Particulars	FY 2022-23		FY 2023-24	
	MYT Order	Actual for truing up	MYT Order	Actual for truing up
Energy Sales (MU)	82.88	73.34	88.80	78.28
Distribution loss (%)	0.94%	1.27%	0.94%	1.64%
Energy Requirement at T<>D (MU)	83.67	74.28	89.64	79.58
AMNEPL dedicated line Transmission loss (%)	0.63%	0.63%	0.63%	0.63%
Energy Requirement after AMNEPL dedicated Transmission loss (MU)	84.20	74.75	90.22	80.09
Intra-State Transmission Loss (%)	0.00%	3.26%	0.00%	3.28%
Energy Requirement at G<>T (MU)	84.20	77.27	90.22	82.80
Energy Purchased	84.20	84.00	90.22	85.02

Particulars	FY 2022-23		FY 2023-24	
	MYT Order	Actual for truing up	MYT Order	Actual for truing up
Less: Surplus Energy Traded (MU)	-	-	-	-
DSM (MU)	-	(6.73)	-	(2.22)
Total Energy Purchased	84.20	77.27	90.22	82.80

2.4.1.9 The Petitioner requests the Hon'ble Commission to approve the actual Energy Balance in the true-up for FY 2020-21 to FY 2023-24, as shown in the above Table.

2.5 Power Purchase Quantum and Cost

2.5.1.1 The power purchase quantum and cost of the Petitioner includes the purchase from its tied-up short/medium-term source for conventional power, as well as small quantity of rooftop solar power, net purchase/sale from/to Imbalance Pool/DSM, and sale of surplus power, if any, during the year.

2.5.2 Power Purchase from conventional sources

2.5.2.1 The Hon'ble Commission has approved power procurement for the period from 1 September, 2019 to 31 August, 2020 at the rate of Rs. 4.89/kWh from MSEDCL vide Order dated 30 August, 2019 in Case No. 244 of 2019. Further, the Hon'ble Commission has approved power procurement for the period from 1 September, 2020 to 28 February, 2021 at the rate of Rs. 4.89/kWh from MSEDCL vide Order dated 29 August, 2020. However, the Hon'ble Commission has disallowed the difference in the power purchase rate between Rs. 4.89/kWh and Rs. 4.48/kWh for the period from September 2020 to February 2021 in the MYT Order in Case No. 235 of 2020. Accordingly, MADC has considered power purchase for the period from April 2020 to August 2020 at the rate of Rs. 4.89/kWh and from September 2020 to March 2021 at the rate of Rs. 4.48/kWh from MSEDCL and thereafter, from April 2021 to October 2021, the power was purchased from MSEDCL at the rate of Rs. 4.48/kWh.

2.5.2.2 However, based on the Hon'ble Commission's decisions in its Orders in Case No. 174 of 2020 and 137 of 2021 and Case No. 20 of 2021 and 137 of 2021, in

the MYT Order, the Hon'ble Commission had considered the allowable power purchase rate as Rs. 4.48/kWh with effect from 1st September 2020. Hence, even though the actual power purchase rate is Rs. 5.25/kWh, MADC has considered the rate of power purchase as Rs. 4.89/kWh from April 2020 to August 2020 and Rs. 4.48/kWh from September 2020 till March 2021, for the purpose of true-up of FY 2020-21.

2.5.2.3 MADC floated a tender on DEEP Portal on 16 July, 2021 for procurement of power up to 16 MW for the period from 1 November, 2021 to 31 October, 2025. The maximum requirement for first year was stated to be 13 MW with increase of 1 MW every year so that maximum requirement for fourth year would become 16 MW. The requirement was worked out based on Availability based Tariff (ABT) meter data of MADC for March to June 2021. Also, the payment of Energy Charge is based on 'final implemented schedule' at interface point, i.e., Interface of MSETCL and AMNEPL at 220 kV Khiri Khurd Hingana substation. As stated earlier, since, MSLDC schedules the power after including the applicable InSTS losses, the quantum of energy scheduled by MADC and paid for by MADC includes the InSTS losses.

2.5.2.4 As stated earlier, Manikaran Power Limited (MPL) emerged as the lowest bidder with quoted lump sum rate of Rs. 4.48 per kWh, which includes fixed charges as Rs. 2.24 per kWh to be paid on the basis of 'Declared Capacity' as per load profile and energy charges as Rs. 2.24 per kWh to be paid on the basis of 'final implemented schedule' at interface point. The Hon'ble Commission vide its Order dated 28 October 2021 in Case No. 137 of 2021, adopted the tariff for power procurement for the period 01.11.2021 to 31.10.2025 at Rs.4.48/kWh from MPL.

2.5.2.5 Hence, MADC has considered power procurement for the period from 1st November, 2021 to 31st March, 2024 from MPL at the rate of Rs. 4.48/kWh.

2.5.3 Power Purchase from Renewable Sources

2.5.3.1 MADC has procured 554800 kWh (0.56 MU) of rooftop solar power from its consumers under Net Metering in FY 2022-23 at the generic tariff of Rs. 3.00/kWh, and 248500 kWh (0.25 MU) in FY 2023-24 at the rate of Rs. 3.05/kWh.

2.5.4 Renewable Purchase Obligation

2.5.4.1 The Petitioner has considered the RPO targets for FY 2020-21 to FY 2023-24 as specified in the MERC RPO Regulations, 2019. The RPO targets are given in the table below:

Table 2-8: Specified RPO target for FY 2020-21 to FY 2021-22

Year	Quantum of Power purchase (in %) from Renewable Energy Resources (in term of energy equivalent in kWh)		
	Solar	Non-Solar	Total
2020-21	4.50%	11.50%	16.00%
2021-22	6.00%	11.50%	17.50%
2022-23	8.00%	11.50%	19.50%
2023-24	10.50%	11.50%	22.00%

RPO Compliance Status for FY 2020-21 to FY 2023-24

2.5.4.2 In MADC's MYT Order in Case No. 235 of 2020, the Hon'ble Commission has approved the RPO requirement for the fourth Control Period after excluding the MSEDCL power procured till October 2021. Accordingly, MADC has calculated the RPO requirement and RPO achievement for FY 2020-21 to FY 2023-24.

The summary of RPO achievement for FY 2020-21 and FY 2021-22 is summarized in the table below:

Table 2-9: RPO target achieved by MADC during FY 2020-21 and FY 2021-22

Particulars	FY 2020-21	FY 2021-22
Power Purchase requirement (A)	65.27	76.50
Less: Power Purchase from MSEDCL till Oct. 2021 (B)	65.27	44.06
Net Power Purchase requirement (C=A-B)	0.00	32.44
Target		
Solar RPO %	4.50%	6.00%
Solar RPO in MU	-	1.92
Non-Solar RPO %	11.50%	11.50%
Non-Solar RPO in MU	-	3.70
Total RPO %	-	17.50%
Total RPO in MU	-	5.67
Solar RPO Achieved in MU	-	0

Particulars	FY 2020-21	FY 2021-22
Solar RPO Achieved in %	-	0%
Non-Solar RPO Achieved in MU	-	0
Non-Solar RPO Achieved in %	-	0%
Total RPO achieved in MU	-	0
Total RPO achieved in %	-	0%
Solar RPO Shortfall in MU	-	1.92
Non-Solar RPO Shortfall in MU	-	3.70
Total RPO Shortfall in MU	-	5.67

Table 2-10: RPO target achieved by MADC during FY 2022-23 and FY 2023-24

Particulars	FY 2022-23	FY 2023-24
Power Purchase requirement (A)	75.46	82.80
Target		
Solar RPO %	8.00%	10.50%
Solar RPO in MU	6.04	8.69
Non-Solar RPO %	11.50%	11.50%
Non-Solar RPO in MU	8.68	9.52
Total RPO %	19.50%	22.00%
Total RPO in MU	14.72	18.22
Solar RPO Achieved in MU	0.57	0.25
Solar RPO Achieved in %	0.76%	0.30%
Non-Solar RPO Achieved in MU	0	0
Non-Solar RPO Achieved in %	0	0
Total RPO achieved in MU	0.57	0.25
Total RPO achieved in %	0.76%	0.30%
Solar RPO Shortfall in MU	5.47	8.44
Non-Solar RPO Shortfall in MU	8.68	9.52
Total RPO Shortfall in MU	14.15	17.96

Table 2-11: Cumulative RPO target achieved/shortfall by MADC for FY 2020-21 to FY 2023-24

FY	Total RPO shortfall (MU)
2020-21	-
2021-22	5.67
2022-23	14.15
2023-24	17.96
Cumulative shortfall till FY 2023-24	37.78

2.5.4.3 MADC would like to apprise the Hon'ble Commission that the Petitioner has procured RECs in FY 2024-25 to meet the cumulative shortfall till FY 2023-24 as well as the RPO target for FY 2024-25. The details of the same are elaborated in the next Chapter on provisional truing up for FY 2024-25.

2.5.4.4 The copy of RPO Compliance report submitted to MEDA by MADC for FY 2020-21 to FY 2023-24 is attached as **Annexure 12**.

2.5.5 DSM

2.5.5.1 The Petitioner has considered the actual quantum and cost of net (increment)/decrement from DSM for FY 2020-21 to FY 2023-24 based on actual amount paid/received for respective year against DSM bills received from MSLDC.

2.5.5.2 Thus, for the purpose of Truing up for FY 2020-21 to FY 2023-24, the Petitioner has considered the actual power purchase quantum and cost from MSEDCL, Manikaran and the quantum purchased from Rooftop solar generation from consumers.

2.5.5.3 The details of month-wise and source-wise power purchase quantum and cost FY 2020-21 to FY 2023-24 are provided in Forms F2 and F2.1 of the Formats prescribed by the Hon'ble Commission, submitted along with this Petition.

2.5.5.4 The effective average power purchase rate works out to Rs. 4.66/kWh for FY 2020-21, which is in line with the approved rate of Rs. 4.66/kWh. The source-wise actual power purchase quantum and cost for FY 2020-21 is shown in the following Table:

Table 2-12: Power Purchase Cost for FY 2020-21

Source of Power	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)
MSEDCL	72.17	33.66	4.66	65.27	30.44	4.66
DSM						
Total	72.17	33.66	4.66	65.27	30.44	4.66

2.5.5.5 The effective average power purchase rate works out to Rs. 4.56/kWh for FY 2021-22, which is marginally higher than the approved rate of Rs. 4.48/kWh.

The source-wise actual power purchase quantum and cost for FY 2021-22 is

shown in the following Table:

Table 2-13: Power Purchase Cost for FY 2021-22

Source of Power	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)
MSEDCL	78.19	35.03	4.48	44.06	19.74	4.48
Manikaran				28.48	12.76	4.48
DSM				(2.00)	(0.36)	
Total	78.19	35.03	4.48	70.54	32.14	4.56

2.5.5.6 The effective average power purchase rate works out to Rs. 4.90/kWh for FY 2022-23, which is higher than the approved rate of Rs. 4.75/kWh. The source-wise actual power purchase quantum and cost for FY 2022-23 is shown in the following Table:

Table 2-14: Power Purchase Cost for FY 2022-23

Source of Power	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)
Manikaran	61.25	37.72	4.48	83.44	38.16	4.57
DSM				(6.73)	(0.49)	
Solar				0.56	0.17	3.00
Solar REC Purchase	8.58	0.86	1.00			
Non-Solar REC Purchase	14.37	1.44	1.00			
Total	84.20	37.72	4.75	77.27	37.83	4.90

2.5.5.7 The effective average power purchase rate works out to Rs. 4.70/kWh for FY 2023-24, which is same as the approved rate for the year. The source-wise actual power purchase quantum and cost for FY 2023-24 is shown in the following Table:

Table 2-15: Power Purchase Cost for FY 2023-24

Source of Power	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)
Manikaran	70.37	40.42	4.48	84.77	40.08	4.73
DSM				(2.22)	(1.23)	

Source of Power	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)
Solar				0.25	0.08	3.05
Solar REC Purchase	9.47	0.95	1.00			
Non-Solar REC Purchase	10.37	1.04	1.00			
Total	90.22	40.42	4.70	82.80	38.92	4.70

2.5.5.8 MADC requests the Hon'ble Commission to approve the actual Power purchase quantum and cost in the truing up for FY 2020-21 to FY 2023-24 as shown in the above Tables.

2.6 Transmission Charges and MSLDC Charges

2.6.1.1 The Hon'ble Commission in the MYT Order approved the Intra-State Transmission Charges and MSLDC Charges for FY 2020-21 to FY 2022-23 in accordance with the Hon'ble Commission's Order dated March 30, 2020 in Case No. 327 of 2019 determining the InSTS Tariff, and Order dated March 30, 2020 in Case No. 291 of 2019 determining the MSLDC Charges. The Hon'ble Commission approved the Intra-State Transmission Charges and MSLDC Charges for FY 2023-24 in accordance with the Hon'ble Commission's Order dated March 31, 2023 in Case No. 239 of 2022 determining the InSTS Tariff, and Order dated March 31, 2023 in Case No. 233 of 2022 determining the MSLDC Charges.

2.6.1.2 The Hon'ble Commission also provisionally approved the Transmission Charges for usage of AMNEPL dedicated transmission line for the 4th Control Period, as the final dispensation in the matter is yet to be given. MADC has considered transmission charges for usage of AMNEPL dedicated transmission line at the rate of Rs. 0.19/kWh for FY 2020-21 to FY 2023-24.

2.6.1.3 For FY 2020-21 to FY 2023-24, MADC has considered the actual Intra-State Transmission Charges, AMNEPL charges and MSLDC Charges, as shown in the Tables below:

Table 2-16: Transmission Charges and MSLDC Charges for FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Intra-State Transmission Charges	3.72	3.68	3.79	3.76
AMNEPL Transmission Charges	1.35	0.82	1.46	0.96
MSLDC Charges	0.02	0.02	0.02	0.02

Table 2-17: Transmission Charges and MSLDC Charges for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Intra-State Transmission Charges	3.86	3.84	3.92	5.09
AMNEPL charges	1.57	1.04	1.69	1.12
MSLDC Charges	0.02	0.02	0.02	0.02

2.6.1.4 MADC requests the Hon'ble Commission to approve the actual InSTS Transmission Charges, AMNEPL Transmission Charges, and MSLDC Charges in the truing up for FY 2020-21 to FY 2023-24, as shown in the above Table.

2.7 Operation and Maintenance Expenses

2.7.1.1 Regulation 75.3 of the MYT Regulations, 2019 specifies that the O&M expenses are to be computed on the basis of normative O&M expenses escalated by WPI and CPI indices of the last 5 years in the ratio of 70:30, including the year of Truing-up. Similar provisions are applicable for Retail Supply Business also. The relevant extract is as follows:

“ 75.3 The Operation and Maintenance expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2019-20 by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:

Provided that, in the Truing-up of the O&M expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year."

2.7.1.2 In line with the above provisions, MADC has computed the revised normative O&M expenses for FY 2020-21 to FY 2023-24. For FY 2020-21, MADC has considered the normative O&M expenses approved in the MYT Order, as the Hon'ble Commission had approved the same in accordance with the MYT Regulations, 2019. For the subsequent years, MADC has computed the revised normative O&M expenses by escalated the same with WPI and CPI indices of last 5 years in the ratio 70:30.

2.7.2 The data on WPI and CPI for the last eight years is shown in the table below:

Table 2-186: WPI data for past eight years

Month	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Apr	109.00	113.20	117.3	121.1	119.20	132.00	152.30	151.10
May	110.40	112.90	118.3	121.6	117.50	132.70	155.00	149.40
Jun	111.70	112.70	119.1	121.5	119.30	133.70	155.40	148.90
Jul	111.80	113.90	119.9	121.2	121.00	135.00	154.00	152.10
Aug	111.20	114.80	120.1	121.50	122.00	136.20	153.20	152.50
Sep	111.40	114.90	120.9	121.30	122.90	137.40	152.10	151.80
Oct	111.50	115.60	122.0	122.00	123.60	140.7	152.50	152.50
Nov	111.90	116.40	121.6	122.30	125.10	143.7	152.50	152.90
Dec	111.70	115.70	119.7	123.00	125.40	143.3	150.50	151.60
Jan	112.60	116.00	119.2	123.40	126.50	143.8	150.70	151.20
Feb	113.00	116.10	119.5	122.20	128.10	145.3	150.90	151.20
Mar	113.20	116.30	119.9	120.40	129.90	148.9	151.00	151.40
Average	111.62	114.88	119.79	121.79	123.38	139.39	152.51	151.38
YoY	1.73%	2.92%	4.28%	1.67%	1.30%	12.98%	9.41%	-0.74%

Table 2-197: CPI data for past eight years

Month	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Apr	271.00	277.00	288	312	329	346	367.78	386.50
May	275.00	278.00	289	314	330	347	371.52	387.94
Jun	277.00	280.00	291	316	332	350	372.10	392.83
Jul	280.00	285.00	301	319	336	354	374.11	402.34
Aug	278.00	285.00	301	320	338	354	374.98	400.90
Sep	277.00	285.00	301	322	340	355	378.14	396.00
Oct	278.00	287.00	302	325	344	360	381.60	398.59
Nov	277.00	288.00	302	328	345	362	381.60	400.61
Dec	275.00	286.00	301	330	342	361	381.02	399.74
Jan	274.00	288.00	307	330	340	360	382.46	400.03
Feb	274.00	287.00	307	328	343	360	382.18	400.90
Mar	275.00	287.00	309	326	344	363	383.90	400.03
Average	275.92	284.42	299.92	322.50	338.69	356.06	377.62	397.20
YoY	4.12%	3.08%	5.45%	7.53%	5.02%	5.13%	6.05%	5.19%

2.7.2.1 Further, the MERC MYT Regulations, 2019 specify an Efficiency Factor of 1% or pro-rata reduction in the escalation index, in case the 3-year growth in number of consumers is less than 2%. The consumer growth of MADC in past years is shown in the following table:

Table 2-20: Growth in Consumers in Past Years

Year	No. of Consumers	CAGR - 3 Years
FY 2019-20	66	
FY 2020-21	73	8.60%
FY 2021-22	81	7.06%
FY 2022-23	81	7.06%
FY 2023-24	77	1.79%

2.7.2.2 Thus, in case of the Petitioner, the 3-year growth in number of consumers is in excess of 3% for FY 2020-21, FY 2021-22, and FY 2022-23, hence, the Efficiency Factor has been considered as Nil. For FY 2023-24, the 3-year growth in number of consumers is slightly lower than 2%, hence, the Efficiency Factor has been considered on a pro-rata basis, while considering the escalation index, as shown in the Table below:

Table 2-21: Escalation rate for O&M Expenses

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
CPI (%)	5.04%	5.24%	5.84%	5.78%
WPI (%)	2.38%	4.63%	5.93%	4.92%
CPI: WPI: 70:30	4.24%	5.06%	5.86%	5.53%
Escalation factor	5.04%	5.06%	5.86%	5.53%
<i>Less: Efficiency Factor</i>	0.00%	0.00%	0.00%	0.10%
Net Escalation rate	5.04%	5.06%	5.86%	5.43%

2.7.2.3 Hence, the escalation rate mentioned in the above Table has been applied to the normative O&M expenses of the previous year to determine the revised normative O&M expenses for FY 2021-22 to FY 2023-24.

2.7.2.4 The actual O&M expenses were Rs. 0.98 Crore, Rs. 1.10 Crore, Rs. 1.28 Crore, and Rs. 1.33 Crore for the Wires Business for FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24, respectively. The actual O&M expenses for the Supply Business were Rs. 0.53 Crore, Rs. 0.59 Crore, Rs. 0.69 Crore, and Rs. 0.72 Crore for FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24, respectively.

2.7.2.5 In view of the above, O&M expenses claimed in the true-up for FY 2020-21 to FY 2023-24 are shown in the following Tables:

Table 2-22: O&M Expenses for FY 2020-21 and FY 2021-22 (Rs. Crore)

Particulars	FY 2020-21			FY 2021-22		
	MYT Order	Actual	Revised Normative	MYT Order	Actual	Revised Normative
Distribution Wire Business						
Employee Expenses		0.29			0.41	
R&M Expenses		0.30			0.30	
A&G Expenses		0.39			0.38	
O&M Expenses	1.22	0.98	1.22	1.26	1.10	1.28
Retail Supply Business						
Employee Expenses		0.16			0.22	
R&M Expenses		0.16			0.16	
A&G Expenses		0.21			0.20	
O&M Expenses	0.66	0.53	0.66	0.68	0.59	0.69
Total O&M Expenses	1.88	1.51	1.88	1.94	1.69	1.97

Table 2-23: O&M Expenses for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MYT Order	Actual	Revised Normative	MYT Order	Actual	Revised Normative
Distribution Wire Business						
Employee Expenses		0.61			0.65	
R&M Expenses		0.48			0.55	
A&G Expenses		0.18			0.13	
O&M Expenses	1.30	1.28	1.36	1.34	1.33	1.43
Retail Supply Business						
Employee Expenses		0.33			0.35	
R&M Expenses		0.26			0.30	
A&G Expenses		0.10			0.07	
O&M Expenses	0.70	0.69	0.73	0.72	0.72	0.77
Total O&M Expenses	2.00	1.97	2.09	2.06	2.05	2.20

2.7.2.6 **MADC requests the Hon'ble Commission to approve the O&M expenses in the truing up for FY 2020-21 to FY 2023-24, as shown in the above Tables.**

2.7.2.7 The Petitioner has computed the efficiency gains/losses on account of variation between the approved and actual O&M expenses, which has been shared between the Petitioner and the consumers, in accordance with the MYT Regulations, 2019, as discussed subsequently in this Chapter.

2.8 Capital Expenditure and Capitalisation

2.8.1.1 Petitioner submits that there is no additional capitalisation for the Wires Business and Supply Business during the true-up years from FY 2020-21 to FY 2023-24. **MADC requests the Hon'ble Commission to approve Nil Capitalisation in the truing up for FY 2020-21 to FY 2023-24.**

2.9 Depreciation

2.9.1.1 The Petitioner has computed the depreciation for FY 2020-21 to FY 2023-24 in accordance with Regulation 28 of the MYT Regulations, 2019, by applying the asset class-wise depreciation rate specified in the MYT Regulations, 2019 on the average asset class-wise GFA during the respective year.

2.9.1.2 The closing GFA for FY 2019-20 as approved in the Truing up of FY 2019-20

by the Hon'ble Commission in the MYT Order, has been considered as Opening GFA for FY 2020-21. There is no addition to GFA in the Wires Business and Supply Business during FY 2020-21 to FY 2023-24.

2.9.1.3 The asset-class wise depreciation has been submitted in Forms F5, F5.1 (E), and F5.2 (E) submitted along with this Petition. The depreciation claimed by the Petitioner for FY 2020-21 to FY 2023-24 is shown in the following Table:

Table 2-24: Depreciation for FY 2020-21 to FY 2023-24 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Distribution Wires Business								
Opening GFA	62.60	62.60	62.60	62.60	62.60	62.60	62.60	62.60
GFA Addition	-	-	-	-	-	-	-	-
Closing GFA	62.60	62.60	62.60	62.60	62.60	62.60	62.60	62.60
Depreciation	3.21	3.22	3.21	3.22	3.21	3.22	3.21	3.22
Retail Supply Business								
Opening GFA	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
GFA Addition	-	-	-	-	-	-	-	-
Closing GFA	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Depreciation	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Total Depreciation	3.211	3.22	3.211	3.22	3.211	3.22	3.211	3.22

2.9.1.4 The Petitioner requests the Hon'ble Commission to approve the depreciation in the true-up for FY 2020-21 to FY 2023-24 as shown in the above Table.

2.10 Interest on Long-Term Loan Capital

2.10.1.1 The Petitioner has computed the Interest on Long-Term Loan Capital for FY 2020-21 to FY 2023-24 in accordance with Regulation 30 of the MYT Regulations, 2019. The closing balance of net normative loan approved in the true-up for FY 2019-20 has been considered as opening balance of net normative loan for FY 2020-21.

2.10.1.2 For computing the addition of normative loan, the normative debt: equity ratio of 70:30, as specified in the MYT Regulations, 2019, has been considered

on addition to GFA in FY 2019-20 to FY 2023-24. However, as mentioned in the previous section, there is no GFA addition during the true up years and hence, there is no addition of normative loan during the true-up years. The depreciation has been considered as normative repayment of loan during the year. The interest on loan had been calculated on the average normative loan for the year.

2.10.1.3 As MADC does not have any actual loans, the interest rate has been considered equal to the SBI 1-year MCLR as on 1st April of the respective year, in accordance with Regulation 30.5 of the MYT Regulations, 2019. Accordingly, the rate of interest has been considered as 7.75% for FY 2020-21, 7% for FY 2021-22, 7% for FY 2022-23, and 8.50% for FY 2023-24.

2.10.1.4 The Interest on normative Long-Term loan claimed by the Petitioner for FY 2020-21 to FY 2023-24 is shown in the following Tables:

Table 2-25: Interest on Long Term Loan for Wires Business from FY 2020-21 to FY 2023-24 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Opening Balance of Net Normative Loan	45.42	45.42	42.22	42.21	39.01	38.99	35.80	35.78
Addition of Normative Loan	-	-	-	-	-	-	-	-
Repayment of Normative loan	3.21	3.22	3.21	3.22	3.21	3.22	3.21	3.22
Closing Balance of Net Normative Loan	42.22	42.21	39.01	38.99	35.80	35.78	32.60	32.56
Average Balance of Net Normative Loan	43.82	43.82	40.61	40.60	37.41	37.39	34.20	34.17
Weighted average Rate of Interest on actual Loans (%)	10.78%	7.75%	10.78%	7.00%	10.78%	7.00%	10.78%	8.50%
Interest Charges	4.72	3.40	4.38	2.84	4.03	2.62	3.69	2.90

Table 2-26: Interest on Long Term Loan for Retail Supply Business from FY 2020-21 to FY 2023-24 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Opening Balance of Net Normative Loan	0.065	0.065	0.060	0.060	0.055	0.055	0.051	0.051
Addition of Normative Loan	-	-	-	-	-	-	-	-
Repayment of Normative loan	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Closing Balance of Net Normative Loan	0.060	0.060	0.055	0.055	0.051	0.051	0.046	0.046
Average Balance of Net Normative Loan	0.062	0.062	0.058	0.058	0.053	0.053	0.048	0.048
Weighted average Rate of Interest on actual Loans (%)	10.78%	7.75%	10.78%	7.00%	10.78%	7.00%	10.78%	8.50%
Interest Charges	0.007	0.005	0.006	0.004	0.006	0.004	0.005	0.004

2.10.1.5 The Petitioner requests the Hon'ble Commission to approve the interest on long-term loans in the true-up for FY 2020-21 to FY 2023-24 as shown in the above Table.

2.11 Interest on Working Capital and Consumer Security Deposit

2.11.1.1 The Petitioner has computed the normative working capital requirement for FY 2020-21 to FY 2023-24 in accordance with the MYT Regulations, 2019.

2.11.1.2 For computation of Interest on Working Capital (IoWC), MADC has considered the rate of interest equal to the weighted average one-year MCLR during the year plus 150 basis points. The rate of IoWC has been worked out as 8.57%, 8.50%, 9.30%, and 10.07% for FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24, respectively.

2.11.1.3 The Petitioner would like to apprise the Hon'ble Commission that MADC has paid/adjusted the entire pending Interest on CSD for the period from FY 2020-21 to FY 2023-24 in the month of October 2024 based on the Hon'ble Commission's Order dated 25th July, 2024 in Case No. 209 of 2023. Accordingly, MADC has claimed the entire amount paid in the Provisional True-up for FY 2024-25, as the amount has actually been paid/adjusted in FY

2024-25.

2.11.1.4 The computation of IoWC and Interest on CSD for the Wires Business for FY 2020-21 to FY 2023-24 is shown in the following Table:

Table 2-27: IoWC and Interest on CSD for Wires Business for FY 2020-21 to FY 2023-24 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative
O&M expenses for one month	0.10	0.10	0.11	0.11	0.11	0.11	0.11	0.12
Maintenance Spares at 1% of Opening GFA	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Receivables					1.10	0.61	1.06	0.94
Less: Amount held as Security Deposit from Distribution System Users	0.56	0.56	0.56	0.61	0.56	0.64	0.56	0.47
Total Working Capital Requirement	0.172	0.17	0.18	0.12	1.28	0.71	1.24	1.22
Interest Rate (%) - SBI Base Rate +150 basis points	8.50%	8.57%	8.50%	8.50%	8.50%	9.30%	8.50%	10.07%
Interest on Working Capital	0.01	0.01	0.01	0.01	0.11	0.07	0.11	0.12
Interest on Consumers' Security Deposit		-		-	0.02	-	0.02	-

2.11.1.5 The computation of IoWC and interest on CSD for Retail Supply Business for FY 2020-21 to FY 2023-24 is shown in the following Table:

Table 2-28: IoWC and Interest on CSD for Retail Supply Business for FY 2020-21 to FY 2023-24 (Rs. Crore)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative
O&M expenses for one month	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Maintenance Spares at 1% of Opening GFA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	3.87	3.53	4.24	3.40	4.57	3.88	6.36	5.33
Less: Amount held as Security Deposit	5.00	5.01	5.00	5.48	5.00	5.73	5.00	4.19
Less: One month equivalent of cost of	3.23	2.91	3.36	3.07	3.79	3.56	3.69	3.76

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative	MYT Order	Revised Normative
power purchase, transmission charges and MSLDC Charges								
Total Working Capital Requirement	(4.31)	(4.35)	(4.06)	(5.10)	(4.16)	(5.35)	(2.59)	(2.55)
Interest Rate (%) - SBI Base Rate +150 basis points	8.50%	8.57%	8.50%	8.50%	8.50%	9.30%	8.50%	10.07%
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Consumers' Security Deposit		-		-	0.21	-	0.21	-

The actual IoWC is Nil from FY 2020-21 to FY 2023-24, hence, the efficiency gains have been shared with the consumers.

2.11.1.6 The Petitioner requests the Hon'ble Commission to approve IoWC and Interest on CSD in the truing up for FY 2020-21 to FY 2023-24 as shown in the above Tables.

2.12 Return on Equity

2.12.1.1 The Petitioner has computed the Return on Equity (RoE) for FY 2020-21 to FY 2023-24, in accordance with Regulation 29 of the MYT Regulations, 2019. However, the Hon'ble Commission in the previous MYT Order (Case No. 235 of 2020) has considered the entire funding of capitalization through debt only and hence, the opening balance of equity approved by the Hon'ble Commission is NIL for FY 2020-21. As there has been Nil GFA addition from FY 2020-21 to FY 2023-24, the equity capital is Nil for all the true-up years. Therefore, **Base RoE and Additional RoE for the Wires Business and Supply Business for the true up years is considered as zero.**

2.13 Provisioning for Bad Debts

2.13.1.1 The Petitioner has not claimed any provision for Bad and doubtful debts for FY 2020-21 to FY 2023-24 as no such provisioning has been done in its audited accounts of the respective years.

2.14 Contribution to Contingency Reserves

2.14.1.1 The Hon'ble Commission, in its previous MYT Order issued in July 2022 directed MADC to invest the amount against Contingency Reserve for FY 2020-21 and FY 2021-22 within six months of the issue of the said Order. Thus, the investment against Contingency Reserve for FY 2020-21 and FY 2021-22 should have been made by end of December 2022. The Petitioner would like to apprise the Hon'ble Commission that due to internal approval issues, the said investment in Contingency Reserves was not done by December 2022, and was finally invested in specified securities in November 2024. The Petitioner sincerely apologises for the delay and assures the Hon'ble Commission that henceforth, these investments shall be made on time.

2.14.1.2 The Petitioner has invested the amount against Contingency reserve for the true up years from FY 2020-21 to FY 2023-24 in the month of November 2024. Thus, the investment against Contingency Reserve for FY 2020-21 and FY 2021-22 has been delayed by 23 months, the investment against Contingency Reserve for FY 2022-23 was delayed by 14 months, and the investment against Contingency Reserve for FY 2023-24 was delayed by 2 months. The Petitioner is well aware that if this investment had been done on time, then the interest earned on the investment would have been passed on the consumers through Non-Tariff Income, and the ARR would have been reduced by that amount. Hence, the Petitioner has decided to pass on the notional interest on the amount invested in the Contingency Reserve in the Non-Tariff Income, as detailed in a later section. The Petitioner requests the Hon'ble Commission to allow the investment in Contingency Reserve and also consider the notional interest income as part of the Non-Tariff Income.

2.14.1.3 In accordance with the MYT Regulations, 2019 and the approach adopted by the Hon'ble Commission in the MYT Order, the Petitioner has considered the Contribution to Contingency Reserve at 0.25% of Opening GFA for each year of true up from FY 2020-21 to FY 2023-24 as shown in the following Table:

Table2-29: Contribution to Contingency Reserves for FY 2020-21 to FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
A	Wires Business								
1	Opening Balance of GFA	62.60	62.60	62.60	62.60	62.60	62.60	62.60	62.60
2	Contribution to Contingency Reserves	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
B	Retail Supply Business								
3	Opening Balance of GFA	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
4	Contribution to Contingency Reserves	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002

2.14.1.4 In accordance with the MYT Regulations, 2019, the Petitioner has invested the amount of Contribution to Contingency Reserves in approved securities in November 2024. The documentary evidence for the same is attached as **Annexure 13**.

2.14.1.5 **The Petitioner requests the Hon'ble Commission to approve the Contribution to Contingency Reserves in the truing up for FY 2020-21 to FY 2023-24, as shown in the above Table.**

2.15 Non-Tariff Income

2.15.1.1 The Petitioner has considered Non-Tariff Income FY 2020-21 to FY 2023-24 in accordance with the Audited Accounts of the respective year. Further, as detailed in the previous section, the Petitioner has considered notional interest on the investment in Contingency Reserve for FY 2022-23 and FY 2023-24, computed at the rate of 7.3% per annum. The Non-Tariff Income has been considered in the ratio of 90:10 between the Wires Business and Supply Business, in accordance with the Allocation Matrix specified in the MYT Regulations, 2019.

2.15.1.2 The Non-Tariff Income considered by the Petitioner for FY 2020-21 to FY 2023-

24 is shown in the following Table:

Table 2-30: Non-Tariff Income for FY 2020-21 to FY 2023-24 (Rs. Crore)

Non-Tariff Income	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
Wires Business								
Notional interest Income on CR Investment		---		---		0.0006		0.01
Miscellaneous Income		0.0003		0.0003		0.02		0.03
Total Wires Business	0.002	0.0003	0.007	0.0003	0.018	0.02	0.028	0.04
Retail Supply Business								
Notional interest Income on CR Investment		---		---		0.005		0.04
Miscellaneous Income		0.003		0.003		0.16		0.28
Total Supply Business	0.015	0.003	0.015	0.003	0.015	0.17	0.015	0.32

2.15.1.3 The Petitioner requests the Hon'ble Commission to approve Non-Tariff Income in the truing up for FY 2020-21 to FY 2023-24 as shown in the above Table.

2.16 Sharing of Gains/(Losses)

2.16.1.1 Regulation 11 of MYT Regulations, 2019 specifies the mechanism for sharing of gains and losses on account of controllable factors. The relevant Regulations are as follows:

“11.1 The approved aggregate gain to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:

- (a) *Two-third of the amount of such gain shall be passed on as a rebate in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;*

(b) The balance amount of such gain shall be retained by the Generating Company or Licensee or MSLDC.

11.2 The approved aggregate loss to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;

(b) The balance amount of such loss shall be absorbed by the Generating Company or Licensee or MSLDC.”

2.16.1.2 In view of the above Regulations, and as stated above, the Petitioner has computed sharing of gains/(losses) on account of difference between revised normative and actual O&M expenses and difference between revised normative IoWC and actual IoWC, in the True up of FY 2020-21 to FY 2023-24, as shown in the Tables below:

Table 2-31: Sharing of (Gains)/Losses on O&M Expenses for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain)/ Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	O&M Expenses for Wires Business	1.22	0.98	(0.24)	(0.16)
2	O&M Expenses for Retail Supply Business	0.66	0.53	(0.13)	(0.08)
3	Total Sharing to be claimed/(adjusted) in ARR	1.88	1.51	(0.36)	(0.24)

Table 2-32: Sharing of (Gains)/Losses on O&M Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain)/ Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	O&M Expenses for Wires Business	1.28	1.10	(0.19)	(0.13)
2	O&M Expenses for Retail Supply Business	0.69	0.59	(0.10)	(0.07)
3	Total Sharing to be claimed/(adjusted) in ARR	1.97	1.69	(0.29)	(0.19)

Table 2-33: Sharing of (Gains)/Losses on O&M Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	O&M Expenses for Wires Business	1.36	1.28	(0.08)	(0.05)
2	O&M Expenses for Retail Supply Business	0.73	0.69	(0.04)	(0.03)
3	Total Sharing to be claimed/(adjusted) in ARR	2.09	1.97	(0.12)	(0.08)

Table 2-34: Sharing of (Gains)/Losses on O&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	O&M Expenses for Wires Business	1.43	1.33	(0.10)	(0.07)
2	O&M Expenses for Retail Supply Business	0.77	0.72	(0.05)	(0.03)
3	Total Sharing to be claimed/(adjusted) in ARR	2.20	2.05	(0.15)	(0.10)

2.16.1.3 MADC has also computed sharing of gains/(losses) on account of difference between normative IoWC approved and actual IoWC in the True up of FY 2020-21 to FY 2023-24, as shown in the Tables below:

Table 2-35: Sharing of (Gains)/Losses on IoWC for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Revised Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	IoWC for Wires Business	0.01	0.00	(0.01)	(0.01)
2	IoWC for Retail Supply Business	0.00	0.00	0.00	0.00
3	Total Sharing to be claimed/(adjusted) in ARR	0.01	0.00	(0.01)	(0.01)

Table 2-36: Sharing of (Gains)/Losses on IoWC for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Revised Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	IoWC for Wires Business	0.01	0.00	(0.01)	(0.01)
2	IoWC for Retail Supply Business	0.00	0.00	0.00	0.00
3	Total Sharing to be claimed/(adjusted) in ARR	0.01	0.00	(0.01)	(0.01)

Table 2-37: Sharing of (Gains)/Losses on IoWC for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Revised Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	IoWC for Wires Business	0.07	0.00	(0.07)	(0.04)
2	IoWC for Retail Supply Business	0.00	0.00	0.00	0.00
3	Total Sharing to be claimed/(adjusted) in ARR	0.07	0.00	(0.07)	(0.04)

Table 2-38: Sharing of (Gains)/Losses on IoWC for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Revised Normative	Actual	(Gain) / Loss	Efficiency (Gain)/Loss to be passed on to consumers
1	IoWC for Wires Business	0.12	0.00	(0.12)	(0.08)
2	IoWC for Retail Supply Business	0.00	0.00	0.00	0.00
3	Total Sharing to be claimed/(adjusted) in ARR	0.12	0.00	(0.12)	(0.08)

2.16.1.4 The calculations of sharing of gain/(loss) on account of O&M expenses and IoWC are provided in Form F20 submitted along with the Petition.

2.16.1.5 **The Petitioner requests the Hon'ble Commission to approve the sharing of Gains/(Losses) on account of O&M expenses and Interest on Working Capital in the truing up for FY 2020-21 to FY 2023-24, as shown in the above Tables.**

2.17 Revenue from Sale of Electricity

2.17.1.1 The Hon'ble Commission approved the category-wise tariff applicable for the Petitioner for FY 2022-23 (with effect from 1st August 2022) and FY 2023-24 vide the MYT Order dated 21 July, 2022 in Case No. 235 of 2020.

2.17.1.2 The Petitioner has considered the actual revenue from sale of electricity for FY 2020-21 and FY 2021-22, including the impact of Discount for Early Payment on Electricity/Digital Discount/PF Incentive, as per the Audited Accounts. The category-wise break-up of revenue from Fixed Charges, Demand Charges, Energy Charges, etc., for FY 2020-21 and FY 2021-22 is not applicable, as it was single-part tariff and the details are provided in Form F13 of the Formats, submitted along with the Petition.

2.17.1.3 The Petitioner has considered the actual revenue from sale of electricity for FY 2022-23 and FY 2023-24, including the impact of Discount for Early Payment on Electricity/Digital Discount/PF Incentive, as per the Audited Accounts. The category-wise break-up of revenue from Fixed Charges, Demand Charges, Energy Charges, etc., for FY 2022-23 and FY 2023-24 is provided in Form F13 of the Formats, submitted along with the Petition.

2.17.1.4 The summary of revenue from sale of electricity for FY 2020-21 to FY 2023-24 submitted by the Petitioner in the present Petition is shown in the following Table:

Table 2-39: Revenue from Sale of electricity for FY 2020-21 to FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
1	Revenue from Sale of Electricity	48.72	28.21	49.98	27.17	55.19	35.95	57.45	50.21

2.17.1.5 The Petitioner requests the Hon'ble Commission to approve the actual Revenue from sale of electricity in the truing up for FY 2020-21 to FY 2023-

24, as shown in the above Table.

2.18 Adjustment of Past Gaps/(Surplus) and Deferment of Revenue Requirement

2.18.1.1 The Hon'ble Commission, in the MYT Order dated July 21, 2022 for the Petitioner, adjusted the Revenue Gap/(Surplus) after truing up for previous years, in the revenue requirement of FY 2020-21 to FY 2024-25. The Petitioner has considered the above adjustments exactly as made by the Hon'ble Commission for the respective year, in order to reflect the correct position of true-up for the respective year, as can be seen from the ARR Summary in the next Section.

2.19 Summary of Aggregate Revenue requirement for FY 2020-21 to FY 2023-24

2.19.1.1 The summary of the ARR claimed by the Petitioner in the true-up for the Distribution Wires Business for FY 2020-21 to FY 2023-24 is as shown in the Table below:

Table 2-40: ARR Summary for Wires Business for FY 2020-21 to FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
1	O&M Expenses	1.22	1.22	1.26	1.28	1.30	1.36	1.34	1.43
2	Depreciation	3.21	3.22	3.21	3.22	3.21	3.22	3.21	3.22
3	Interest on Loan Capital	4.72	3.40	4.38	2.84	4.03	2.62	3.69	2.90
4	Interest on Working Capital	0.01	0.01	0.01	0.01	0.11	0.07	0.11	0.12
5	Interest on CSD	0.00	0.00	0.00	0.00	0.02	0.00	0.02	0.00
6	Provision for bad and doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Contribution to Contingency Reserves	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
9	Sharing of Gains/(Losses)		-0.17		-0.13		-0.10		-0.15
10	Total Revenue Expenditure	9.32	7.84	9.02	7.38	8.83	7.32	8.52	7.68
11	Add: Return on Equity Capital		0.00		0.00		0.00		0.00

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
11	Aggregate Revenue Requirement	9.32	7.84	9.02	7.38	8.83	7.32	8.52	7.68
12	Less: Non-Tariff Income	0.00	0.0003	0.01	0.0003	0.02	0.02	0.03	0.04
13	Total ARR	9.32	7.83	9.01	7.38	8.81	7.30	8.49	7.65

2.19.1.2 The summary of the ARR claimed by MADC in the true-up for the Retail Supply Business for FY 2020-21 to FY 2023-24, is as shown in the Table below:

Table 2-41: ARR Summary for Retail Supply Business for FY 2020-21 to FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
1	Power Purchase Expenses	33.66	30.44	35.03	32.14	40.02	37.83	42.40	38.92
2	O&M Expenses	0.66	0.66	0.68	0.69	0.70	0.73	0.72	0.77
3	Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Interest on Loan Capital	0.01	0.00	0.01	0.00	0.01	0.00	0.01	0.00
5	Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Interest on CSD	0.00	0.00	0.00	0.00	0.21	0.00	0.21	0.00
7	Provision for bad and doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Contribution to Contingency Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Intra-State Transmission Charges	5.07	4.51	5.25	4.72	5.43	4.88	5.61	6.21
10	MSLDC Fees & Charges	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
11	Sharing of Gains/(Losses)		-0.08		-0.07		-0.03		-0.03
12	Total Revenue Expenditure	39.42	35.54	40.99	37.51	46.39	43.44	48.97	45.90
13	Add: RoE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Aggregate Revenue Requirement	39.42	35.54	40.99	37.51	46.39	43.44	48.97	45.90
15	Less: Non-Tariff Income	0.01	0.003	0.01	0.003	0.01	0.17	0.01	0.32

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
16	Aggregate Revenue Requirement from Retail Supply	39.40	35.54	40.97	37.50	46.38	43.28	48.96	45.58

2.19.1.3 The Petitioner requests the Hon'ble Commission to approve the ARR for Distribution Wires Business and Retail Supply Business in the truing up for FY 2020-21 to FY 2023-24 as shown in the above Tables.

2.19.1.4 The summary of the ARR claimed by MADC in the true-up for the Combined Distribution Business for FY 2020-21 to FY 2023-24, is as shown in the Table below:

Table 2-42: ARR Summary for Combined Distribution Business for FY 2020-21 to FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
1	Power Purchase Expenses	33.66	30.44	35.03	32.14	40.02	37.83	42.40	38.92
2	O&M Expenses	1.88	1.88	1.94	1.97	2.00	2.09	2.06	2.20
3	Depreciation	3.21	3.22	3.21	3.22	3.21	3.22	3.21	3.22
4	Interest on Loan Capital	4.73	3.40	4.38	2.85	4.04	2.62	3.69	2.91
5	Interest on Working Capital	0.01	0.01	0.01	0.01	0.11	0.07	0.11	0.12
6	Interest on CSD	0.00	0.00	0.00	0.00	0.24	0.00	0.24	0.00
7	Provision for bad and doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Contribution to Contingency Reserves	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
9	Intra-State Transmission Charges	5.07	4.51	5.25	4.72	5.43	4.88	5.61	6.21
10	MSLDC Fees & Charges	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
11	Sharing of Gains/(Losses)	0.00	-0.25	0.00	-0.20	0.00	-0.12	0.00	-0.18
12	Total Revenue Expenditure	48.74	43.38	50.00	44.88	55.22	50.76	57.49	53.58
13	Add: RoE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sr. No.	Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
		MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up	MYT Order	Actual for Truing up
14	Aggregate Revenue Requirement	48.74	43.38	50.00	44.88	55.22	50.76	57.49	53.58
15	Less: Non-Tariff Income	0.02	0.003	0.02	0.003	0.03	0.18	0.04	0.35
16	Aggregate Revenue Requirement	48.72	43.37	49.98	44.88	55.19	50.57	57.45	53.23

2.20 Revenue Gap/ (Surplus)

2.20.1.1 The Petitioner has computed the combined Revenue Gap/(Surplus) for the Wires Business and Retail Supply Business for FY 2020-21 to FY 2023-24, as the tariffs were not separate in FY 2020-21 and FY 2021-22. Further, the Hon'ble Commission has already allowed a certain amount of Revenue Gap for FY 2020-21 and FY 2021-22 in the revised tariff of FY 2022-23 to FY 2024-25. Hence, the Petitioner has considered the incremental Revenue Gap/(Surplus) allowable for FY 2020-21 and FY 2021-22, as shown in the Table below:

Table 2-43: Revenue Gap/(Surplus) for FY 2020-21 and FY 2021-22

Particulars	FY 2020-21	FY 2021-22
ARR	43.37	44.88
Revenue	28.21	27.17
Revenue Gap/(Surplus)	15.16	17.70
Revenue Gap/(Surplus) already allowed	17.41	16.06
Incremental Revenue Gap/(Surplus)	(2.25)	(1.64)

2.20.1.2 The Petitioner requests the Hon'ble Commission to approve the Revenue Gap/(Surplus) after truing up for FY 2020-21 and FY 2021-22 as shown in the above Table.

2.20.1.3 The Revenue Gap after truing up for FY 2022-23 and FY 2023-24 has been elaborated in a subsequent Chapter detailing the Cumulative Revenue Gap/(Surplus) and associated carrying/(holding) costs to be allowed, as past gaps/(surplus) have been adjusted by the Hon'ble Commission in the ARR

and Tariff of FY 2022-23 to FY 2024-25, in the MYT Order.

2.20.1.4 The recovery of the above Revenue Gap/(Surplus) has been claimed over the years of the next Control Period, i.e., FY 2025-26 to FY 2029-30, as elaborated in the Chapter on Tariff Philosophy.

3 Provisional Truing-up for FY 2024-25

- 3.1.1.1 The Petitioner has sought Provisional Truing-up for FY 2024-25 in accordance with the MERC MYT Regulations, 2019, as specified in Regulation 5.1 (c) (ii) of the MERC MYT Regulations, 2024.
- 3.1.1.2 The Petitioner has presented the comparison of expenditure and revenue approved by the Hon’ble Commission for FY 2024-25 in the MYT Order dated 21 July, 2022 in Case No. 235 of 2020 vis-à-vis the estimated performance. The Petitioner has considered the values approved in the MYT Order wherever applicable, for the purpose of providing justification for variation between the approved and estimated values in Provisional Truing up of FY 2024-25.
- 3.1.1.3 Since, FY 2024-25 is not over, the provisional Truing up for FY 2024-25 has been prepared based on actual values of energy sales and power purchase from 1 April 2024, to 30 September 2024, and estimated values of energy sales and power purchase from 1 October 2024, to 31 March 2025, in accordance with the provisions of MYT Regulations, 2019. The other heads of expenditure have been considered on normative basis for the whole year.

3.2 Energy Sales

- 3.2.1.1 The Hon’ble Commission approved sales of 94.72 MU for FY 2024-25 in the MYT Order. However, the actual sales in H1 of FY 2024-25 were only 44.91 MU. For estimating the energy sales for the six-month period from October 2024 to March 2025, the Petitioner has projected monthly sales on the basis of past trend in sales during this period, as compared to overall sales during the year.
- 3.2.1.2 The summary of Energy Sales (actual and estimated) for FY 2024-25 is shown in the Table below:

Table 3-1: Energy Sales for FY 2024-25 (MU)

Consumer Category	FY 2024-25			
	MYT Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Provisional Truing up
HT Category				
HT I	86.64	41.63	35.19	76.82
HT II	3.77	1.68	1.42	3.11
Sub-total HT	90.40	43.32	36.62	79.93

Consumer Category	FY 2024-25			
	MYT Order	Apr - Sep (Actual)	Oct - Mar (Estimated)	Provisional Truing up
LT Category				
LT I	1.92	0.61	0.52	1.13
LT II	1.21	0.58	0.49	1.07
LT III	1.17	0.39	0.33	0.72
LT IV	0.02	0.01	0.01	0.02
Sub-total LT	4.32	1.59	1.35	2.94
Total	94.72	44.91	37.96	82.87

3.2.1.3 The Petitioner requests the Hon’ble Commission to approve the estimated energy sales for FY 2024-25, as shown in the Table above.

3.3 Distribution Loss

3.3.1.1 The Hon’ble Commission, in the MYT Order, approved the distribution loss of 0.94% for FY 2024-25, based on the actual Distribution Loss of FY 2019-20. However, as detailed in the previous Chapter, the actual distribution loss in the true-up years has been higher due to the stated reasons. Hence, for the purpose of provisional true-up of FY 2024-25, the Petitioner has considered the distribution loss of 1.64%, as shown in the Table below:

Table 3-2: Distribution Loss for FY 2024-25

Particulars	MYT Order	Provisional Truing up
Distribution Loss (%)	0.94%	1.64%

3.3.1.2 The Petitioner requests the Hon’ble Commission to approve Distribution Loss of 1.64% in the provisional truing up for FY 2024-25, as shown in the above table

3.4 Energy Balance

3.4.1.1 The Petitioner has considered the Energy Balance for FY 2020-21 to FY 2023-24 after considering the actual energy sales, actual Distribution Loss and actual energy purchased. Further, in case of MADC, applicable transmission losses are in two parts, viz., transmission losses on AMNEPL system and the intra-State Transmission System (InSTS) losses.

3.4.1.2 The Hon’ble Commission had approved the transmission losses on AMNEPL system for the Control Period from FY 2020-21 to FY 2024-25 as 0.63%, based

on the actual losses observed in FY 2019-20. MADC has estimated the transmission losses on AMNEPL system as 0.63% in the provisional trueing up for FY 2024-25.

3.4.1.3 As regards the InSTS losses, in the MYT Order, the Hon'ble Commission had not allowed the same in the Energy Balance of MADC, on the basis that the same are not applicable for MADC. However, the ground reality is that InSTS losses are automatically applied by MSLDC, while scheduling the power for MADC. In the previous Chapter, the Petitioner has submitted the copies of the State Grid Loss Account maintained by MSLDC, which clearly show that the energy drawn by MADC at the T<>D interface has been grossed up with the applicable InSTS loss for the respective month to arrive at the loss adjusted energy drawn by MADC.

3.4.1.4 Further, the PPA between the Petitioner and Manikaran also recognises that the MADC drawal is grossed up by InSTS losses, and MSLDC is also including the InSTS loss while scheduling the power for MADC. Hence, MADC respectfully submits that as it is clear that InSTS losses are applicable for MADC, the Hon'ble Commission may kindly consider the same in the Energy Balance of MADC in the true-up for the respective years. Further, MADC also requests the Hon'ble Commission that in case the Hon'ble Commission is of the view that InSTS losses should not be applied to MADC, then the Hon'ble Commission may kindly direct MSLDC appropriately in this regard, as MSLDC's website considers all DISCOMs similarly, and automatically factors in the InSTS loss while scheduling power. No exclusion is provided in MSLDC website for any DISCOM. This may ensure that henceforth, MSLDC shall not apply InSTS losses. However, for the provisional true-up of FY 2024-25, as MSLDC has already applied the InSTS losses for H1 of FY 2024-25 and continues to do so, MADC requests the Hon'ble Commission to allow the same for MADC.

3.4.1.5 Hence, the Petitioner has considered the approved InSTS loss of 3.18% for FY 2024-25 in the estimated Energy Balance for FY 2024-25, as shown in the following Table:

Table 3-3: Energy Balance for FY 2024-25

Particulars	MYT Order	Provisional truing up
Energy Sales (MU)	94.72	82.87
Distribution loss (%)	0.94%	1.64%
Energy Requirement at T<>D (MU)	95.62	84.26
Intra-State Transmission Loss (%)	-	3.18%
AMNEPL dedicated line Transmission loss (%)	0.63%	0.63%
Energy Requirement at G<>T (MU)	96.23	87.57
Total Power Purchase at State Periphery (MU)		85.99
Imbalance Pool/DSM (MU)		1.58
Total Power Available at G<>T (MU)	96.23	87.57

3.4.1.6 The Petitioner requests the Hon'ble Commission to approve the Energy Balance in the provisional truing up for FY 2024-25, as shown in the above Table.

3.5 Power Purchase Cost

3.5.1.1 The details of the existing medium-term PPA with Manikaran Power Limited (MPL) have been elaborated in the Truing up Chapter. MADC has estimated the rate of power procurement from Manikaran for FY 2024-25 as Rs. 4.71/kWh, based on the actual rates during H1 of FY 2024-25. The Petitioner has estimated the quantum and cost of power purchase from MPL of 85.73 MU at effective rate of Rs. 4.71/kWh.

3.5.1.2 Also, the Petitioner has estimated the quantum and cost of power purchase from Solar of 0.26 MU at effective rate of Rs. 3.05/kWh.

3.5.2 Renewable Purchase Obligation

3.5.2.1 The Commission has determined the RPO requirement of MADC for FY 2024-25 in the MYT Order in Case No. 235 of 2020, as shown in the table below:

Table 3-4: RPO Target approved by the Commission for FY 2024-25

Particulars	FY 2024-25
Power Purchase requirement (A)	96.23
Target RPO%	
Solar	13.50%
Non-Solar	11.50%
RPO (MU)	

Solar	12.99
Non-Solar	11.07
Total RPO	24.06

3.5.2.2 MOP vide its Notification dated 20.10.2023 has specified the minimum share of consumption of Renewable Energy by DISCOMs as a percentage of total share of energy consumption. For FY 2024-25, the RPO target stipulated by MoP is shown in the Table below:

Table 3-5: Details of RPO Compliance set by MoP for FY 2024-25

Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%

3.5.2.3 MADC submits that, in line with the MoP's Notification dated 20.10.2023, the Hon'ble Commission has notified the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024 on 23.02.2024 and as per Regulation 7.5 (A), the revised RPO target for FY 2024-25 is 29.91%.

3.5.2.4 MADC submits that the Cumulative RPO shortfall up to March 2024 is 37.78 MU, as discussed in the previous true-up Chapter. As per Regulation 7.5(A), the revised standalone RPO target of MADC for FY 2024-25 is 26.12 MU.

3.5.2.5 In the previous MYT Order, the Hon'ble Commission had directed MADC to ensure that RE power is procured to meet its RPO requirement at least from FY 2024-25 onwards. The Commission also directed MADC to undertake power planning by considering the procurement of RE power and consider purchase of RECs only in case of shortfall of generation of RE power. The Commission had opined that conventional power purchase plus REC to meet the RPO is a costlier option and hence, it will be beneficial to purchase RE power to meet the RPO, which will not only offset power purchase cost but also avoid REC purchase thereby reducing the overall power purchase cost.

3.5.2.6 As the Hon'ble Commission is well aware, the medium-term PPA with Manikaran has the obligation of take or pay, hence, if MADC purchases actual

RE power to fulfil the RPO targets including the cumulative shortfall of previous years, then MADC would end up with surplus energy, which shall need to be sold in the Power Exchange at prevalent market prices, which may be lower. Also, at the present time, the rate of REC's is significantly lower, at around 12 to 14 paise per unit. Hence, MADC has decided to fulfil the RPO obligation through purchase of RECs. Accordingly, MADC has procured total 35680 RECs in July 2024 worth Rs. 0.51 Crore to meet the RPO of FY 2020-21 to FY 2023-24.

3.5.2.7 However, the above purchase of REC's will not be sufficient to fulfil the cumulative RPO target obligation from FY 2020-21 to FY 2024-25, and hence, MADC has considered purchase of additional REC's to meet its RPO target including previous shortfall of true up years and for FY 2024-25. Also, MADC has envisaged and done the preliminary preparation for floating of tender to tie up RE power along with conventional power to meet its power purchase requirement after expiry of PPA with Manikaran in the month of October 2025.

3.5.2.8 MADC has recently floated two tenders for the period from 01.01.2025 to 31.10.2025 as under:

- Purchase of Renewable Energy through E-Tendering and E-Reverse Auction Basis
- Sale of available surplus conventional power

However, MADC has not received any bid/enquiry in spite of extension of the bid submission timeline twice.

3.5.2.9 The details of RPO target, achievement and shortfall vis-à-vis the target for FY 2024-25 and cumulatively up to the end of FY 2024-25 are shown in the Tables below:

Table 3-6: Details of RPO for FY 2024-25

Particulars	FY 2024-25
Power Purchase requirement	87.32
Total RPO %	29.91%
Total RPO in MU	26.12
Solar RPO Achieved in MU	0.26
Total RPO shortfall in MU	25.86

Table 3-7: Details of Cumulative RPO Shortfall up to FY 2024-25

Particulars	RPO Quantum (MU)
Cumulative shortfall till FY 2023-24	37.78
Standalone target of FY 2024-25	25.86
Cumulative target till FY 2024-25	63.64
REC purchased in H1 of FY 2024-25	35.68
REC purchase estimated in H2 of FY 2024-25	27.96
Cumulative Shortfall after REC purchased till FY 2024-25	-

3.5.2.10 The details of RECs purchased during H1 of FY 2024-25 are attached as **Annexure 14**.

3.5.3 DSM

3.5.3.1 The Petitioner has considered the actual quantum of purchase through DSM in H1 of FY 2024-25. As purchase from DSM cannot be projected as a source of supply, the same has not been estimated for the second half of FY 2024-25.

3.5.3.2 The estimated power purchase quantum and cost for FY 2024-25 is shown in the following Table:

Table 3-8: Power Purchase Cost for FY 2024-25

Power Source	Approved in MYT Order			Provisional true-up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
Manikaran Power Limited (MPL)	72.17	32.33	4.48	85.73	40.37	4.71
Solar Purchase	12.99	3.33	2.56	0.26	0.08	3.05
Non-Solar Purchase	11.07	2.83	2.56			
REC Purchase					0.90	
DSM				1.58	0.84	
Total	96.23	32.33	4.00	87.57	42.19	4.82

3.5.3.3 **The Petitioner requests the Hon'ble Commission to approve the estimated power purchase cost in the provisional true-up for FY 2024-25, as shown in**

the above Table.

3.6 Transmission Charges and MSLDC Charges

3.6.1.1 The Hon'ble Commission in the MYT Order approved the Intra-State Transmission Charges and MSLDC Charges in accordance with the Hon'ble Commission's Order dated 30 March, 2020 in Case No. 327 of 2019 determining the InSTS Tariff, and Order dated 30 March, 2020 in Case No. 291 of 2019 determining the MSLDC Charges.

3.6.1.2 The Commission also considered the Transmission Charges for usage of AMNEPL dedicated transmission line as submitted by MADC.

3.6.1.3 The InSTS Transmission Charges, AMNEPL Transmission Charges, and MSLDC Charges for FY 2024-25 have been estimated based on the actual expenses on this account during H1 of the year. The Intra-State Transmission Charges, AMNEPL Transmission Charges and MSLDC Charges considered by the Petitioner in the provisional true-up for FY 2024-25 are shown in the Table below:

Table 3-9: Transmission Charges and MSLDC Charges for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
AMNEPL Transmission Charges	1.80	1.30
Intra-State Transmission Charges	3.94	6.01
MSLDC Charges	0.02	0.02
Total Transmission and MSLDC Charges	5.76	7.34

3.6.1.4 The Petitioner requests the Hon'ble Commission to approve the Transmission Charges and MSLDC Charges in the provisional truing up for FY 2024-25, as shown in the above Table.

3.7 Operation & Maintenance Expenses

3.7.1.1 Regulation 75.3 of the MERC MYT Regulations, 2019 specifies that the O&M expenses are to be computed on the basis of normative O&M expenses escalated by WPI and CPI indices of the last 5 years in the ratio 70:30 respectively, including the year of Truing-up. Similar provisions are applicable for Retail Supply Business also. The relevant extract is as follows:

"75.3 The Operation and Maintenance expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2019-20 by an inflation factor

with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:

Provided that, in the Truing-up of the O&M expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year."

3.7.1.2 In line with the above provisions, the Petitioner has worked out the normative O&M expenses for FY 2024-25. The Petitioner has considered the revised normative O&M expenses as claimed in the true-up for FY 2023-24 and escalated the same with WPI and CPI indices of last 5 years in the ratio 70:30. As stated earlier, the escalation rate applicable for FY 2024-25 works out to 4.85%. Further, as it is estimated that the 3-year growth in the number of consumers may be negative, hence, the escalation index has been reduced by the Efficiency Factor of 1%. Thus, the effective escalation rate for FY 2024-25 works out to 3.85%.

3.7.1.3 The computation of normative O&M expenses for FY 2024-25 in accordance with the MYT Regulations, 2019 is provided in the Table below:

Table 3-10: Normative O&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Amount
O&M Expenses for Wires Business	1.49
O&M Expenses for Retail Supply Business	0.80
Total O&M Expenses	2.29

3.7.1.4 **The Petitioner requests the Hon'ble Commission to approve the normative O&M expenses in the provisional truing up for FY 2024-25, as shown in the above Table.**

3.8 Capital Expenditure and Capitalisation

3.8.1.1 The Hon'ble Commission, in the MYT Order, approved Nil Capital Expenditure and Capitalisation for FY 2024-25. However, during H1, MADC has incurred capital Expenditure and Capitalisation in the Wires Business and Supply Business of Rs. 1.12 Crore and Rs. 0.29 Crore, respectively.

3.8.2 Capex and Capitalisation for Wires Business:

1. Electrification of Sector 17, MIHAN SEZ Nagpur

MADC has done e- tender vide *Tender No. 2023_MADC_904914_1* for providing power supply and street light infrastructure at Sector 17, MIHAN SEZ Nagpur as new area is being developed and electrification is required to cater to new consumers. The LOA was issued in September, 2023 at a cost of Rs. 44,99,718/-. This work has been completed and the amount capitalised in H1 of FY 2024-25.

2. Battery Replacement in the substation

The existing batteries in the various substations were non-functional as their life cycle was completed and condition was also deteriorated. Thus, it was necessary to replace the existing batteries with new batteries to keep the system healthy and ensure reliability and accordingly tender was floated for Supply, Installation, Testing and Commissioning (SITC) of new batteries and compatible battery charger at electrical substation at Mihan SEZ Nagpur.

3.8.2.1 The successful bidder was M/s. IBI Industrial Batteries Private Limited and Work Order was issued dt. 21.06.2024 for LOA No. - 200/MIHAN/Power/2024 dtd. 10.01.2024 and accordingly agreement was executed between MADC and M/s. IBI Industrial Batteries Private Limited for the amount of Rs. 67,34,000/-. This work has been completed and the amount capitalised in H1 of FY 2024-25.

3.8.3 Capex and Capitalisation for Retail Supply Business:

3.8.3.1 MADC has issued recently Work Order to M/s. Inizent Internet Solutions Pvt. Ltd. for Supply, Installation and Commissioning of Energy Management System (EMS) in MIHAN SEZ area, Nagpur. This EMS will facilitate in sending auto meter reading to consumers. This Capex is mostly for metering and hardware where Multi-function Meter (MFM), modem and other equipment will be installed. The total Work Order value is of Rs. 28,82,504/-. For this capex also, e-tender was floated vide Tender No. 2024_MADC_1059536_1 and LOA No. 4604/MIHAN/Power/2024 dt. 11.10.2024 has been issued. This work has been considered to be capitalised in H2 of FY 2024-25.

3.8.3.2 The following table shows the amount of Capital Expenditure and Capitalization estimated by the Petitioner in the provisional true-up for FY 2024-25.

Table 3-11: Capital Expenditure & Capitalisation for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	MYT Order	Provisional Truing up
Distribution Wires Business		
Capital Expenditure	0.00	1.12
Capitalisation	0.00	1.12
Retail Supply Business		
Capital Expenditure	0.02	0.29
Capitalisation	0.02	0.29

3.8.3.3 **The Petitioner requests the Hon'ble Commission to approve the Capital Expenditure and Capitalisation in the provisional true-up for FY 2024-25, as shown in the Table above.**

3.9 Depreciation

3.9.1.1 The Petitioner has computed the depreciation for FY 2024-25 in accordance with Regulation 28 of the MYT Regulations, 2019, by applying the asset class-wise depreciation rate specified in the MYT Regulations, 2019 on the average asset class-wise GFA during the year. The closing GFA for FY 2023-24

considered in the Truing-up of FY 2023-24 has been considered as the Opening GFA for FY 2024-25. As stated earlier, addition to GFA has been envisaged in the Wires Business and Supply Business for FY 2024-25.

3.9.1.2 The asset-class wise depreciation has been submitted in Forms F5, F5.1(E), and F5.2(E) submitted along with this Petition. The depreciation claimed by the Petitioner for FY 2024-25 is as shown in the following Table:

Table 3-12: Depreciation for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
Distribution Wires Business		
Opening GFA	62.60	62.60
Additions during the Year	-	1.12
Retirement during the year	-	-
Closing GFA	62.60	63.72
Depreciation	3.21	3.24
Retail Supply Business		
Opening GFA	0.09	0.09
Additions during the Year	-	0.29
Retirement during the year	-	-
Closing GFA	0.09	0.38
Depreciation	0.005	0.01

3.9.1.3 **The Petitioner requests the Hon'ble Commission to approve the depreciation in the provisional truing up for FY 2024-25, as shown in the above Table.**

3.10 Interest on Long-Term Loan Capital

3.10.1.1 The Petitioner has computed the Interest on Long-Term Loan Capital in accordance with Regulation 30 of the MYT Regulations, 2019. The Closing Balance of net normative loan considered in the Truing-up for FY 2023-24 has been considered as the Opening Balance of net normative loan for FY 2024-25. For arriving at the addition of debt component during the year, the Petitioner has considered normative debt: equity ratio of 70:30 on the addition to GFA as discussed in the earlier section. The Depreciation has been considered as normative repayment of loan during the year. In the absence of actual loans, the Interest on Loan had been calculated on the average normative loan for

the year by applying the interest rate of 8.65% applicable for FY 2024-25, i.e., the 1-year SBI MCLR applicable on 1st April 2024. At the time of true-up for FY 2024-25, the weighted average rate of interest during the year shall be considered, in accordance with the MYT Regulations, 2019.

3.10.1.2 The Interest on Long Term Loan capital claimed by the Petitioner for FY 2024-25 is shown in the following Tables:

Table 3-13: Estimated Interest on Long-Term Loan for Wires Business for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
Opening Balance of Net Normative Loan	32.60	32.56
Addition of Normative Loan due to capitalisation	-	0.79
Repayment of Normative loan during the year	3.21	3.24
Closing Balance of Net Normative Loan	29.39	30.10
Average Balance of Net Normative Loan	31.00	31.33
Weighted average Rate of Interest on actual Loans	10.78%	8.65%
Interest Expenses	3.34	2.71

Table 3-14: Estimated Interest on Long Term Loan Capital for Retail Supply Business for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
Opening Balance of Net Normative Loan	0.046	0.046
Addition of Normative Loan due to capitalisation	-	0.203
Repayment of Normative loan during the year	0.005	0.012
Closing Balance of Net Normative Loan	0.041	0.236
Average Balance of Net Normative Loan	0.043	0.141
Weighted average Rate of Interest on actual Loans	10.78%	8.65%
Interest Expenses	0.005	0.012

3.10.1.3 The Petitioner requests the Hon'ble Commission to approve the interest on long-term loans in the provisional truing up for FY 2024-25, as shown in the above Table.

3.11 Interest on Working Capital (IoWC) and Consumer Security Deposit

3.11.1.1 The Petitioner has computed the normative working capital requirement in accordance with Regulation 32 of the MYT Regulations, 2019. The one-year

SBI MCLR at the time of filing the Petition is 9.00%. Accordingly, for computation of IoWC, the Petitioner has considered the rate of interest of 10.50% (9.00% + 1.50%) for FY 2024-25, in accordance with the MYT Regulations, 2019.

3.11.1.2 The Petitioner would like to apprise the Hon'ble Commission that MADC has paid/adjusted the entire pending Interest on CSD for the period from FY 2020-21 to FY 2023-24 in the month of October 2024 based on the Hon'ble Commission's Order dated 25th July, 2024 in Case No. 209 of 2023. Accordingly, MADC has claimed the Interest on CSD amount for the period from FY 2020-21 to FY 2023-24 in the provisional true-up for FY 2024-25, as the amount has actually been paid/adjusted in FY 2024-25. The rate of interest for CSD for amount due in FY 2024-25 has been considered as the prevalent RBI Bank Rate, i.e., 6.50%.

3.11.1.3 The computation of IoWC and interest on CSD for FY 2024-25 is shown in the following Table:

Table 3-15: IoWC and Interest on CSD for Wires Business for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
O&M expenses for one month	0.12	0.12
Maintenance Spares at 1% of Opening GFA	0.63	0.63
Receivables	1.02	0.90
Less: Amount held as Security Deposit	0.56	0.47
Total Working Capital Requirement	2.32	1.18
Computation of Working Capital Interest		
Interest Rate (%) - SBI MCLR +150 basis points	8.50%	10.50%
Interest on Working Capital	0.10	0.12
Interest on Consumers' Security Deposit		
Interest Rate (%) - RBI Bank Rate	4.25%	6.50%
Interest on CSD	0.02	0.14*

*Note: * including interest on CSD paid for the period from FY 2020-21 to FY 2023-24*

Table 3-16: IoWC and Interest on CSD for Retail Supply Business for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
O&M expenses for one month	0.06	0.07
Maintenance Spares at 1% of Opening GFA	0.00	0.00
Receivables	8.56	7.14

Particulars	MYT Order	Provisional Truing up
Less: Amount held as Security Deposit	5.00	4.19
Less: One-month equivalent of cost of power purchase, transmission charges and MSLDC Charges	3.69	4.13
Total Working Capital Requirement	(0.06)	(1.11)
Computation of Working Capital Interest		
Interest Rate (%) - SBI MCLR +150 basis points	8.50%	10.50%
Interest on Working Capital	0.00	0.00
Interest on Consumers' Security Deposit		
Interest Rate (%) - RBI Bank Rate	4.25%	6.50%
Interest on CSD	0.21	1.25*

Note: * including interest on CSD paid for the period from FY 2020-21 to FY 2023-24

3.11.1.4 The Petitioner requests the Hon'ble Commission to approve IoWC and Interest on CSD in the provisional true-up for FY 2024-25, as shown in the above Table.

3.12 Return on Equity

3.12.1.1 The Petitioner has computed the RoE for FY 2024-25 in accordance with Regulation 29 of the MYT Regulations, 2019. The Petitioner has considered the Closing Equity as considered in the Truing-up of FY 2023-24, as the Opening Equity for FY 2024-25, which is Nil. RoE has been computed on the Opening Equity and 50% of the equity component of asset addition during FY 2024-25. The Petitioner has considered equity additional equal to 30% of the GFA addition claimed during FY 2024-25 for both Wires Business and Retail Supply Business.

3.12.1.2 As per Regulation 29 of the MYT Regulations, 2019, RoE is computed in two components, first as per base return and second as additional return on equity linked to actual performance. The additional Return on Equity shall be allowed at the time of truing up for respective year based on actual performance, after prudence check of the Hon'ble Commission. Hence, as FY 2024-25 is not fully completed, the Petitioner has computed RoE based on only the base return part and the additional return part shall be calculated and claimed at the time of True-up.

3.12.1.3 For FY 2024-25, the Petitioner has computed the Base RoE for the Wires Business at 14%. Also, Pre-tax rate of Return on Equity after considering

effective Tax rate has been considered as 14% for the Wires Business, as no Income tax has been paid in FY 2023-24. Similarly for Retail Supply Business, the Petitioner has considered the Base RoE and Pre-tax RoE at 15.5% .

3.12.1.4 The RoE claimed by the Petitioner for FY 2024-25 for the Wires Business and Retail Supply Business is shown in the following Tables:

Table 3-17: Return on Equity for Distribution Wires Business FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
Regulatory Equity at the beginning of the year	-	-
Equity portion of capitalisation during the year	-	0.34
Regulatory Equity at the end of the year	-	0.34
Return on Equity Computation		
Rate of Return on Equity	14.00%	14.00%
Pre-tax Rate of Return	14.00%	14.00%
Return on Regulatory Equity at the beginning of the year	-	0.00
Return on Regulatory Equity addition during the year	-	0.024
Total Return on Equity	-	0.02

Table 3-18: Return on Equity for Retail Supply Business FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Provisional Truing up
Regulatory Equity at the beginning of the year	-	-
Equity portion of capitalisation during the year	-	0.09
Regulatory Equity at the end of the year	-	0.09
Return on Equity Computation		
Rate of Return on Equity	15.50%	15.50%
Pre-tax Rate of Return	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year	-	0.00
Return on Regulatory Equity addition during the year	-	0.01
Total Return on Equity	-	0.01

3.12.1.5 The Petitioner requests the Hon'ble Commission to approve the RoE in the provisional truing up for FY 2024-25, as shown in the above Tables.

3.13 Provisioning for Bad Debts

3.13.1.1 The Petitioner has not estimated any provision for bad debts at this point in time. In case any such provisioning is done, the same shall be claimed at the time of truing up based on actuals and in accordance with the MYT

Regulations, 2019.

3.14 Contribution to Contingency Reserves

3.14.1.1 In accordance with the MYT Regulations, 2019 and the approach adopted by the Hon'ble Commission in the MYT Order, the Petitioner has considered the Contribution to Contingency Reserve at 0.25% of Opening GFA for FY 2024-25, as shown in the following Table:

Table 3-19: Contribution to Contingency Reserves for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2024-25	
		MYT Order	Provisional Truing up
A	Wires Business		
1	Opening GFA of Wire Business	62.60	62.60
2	Contribution to Contingency Reserves	0.16	0.16
B	Retail Supply Business		
3	Opening GFA of Retail Supply Business	0.09	0.09
4	Contribution to Contingency Reserves	0.0002	0.0002

3.14.1.2 The Petitioner requests the Hon'ble Commission to approve Contribution to Contingency Reserves in the provisional true-up for FY 2024-25, as shown in the above Table.

3.15 Non-Tariff Income

3.15.1.1 The Petitioner has considered Non-Tariff income of Rs. 0.04 Crore for the Wires Business and Rs. 0.32 Crore for the Retail Supply Business for FY 2024-25, at the same level as the actuals of FY 2023-24.

3.15.1.2 The Non-Tariff Income claimed by the Petitioner for FY 2024-25 is shown in the following Table:

Table 3-20: Non-Tariff Income for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Provisional Truing up
1	Wires Business	0.039	0.04
2	Retail Supply Business	0.015	0.32
	Total Non-Tariff Income	0.054	0.35

3.15.1.3 The Petitioner requests the Hon'ble Commission to approve Non-Tariff Income in the provisional true-up for FY 2024-25, as stated above.

3.16 Revenue from Sale of Electricity

3.16.1.1 The Hon'ble Commission, in the MYT Order, approved the category-wise tariff applicable for the Petitioner for FY 2024-25. The actual revenue in H1 of FY 2024-25 has been considered. For the purpose of calculation of revenue for H2 of FY 2024-25, MADC has considered the tariff approved by the Hon'ble Commission for FY 2024-25 on the estimated sales in H2 of FY 2024-25.

3.16.1.2 The category-wise break-up of revenue from Fixed Charges, Demand Charges, Energy Charges, etc., for FY 2024-25 is provided in Form F13 of the Formats, submitted along with the Petition.

3.16.1.3 The summary of estimated revenue from sale of electricity for FY 2024-25 is shown in the following Table:

Table 4-3-21: Estimated Revenue from Sale of electricity for FY 2024-25 (Rs. Crore)

Sl.	Particulars	MYT Order	Provisional Truing up
1	Revenue from Sale of Electricity	76.71	64.30

3.16.1.4 The Petitioner requests the Hon'ble Commission to approve Revenue from Sale of Electricity in the provisional true-up for FY 2024-25, as shown in the above Table.

3.17 Summary of Aggregate Revenue Requirement for FY 2024-25

3.17.1.1 The summary of the ARR claimed by the Petitioner in the provisional true-up for the Distribution Wires Business for FY 2024-25, is as shown in the Table below:

Table 4-3-22: ARR Summary for Wires Business for FY 2024-25 (Rs. Crore)

Sl.	Particulars	MYT Order	Provisional Truing up
1	Operation & Maintenance Expenses	1.39	1.49
2	Depreciation	3.21	3.24
3	Interest on Loan Capital	3.34	2.71
4	Interest on Working Capital	0.10	0.12
5	Interest on Consumer Security Deposit	0.02	0.14
6	Provision for bad and doubtful debts	0.00	0.00
7	Contribution to Contingency Reserves	0.16	0.16
8	Total Revenue Expenditure	8.22	7.86
9	Add: Return on Equity Capital	-	0.02
10	Aggregate Revenue Requirement	8.22	7.89

Sl.	Particulars	MYT Order	Provisional Truing up
11	Less: Non-Tariff Income	0.04	0.04
12	Total Aggregate Revenue Requirement	8.18	7.85

3.17.1.2 The summary of the ARR claimed by the Petitioner in the provisional true-up for the Retail Supply Business for FY 2024-25 is shown in the following Table:

Table3-23: ARR Summary for Retail Supply Business for FY 2024-25 (Rs. Crore)

Sl.	Particulars	MYT Order	Provisional Truing up
1	Power Purchase Expenses	38.49	42.19
2	Operation & Maintenance Expenses	0.74	0.80
3	Depreciation	0.005	0.01
4	Interest on Loan Capital	0.005	0.01
5	Interest on Working Capital	0.00	0.00
6	Interest on Consumer Security Deposit	0.21	1.25
7	Provision for bad and doubtful debts	0.00	0.00
8	Contribution to Contingency Reserves	0.00	0.0002
9	Intra-State Transmission Charges	5.74	7.32
10	MSLDC Fees & Charges	0.02	0.02
11	Total Revenue Expenditure	45.22	51.60
12	Add: Return on Equity Capital	0.00	0.01
13	Aggregate Revenue Requirement	45.22	51.61
14	Less: Non-Tariff Income	0.01	0.32
15	ARR of Retail Supply Business	45.20	51.29

3.17.1.3 The Petitioner requests the Hon'ble Commission to approve the ARR for Distribution Wires Business and Retail Supply Business in the provisional true-up for FY 2024-25, as shown in the above Tables.

3.17.1.4 The summary of the ARR claimed by the Petitioner in the provisional true-up for the Combined Distribution Business for FY 2024-25 is shown in the following Table:

Table3-24: ARR Summary for Combined Distribution Business for FY 2024-25 (Rs. Crore)

Sl.	Particulars	MYT Order	Provisional Truing up
1	Power Purchase Expenses	38.49	42.19
2	Operation & Maintenance Expenses	2.13	2.29

Sl.	Particulars	MYT Order	Provisional Truing up
3	Depreciation	3.21	3.26
4	Interest on Loan Capital	3.35	2.72
5	Interest on Working Capital	0.10	0.12
6	Interest on Consumer Security Deposit	0.24	1.39
7	Provision for bad and doubtful debts	0.00	0.00
8	Contribution to Contingency Reserves	0.16	0.16
9	Intra-State Transmission Charges	5.74	7.32
10	MSLDC Fees & Charges	0.02	0.02
11	Total Revenue Expenditure	53.43	59.46
12	Add: Return on Equity Capital	0.00	0.03
13	Aggregate Revenue Requirement	53.43	59.49
14	Less: Non-Tariff Income	0.05	0.35
15	ARR of Combined Distribution Business	53.38	59.14

3.17.1.5 The Revenue Gap after provisional truing up for FY 2024-25 has been elaborated in a subsequent Chapter detailing the Cumulative Revenue Gap/(Surplus) and associated carrying/(holding) costs to be allowed, as past gaps/(surplus) have been adjusted by the Hon'ble Commission in the ARR and Tariff of FY 2023-24 and FY 2024-25, in the MYT Order.

4 Aggregate Revenue Requirement for the MYT Control Period from for FY 2025-26 to FY 2029-30

4.1.1.1 The Hon'ble Commission notified the MERC MYT Regulations, 2024 on 19 August 2024 for the Control Period from FY 2025-26 to FY 2029-30. Regulation 5.1 (a) (iii) of MYT Regulations, 2024 provides for projection of ARR for each year of the Control Period under these Regulations. In this Chapter, MADC has projected the ARR for the Control Period from FY 2025-26 to FY 2029-30.

4.2 Energy Sales

4.2.1.1 Regulation 101.1 of the MYT Regulations, 2024 specifies that Distribution Licensee is required to submit a month-wise forecast of the expected sales of electricity to each tariff category/sub-category and to each Tariff slab within such Tariff category/sub-category.

4.2.1.2 MADC submits the 5-year CAGR, 3-year CAGR, and Year-on-Year (YoY) growth rates in category-wise sales, as shown in the Table below:

Table 4-1: Projected energy sales and CAGR growth (MU)

Consumer Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5-year CAGR (%)	3-year CAGR (%)	YoY Growth Rate (%)
HT Category									
HT I -Industry	52.18	64.98	43.73	61.57	67.76	72.80	6.9%	18.5%	7.4%
HT II - Commercial	2.56	2.82	16.02	2.04	2.70	2.66	0.8%	-45.0%	-1.4%
LT Category									
LT I - Industry	1.14	1.44	0.99	0.92	1.06	1.03	-2.1%	1.3%	-2.9%
LT II - Commercial	0.4	0.91	0.90	0.74	0.90	0.93	18.4%	1.3%	3.3%
LT III - Street Light	0.77	0.88	0.95	1.01	0.90	0.84	1.8%	-3.8%	-6.1%
LT IV - Public Services/ General Purpose	0.01	0.02	0.02	0.02	0.02	0.01	8.0%	-1.5%	-27.1%
Total	57.06	71.05	62.60	66.29	73.34	78.28	6.5%	7.7%	6.7%

4.2.1.3 From the above Table, it can be seen that considering last 5 years, the growth in sales of MADC is around 6.5%. However, this period includes COVID - 19 period, because of which, MADC has experienced reduced energy sales in FY 2020-21 and FY 2021-22 as compared to the actual sales in FY 2019-20. Post-

COVID, the sales have started increasing again, though the sales in the true-up years is lower than that approved by the Hon'ble Commission in the MYT Order. Hence, MADC is of the opinion that the 3-year CAGR in sales would be a better indicator for projecting growth in energy sales for the next Control Period.

4.2.1.4 Hence, MADC has escalated the estimated category-wise sales of FY 2024-25 annually by 7.5% to project the category-wise sales for the Control Period from FY 2025-26 to FY 2029-30. The month-wise sales have been projected based on the sales pattern in each month of the year. Based on the above approach, the month-wise and category-wise sales have been projected for FY 2025-26 to FY 2029-30, as detailed in Form F1 of the Formats submitted along with the Present Petition.

4.2.1.5 The projected category-wise Energy Sales for FY 2025-26 to FY 2029-30 are as under:

Table 4-2: Projected category-wise Energy Sales for 5th Control Period (MU)

Consumer Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT I -Industry	82.59	88.78	95.44	102.60	110.29
HT II - Commercial	3.34	3.59	3.86	4.15	4.46
Sub-total	85.93	92.37	99.30	106.75	114.75
LT Category					
LT I - Industry	1.22	1.31	1.41	1.51	1.62
LT II - Commercial	1.15	1.24	1.33	1.43	1.54
LT III - Street Light	0.77	0.83	0.89	0.96	1.03
LT IV - Public Services /General Purpose	0.02	0.02	0.02	0.03	0.03
Sub-total	3.16	3.40	3.65	3.93	4.22
Total	89.09	95.77	102.95	110.68	118.98

4.2.1.6 **The Petitioner requests the Hon'ble Commission to approve the projected category-wise sales for FY 2025-26 to FY 2029-30, as shown in the Table above. Any deviation from the projected sales shall be claimed at the time of Truing-up of respective year. The Petitioner has also submitted the revised Resource Adequacy (RA) Plan as part of the MYT Petition as Annexure 18.**

4.2.1.7 Further, as stated subsequently, the Petitioner has proposed kVAh tariff for all categories in line with the existing tariff structure approved by the Hon'ble Commission in the MYT Order. The projected category-wise sales in Million kVAh (MkVAh) for FY 2025-26 to FY 2029-30 is presented in the Table below:

Table 4-3: Projected category wise Energy Sales for 5th Control Period (MkVAh)

Consumer Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT I -Industry	83.78	90.07	96.82	104.08	111.89
HT II - Commercial	3.60	3.87	4.16	4.48	4.81
Sub-total	87.39	93.94	100.99	108.56	116.70
LT I - Industry	1.40	1.51	1.62	1.74	1.87
LT II - Commercial	1.22	1.31	1.41	1.52	1.63
LT III - Street Light	0.93	1.00	1.08	1.16	1.25
LT IV - Public Services /General Purpose	0.02	0.02	0.03	0.03	0.03
Sub-total	3.58	3.85	4.14	4.45	4.78
Total	90.97	97.79	105.12	113.01	121.48

4.3 Distribution Loss

4.3.1.1 The Petitioner has projected Distribution Loss of 1.64% for the Control Period from FY 2025-26 to FY 2029-30, based on the actual Distribution Loss for the last year of true-up, i.e., FY 2023-24.

4.3.1.2 As discussed in the earlier Chapters, the Petitioner has established the distribution network primarily on higher voltage level of 33 kV and 11 kV, and as a result, distribution losses are only on account of technical loss in the system, and are also very reasonable. The Petitioner shall claim the actual Distribution Losses at the time of true-up for the respective year.

4.3.1.3 The projected Distribution Losses for FY 2025-26 to FY 2029-30 are as under:

Table 4-4: Projected Distribution Loss for the Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss (%)	1.64%	1.64%	1.64%	1.64%	1.64%

4.3.1.4 **The Petitioner requests the Hon'ble Commission to approve the projected distribution losses for FY 2025-26 to FY 2029-30, as shown in the Table above.**

4.4 Energy Balance

4.4.1.1 The Petitioner has projected the Energy Balance for the 5th Control Period based on the projected sales, Distribution Losses, Transmission Losses of AMNEPL and intra-State Transmission Loss.

4.4.1.2 As elaborated in the earlier Chapters of this Petition, in case of MADC, applicable transmission losses are in two parts, viz., transmission losses on AMNEPL system and the intra-State Transmission System (InSTS) losses.

4.4.1.3 The Hon'ble Commission had approved the transmission losses on AMNEPL system for the Control Period from FY 2020-21 to FY 2024-25 as 0.63%. MADC has considered the transmission losses on AMNEPL system as 0.63% for the MYT Control Period from FY 2025-26 to FY 2029-30.

4.4.1.4 As regards the InSTS losses, in the MYT Order, the Hon'ble Commission had not allowed the same in the Energy Balance of MADC, on the basis that the same are not applicable for MADC. However, the ground reality is that InSTS losses are automatically applied by MSLDC, while scheduling the power for MADC. In the previous Chapter, the Petitioner has submitted the copies of the State Grid Loss Account maintained by MSLDC, which clearly show that the energy drawn by MADC at the T<>D interface has been grossed up with the applicable InSTS loss for the respective month to arrive at the loss adjusted energy drawn by MADC.

4.4.1.5 Further, the PPA between the Petitioner and Manikaran also recognises that the MADC drawal is grossed up by InSTS losses, and MSLDC is also including the InSTS loss while scheduling the power for MADC. Hence, MADC respectfully submits that it is clear that InSTS losses are presently applicable for MADC. MADC requests the Hon'ble Commission that in case the Hon'ble Commission is of the view that InSTS losses should not be applied to MADC, then the Hon'ble Commission may kindly direct MSLDC appropriately in this regard, as MSLDC's website considers all DISCOMs similarly, and automatically factors in the InSTS loss while scheduling power. No exclusion is provided in MSLDC website for any DISCOM. This may

ensure that henceforth, MSLDC shall not apply InSTS losses.

4.4.1.6 However, for the purpose of this Petition, MADC has considered the InSTS losses in line with the STU Petition admitted by the Hon'ble Commission for estimating the Energy Balance for the Control Period from FY 2025-26 to FY 2029-30. The Hon'ble Commission is requested to consider the InSTS losses to be approved in the Petition filed by STU for the next Control Period from FY 2025-26 to FY 2029-30, and rework the Energy Balance accordingly for MADC for the Control Period from FY 2025-26 to FY 2029-30.

4.4.1.7 **The Petitioner requests the Hon'ble Commission to consider the intra-State Transmission Losses as being approved in the MYT Order of STU for the Petitioner, while approving the Energy Balance for the Control Period from FY 2025-26 to FY 2029-30.**

4.4.1.8 Accordingly, the Petitioner has projected the energy requirement for FY 2025-26 to FY 2029-30, as under:

Table 4-5: Projected Energy Balance for 5th Control Period (MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Sales	89.09	95.77	102.95	110.68	118.98
Distribution Loss (%)	1.64%	1.64%	1.64%	1.64%	1.64%
Energy Requirement after Distribution Losses	90.57	97.37	104.67	112.52	120.96
AMNEPL dedicated line Transmission loss (%)	0.63%	0.63%	0.63%	0.63%	0.63%
Energy Requirement at T<>D	91.15	97.98	105.33	113.23	121.73
Intra-State Transmission Loss (%)	3.28%	3.26%	3.24%	3.21%	3.16%
Energy Requirement at G<>T	94.24	101.29	108.86	116.99	125.70

4.4.1.9 **The Petitioner requests the Hon'ble Commission to approve the projected Energy Balance for FY 2025-26 to FY 2029-30, as shown in the Table above.**

4.5 Power Purchase Expenses

4.5.1.1 The details of the existing medium-term PPA with Manikaran Power Limited (MPL), which is valid up to 31st October 2025, have been elaborated in the Truing up Chapter. MADC has estimated the rate of power procurement from

Manikaran for FY 2025-26 (April to October 2025) as Rs. 4.71/kWh, based on the actual rates during H1 of FY 2024-25. The Petitioner has estimated the quantum and cost of power purchase from MPL of 58.60 MU at the rate of Rs. 4.71/kWh in FY 2025-26.

4.5.1.2 The Petitioner intends to tie-up with a Conventional Power Provider and RE Power Provider to meet its Power requirement post October 2025. The Petitioner is in the process to finalise the power purchase criteria for the above. However, it will not be prudent to project the power purchase rates of such procurement as the market prices have been fluctuating for RTC power contracts for both conventional and RE power.

4.5.1.3 Hence, for the purpose of projecting the power purchase cost from November 2025 onwards, MADC has considered conventional power rate of Rs. 4.68/kWh, which is the average discovered rate of power in IEX for last six months, in line with the approach followed by the Hon'ble Commission in the latest MTR Orders for other DISCOMs. Thus, as the conventional power procurement source is not yet finalised, the Petitioner has considered power procurement from Power Exchange for purchase of conventional power. However, MADC shall endeavour to tie up with a conventional power provider in the medium/long-term soon, and shall approach the Hon'ble Commission for the necessary approvals at the appropriate time.

4.5.2 Power Purchase from Solar Rooftop at Generic Tariff

4.5.2.1 For FY 2025-26 to FY 2029-30, the Petitioner has projected procurement of power from consumers who have installed Solar Projects at their Rooftop. MADC is procuring their surplus power at Generic Tariff applicable for Distribution Companies in Maharashtra as approved by the Hon'ble Commission. The Petitioner has for tariff purposes, projected procurement of existing quantum of power for all years, at Rs. 3.05/kWh, i.e., the same rate applicable for FY 2024-25.

4.5.3 Renewable Purchase Obligation

4.5.3.1 For FY 2025-26 to FY 2029-30, the Petitioner has considered the RPO targets specified in the Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2019, as amended from time to

time, as shown in the Table below:

Table 4-6: RPO Target for the Control Period

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

4.5.3.2 Hence, MADC proposes to meet around 40% of its power purchase needs from RE Sources through bilateral contracts/other RE power procurement options.

4.5.3.3 However, for the purpose of projecting the cost of power purchase in this Petition, MADC has proposed procurement of RE power from FY 2026-27 according to the requirement of its RPO target. As explained earlier, in view of the existing medium-term contract with Manikaran, which is tied-up to meet the entire power requirement of MADC till October 2025, MADC has not considered purchase of RE power for FY 2025-26, in order to ensure against a situation of either having to pay Manikaran take-or-pay charges or selling the surplus power in the Power Exchange at a discount. Hence, for FY 2025-26, MADC has considered purchase of RECs to meet the RPO target. The rate for RE power procurement from FY 2026-27 onwards is considered as Rs. 5.04/kWh, based on the average discovered power purchase rate of GDAM of last six months, in line with the approach followed by the Hon'ble Commission in the latest MTR Orders for other DISCOMs.

4.5.3.4 The Petitioner has projected the source-wise power purchase quantum and cost from FY 2025-26 to FY 2029-30 as under:

Table 4-7: Projected Power Purchase Cost for FY 2025-26 to FY 2029-30

Particulars	Source	FY	FY	FY	FY	FY
		2025-26	2026-27	2027-28	2028-29	2029-30
Power Purchase	Manikaran Power Limited	58.66	0.00	0.00	0.00	0.00

Particulars	Source	FY	FY	FY	FY	FY
		2025-26	2026-27	2027-28	2028-29	2029-30
Quantum (MU)	Exchange (Conventional)	35.35	64.64	66.38	68.37	71.00
	Exchange (Renewable)	0.00	36.41	42.25	48.39	54.47
	Solar Rooftop	0.23	0.23	0.23	0.23	0.23
	REC	-	-	-	-	-
	Total	94.24	101.29	108.86	116.99	125.70
Power Purchase Cost (Rs. Crore)	Manikaran Power Limited	27.63	0.00	0.00	0.00	0.00
	Exchange (Conventional)	16.54	30.25	31.07	32.00	33.23
	Exchange (Renewable)	0.00	18.35	21.29	24.39	27.45
	Solar Rooftop	0.07	0.07	0.07	0.07	0.07
	REC	0.44	-	-	-	-
	Total	44.68	48.60	52.36	56.38	60.68
Power Purchase Rate (Rs/kWh)	Manikaran Power Limited	4.71	0.00	0.00	0.00	0.00
	Exchange (Conventional)	4.68	4.68	4.68	4.68	4.68
	Exchange (Renewable)	0.00	5.04	5.04	5.04	5.04
	Solar Rooftop	3.05	3.05	3.05	3.05	3.05
	Total	4.74	4.80	4.81	4.82	4.83

4.5.3.5 **The Petitioner requests the Hon'ble Commission to approve the Power Purchase Quantum and Cost for FY 2025-26 to FY 2029-30, as shown in the Table above.**

4.6 Transmission Charges and MSLDC Charges

4.6.1.1 In accordance with Regulation 2 (102) of the MYT Regulations, 2024, the Petitioner being a Distribution Licensee, is a Transmission System User (TSU) for the purpose of transmission tariff determination. Further, Regulations 83 and 84 of the MYT Regulations, 2024 specify the mechanism for sharing of Total Transmission System Cost (TTSC) amongst the Transmission System Users. In a similar manner, Regulation 123 of the MYT Regulations, 2024 also specifies the mechanism for sharing of MSLDC charges amongst Transmission System Users.

4.6.1.2 Being a Distribution Licensee, the Petitioner is entitled to share the TTSC and MSLDC Charges in accordance with the MYT Regulations, 2024. The

Petitioner has considered the Intra-State Transmission Charges, MSLDC Charges, and STU Fees & Charges for the Control Period from FY 2025-26 to FY 2029-30 in line with the share of MADC as proposed in the respective Petitions by STU (for InSTS Charges and STU Charges) and SLDC, as shown in the Table below. Further, MADC has also considered the True-up gap for previous years against InSTS Charges as proposed by the STU in its Petition for approval of InSTS Charges, as shown in the Table below:

4.6.1.3 The Petitioner is also connected to the dedicated Transmission system of AMNEPL, whose entire cost is to be borne by MADC. MADC has estimated payment of Rs. 1.30 Crore as Transmission Line charges to AMNEPL during FY 2024-25. Hence, the Petitioner has projected the same for the next Control Period.

4.6.1.4 The Petitioner submits the projected Transmission Charges and MSLDC Charges, as shown in the following Table:

Table 4-8: Projected Transmission Charges and MSLDC Charges for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Transmission Charges - AMNEPL	1.30	1.30	1.30	1.30	1.30
Intra-State Transmission Charges	6.09	6.48	7.75	8.89	9.88
InSTS True-up Gap	0.38				
MSLDC Charges	0.02	0.03	0.04	0.05	0.06
STU Charges	0.005	0.005	0.005	0.005	0.006

4.6.1.5 **The Hon'ble Commission is requested to consider the Transmission Charges and MSLDC Charges to be approved in the respective MYT Orders, as well as the Transmission Charges payable for use of AMNEPL transmission system, while finalising the ARR of the Petitioner for FY 2025-26 to FY 2029-30.**

4.7 Operation & Maintenance Expenses

4.7.1 Operation and Maintenance Expenses as per Regulations

4.7.1.1 Regulations 93 of the MYT Regulations, 2024 specifies the methodology for

determination of O&M expenses for the 5th Control Period, as reproduced below:

“93.2 For applying normative O&M expenses with respect to Consumer’s growth, the O&M Norms in terms of “INR Lakhs/’000 Consumers” or “INR Lakhs/’00 Consumers” (in case of Deemed Distribution Licensees) shall be multiplied by the closing total Wheeling Consumers inclusive of full Open Access Consumers, if any, of the Distribution Wires Business, during the respective financial year.

.....

Provided that in case of the Distribution Licensee or the Deemed Distribution Licensee tariff is yet to be determined by the Commission till coming into force of these Regulations, the Commission may determine the O&M Norms on case-to-case basis.”(emphasis added)

4.7.1.2 As the Petitioner’s case falls under the last proviso of Regulation 93, as reproduced above, the Petitioner has considered the estimated normative O&M expenses for FY 2024-25 as the base and escalated the same with the escalation indices as specified in the MYT Regulations, 2019.

4.7.1.3 The data on WPI and CPI for the past seven years is shown in the Tables below:

Table 4-9: WPI data for past seven years

Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Apr	117.3	121.1	119.20	132.00	152.30	151.10	152.90
May	118.3	121.6	117.50	132.70	155.00	149.40	153.50
Jun	119.1	121.5	119.30	133.70	155.40	148.90	154.00
Jul	119.9	121.2	121.00	135.00	154.00	152.10	155.20
Aug	120.1	121.50	122.00	136.20	153.20	152.50	154.50
Sep	120.9	121.30	122.90	137.40	152.10	151.80	154.60
Oct	122.0	122.00	123.60	140.7	152.50	152.50	
Nov	121.6	122.30	125.10	143.7	152.50	152.90	
Dec	119.7	123.00	125.40	143.3	150.50	151.60	
Jan	119.2	123.40	126.50	143.8	150.70	151.20	
Feb	119.5	122.20	128.10	145.3	150.90	151.20	
Mar	119.9	120.40	129.90	148.9	151.00	151.40	
Average	119.79	121.79	123.38	139.39	152.51	151.38	154.12
YoY	4.28%	1.67%	1.30%	12.98%	9.41%	-0.74%	1.81%

Table 4-10: CPI data for past seven years

Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Apr	288	312	329	346	368	386	401
May	289	314	330	347	372	388	403
Jun	291	316	332	350	372	393	407
Jul	301	319	336	354	374	402	411
Aug	301	320	338	354	375	401	411
Sep	301	322	340	355	378	396	413
Oct	302	325	344	360	382	399	
Nov	302	328	345	362	382	401	
Dec	301	330	342	361	381	400	
Jan	307	330	340	360	382	400	
Feb	307	328	343	360	382	401	
Mar	309	326	344	363	384	400	
Average	299.92	322.50	338.69	356.06	377.62	397.20	407.66
YoY	5.45%	7.53%	5.02%	5.13%	6.05%	5.19%	2.63%

Table 4-11: Escalation rate for O&M Expenses

	FY 2022-23	FY 2023-24	FY 2024-25
CPI (%)	5.84%	5.78%	4.80%
WPI (%)	5.93%	4.92%	4.94%
CPI: WPI: 70:30	5.86%	5.53%	4.85%

4.7.1.4 Hence, the estimated O&M expenses for FY 2024-25 have been escalated by the escalation index of 4.85%, to project the normative O&M expenses for each year of the Control Period from FY 2025-26 to FY 2029-30. The Petitioner has not considered the Efficiency Factor of 1% linked to the growth in the number of consumers, as there is no express provision for the same in the MYT Regulations, 2024, and also, because the number of consumers in the licence area cannot keep on increasing.

4.7.1.5 The following Table shows the normative O&M expenses for FY 2025-26 to FY 2029-30 proposed by the Petitioner:

Table 4-12: Projected Normative O&M Expenses (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for Wires Business	1.56	1.64	1.71	1.80	1.89
O&M Expenses for Supply Business	0.84	0.88	0.92	0.96	1.01
Total O&M Expenses	2.42	2.54	2.66	2.79	2.93

4.7.1.6 **The Petitioner requests the Hon'ble Commission to approve the projected O&M expenses for FY 2025-26 to FY 2029-30, as shown in the Table above.**

4.8 Capital Expenditure and Capitalisation

4.8.1.1 The Petitioner has planned a DPR Capex scheme for the Control Period. The Capex Scheme is in the planning stage and details of the Capex Scheme have not been finalised yet. However, as the MYT Petition is being filed for the Control Period from FY 2025-26 to FY 2029-30, MADC has included the cost against the Capex Scheme in the respective year, and given brief details of the Capex Scheme as under:

4.8.2 Justification for the Capex Scheme

4.8.2.1 The Capex Scheme is required for alternative source of power supply by being connected to the State Transmission System. At present, MADC distribution network is connected to the State Transmission System through a single dedicated Transmission Line of AMNEPL. However, in case of any emergency, there is no alternative route for power to flow into MADC licence area. As a Distribution Licensee, it is essential for MADC to have an alternative connectivity, through which the power flow can happen in case of any disruption in the primary connectivity for power supply. Hence, MADC is in the process of preparing a DPR for an alternative connection to a separate MSETCL substation. This will provide MADC with redundancy in the system with supply to MADC being more reliable. The salient points of the proposed Capex Scheme are provided in the Table below:

Name of Scheme	Capital expenditure proposal for arrangement of alternate source of power for MIHAN SEZ Area
Estimated Cost (Proposed)	Rs. 30 Crore

Name of Scheme	Capital expenditure proposal for arrangement of alternate source of power for MIHAN SEZ Area
Background	<p>a) Presently power supply to MIHAN is fed through the AMNEPL 220 kV network.</p> <p>b) The Hon'ble Commission, in its Order dated 29 August 2020 in Case No 174 of 2020, had directed MADC to explore possibilities of directly connecting to the transmission network of STU. The relevant extract of the Order is given below:</p> <p><i>"11.3 MADC being the distribution licensee has statutory responsibility of maintaining continuity and reliability of power supply in its area of supply. As order of NCLT will decide fate of AMNEPL's dedicated transmission line which is sole point of supply connection between MADC's distribution network and State Transmission System, MADC as an affected party should keep eye on the liquidation process of AMNEPL and should approach the appropriate authorities from time to time to avoid any possible adverse ramification on its consumers. The Commission would like to remind MADC that in the past the Commission had suggested MADC to explore possibilities of directly connecting to the State Transmission System."(emphasis added)</i></p>
ROI / Benefits	<p>The arrangement of alternate connectivity to the State Transmission System will ensure reliability and uninterrupted supply to the customers in MIHAN area and also ensure compliance of the Hon'ble Commission's directions. The benefits cannot be quantified in monetary terms, as the Capex is of essential nature.</p>
Brief scope of work	<p>The proposed system will comprise:</p> <p>a) 132 kV Bay (AIS / GIS) with all accessories in MSETCL 132/33 kV substation</p> <p>b) 2 x 25 MVA, 132/33 kV transformers with substation equipment: 1 No.</p> <p>c) Cable network of 3 x 400 Sq.mm. Cu. Arm cable: 15 km</p> <p>d) Switchgear and other auxiliary systems to hook up new source with existing network in 33/11 kV substation: for 4 No. Sub Stations.</p>

Name of Scheme	Capital expenditure proposal for arrangement of alternate source of power for MIHAN SEZ Area
Objective / Justification	The arrangement of alternate connectivity will ensure the reliability and uninterrupted supply to the customers in MIHAN area and also ensure compliance of the Hon'ble Commission's directions.

4.8.2.2 MADC has estimated a cost of around Rs. 30 Crore for the project based on preliminary estimation. Details of cost breakup along with DPR would be submitted to the Hon'ble Commission for approval after the same is approved by the Board of MADC and approval for STU Connectivity is received. The Petitioner will seek the requisite approvals in accordance with the MERC Capex Approval Regulations, 2022 at the appropriate time and request for pass through of any variation in the Capex related expenses at the time of truing up for the respective year.

4.8.2.3 MADC, for tariff purposes, has considered capitalisation of Rs. 15 Crore in FY 2027-28 and Rs. 15 Crore in FY 2028-29 on this account, as shown in the Table below:

Table 4-13: Projected Capitalisation for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capitalisation	0.00	0.00	15.00	15.00	0.00

4.8.2.4 **In view of the above, the Petitioner prays to the Hon'ble Commission to approve the Capitalisation for the Control Period as shown in the Table above.**

4.9 Depreciation

4.9.1.1 The Petitioner has calculated depreciation in accordance with Regulation 28 of the MYT Regulations, 2024 for the Wires Business and Retail Supply Business, separately. The Petitioner has computed asset-wise depreciation on each asset class based on the depreciation rates as specified in Annexure I of the MERC MYT Regulations, 2024 for the existing assets, and for the new assets, Depreciation has been computed based on Annexure II of the MERC

MYT Regulations, 2024.

4.9.1.2 The Closing GFA considered in Provisional Truing-up of FY 2024-25 is taken as Opening GFA for FY 2025-26 and onwards. Further, addition to GFA is considered equal to the capitalization proposed in the previous section.

4.9.1.3 The following table shows the Depreciation computed for FY 2025-26 to FY 2029-30, based on Opening GFA and addition to GFA during the respective years:

Table 4-14: Projected Depreciation for 5th Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Wires Business					
Opening GFA	63.72	63.72	63.72	78.72	93.72
Additions during the Year	0.00	0.00	15.00	15.00	0.00
Closing GFA	63.72	63.72	78.72	93.72	93.72
Depreciation	3.27	3.59	4.22	4.54	4.54
Retail Supply Business					
Opening GFA	0.38	0.38	0.38	0.38	0.38
Additions during the Year	0.00	0.00	0.00	0.00	0.00
Closing GFA	0.38	0.38	0.38	0.38	0.38
Depreciation	0.02	0.02	0.02	0.02	0.02

4.9.1.4 The Petitioner requests the Hon'ble Commission to approve the projected Depreciation expenses for FY 2025-26 to FY 2029-30, as shown in the Table above.

4.10 Interest on Long-Term Loan Capital

4.10.1.1 The Petitioner has computed the Interest on Long-term Loan as per Regulation 30 of the MYT Regulations, 2024. The closing net normative loan considered in Provisional Truing-up of FY 2024-25 has been taken as opening net normative loan for FY 2025-26 and onwards. The computation of interest on Long-term loan capital has done on the basis of average normative loan in a year. The normative repayment of loan has been considered equal to the projected depreciation for the respective year, in accordance with the MYT Regulations, 2024. For arriving at the debt component, the debt: equity ratio

of 70:30 has been considered on the proposed capitalisation for respective year. The interest rate has been considered same as that considered in the Provisional Truing-up for FY 2024-25.

4.10.1.2 Interest on long-term loan capital projected for FY 2025-26 to FY 2029-30 is shown in the following Tables:

Table 4-15: Projected Interest on Loan for Wires Business for Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Net Normative Loan	30.10	26.83	23.56	30.46	36.74
Addition of Normative Loan due to capitalisation during the year	-	10.50	10.50	-	-
Repayment of Normative loan during the year	3.27	3.59	4.22	4.54	4.54
Closing Balance of Net Normative Loan	26.83	33.74	40.02	35.47	30.93
Average Balance of Net Normative Loan	28.47	30.28	36.88	37.75	33.20
Weighted average Rate of Interest on actual Loans (%)	8.65%	8.65%	8.65%	8.65%	8.65%
Interest Expenses	2.46	2.62	3.19	3.26	2.87

Table 4-16: Projected Interest on Loan for Retail Supply Business for Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Net Normative Loan	0.236	0.216	0.196	0.176	0.156
Addition of Normative Loan due to capitalisation during the year	0.000	0.000	0.000	0.000	0.000
Repayment of Normative loan during the year	0.020	0.020	0.020	0.020	0.020
Closing Balance of Net Normative Loan	0.216	0.196	0.176	0.156	0.136
Average Balance of Net Normative Loan	0.226	0.206	0.186	0.166	0.146
Weighted average Rate of Interest on actual Loans (%)	8.65%	8.65%	8.65%	8.65%	8.65%
Interest Expenses	0.020	0.018	0.016	0.014	0.013

4.10.1.3 The Petitioner requests the Hon'ble Commission to approve the projected Interest on loan for the Control Period, as shown in the Table above.

4.11 Interest on Working Capital and Consumers' Security Deposit

4.11.1.1 The Petitioner has computed the normative Interest on Working Capital as per Regulation 32 of the MYT Regulations, 2024. The CSD has been considered at the same level as the actual CSD in FY 2024-25. Regulation 32.3 (b) and 32.4 (b) provides for rate of Interest to be taken for computing Interest on Working Capital. The relevant extract is as follows

“(b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points:”

4.11.1.2 Hence, the one-year SBI MCLR prevalent on 15th November 2024 has been considered, i.e., 9.00%. Accordingly, for computation of IoWC, the Petitioner has considered the rate of interest of 10.50% (9.00% plus 1.5%) for FY 2025-26 to FY 2029-30, in accordance with the MYT Regulations, 2024.

4.11.1.3 The rate of interest for computation of interest on CSD has been considered equal to the prevailing Bank Rate of Reserve Bank of India (RBI), in accordance with the MYT Regulations, 2024.

4.11.1.4 The projected IoWC and interest on CSD for the Control Period is shown in the Tables below:

Table 4-17: Projected IoWC and interest on CSD for Wires Business for FY 2025-26 to FY 2029-30(Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	0.13	0.14	0.14	0.15	0.16
Maintenance Spares at 1% of Opening GFA	0.64	0.64	0.79	0.94	0.94
Receivables	0.97	1.04	1.12	1.20	1.29
Less: Amount held as Security Deposit	0.47	0.47	0.47	0.47	0.47

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Working Capital Requirement	1.27	1.35	1.58	1.82	1.92
Computation of Working Capital Interest					
Interest Rate (%) - SBI MCLR +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	0.13	0.14	0.17	0.19	0.20
Interest on CSD					
Interest Rate (%) - Bank Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on CSD	0.03	0.03	0.03	0.03	0.03

Table 4-18: Projected IoWC and interest on CSD for Retail Supply Business for FY 2025-26 to FY 2029-30(Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	0.07	0.07	0.08	0.08	0.08
Maintenance Spares at 1% of Opening GFA	0.004	0.004	0.004	0.004	0.004
Receivables	7.62	8.14	8.70	9.30	9.95
Less: Amount held as Security Deposit	4.19	4.19	4.19	4.19	4.19
Less: one month equivalent of cost of power purchase, transmission charges and MSLDC Charges	4.34	4.70	5.12	5.55	5.99
Total Working Capital Requirement	(0.84)	(0.67)	(0.53)	(0.36)	(0.15)
Computation of Working Capital Interest					
Interest Rate (%) - SBI MCLR +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Interest on CSD					
Interest Rate (%) - Bank Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on CSD	0.27	0.27	0.27	0.27	0.27

4.11.1.5 The Petitioner requests the Hon'ble Commission to approve the projected Interest on Working Capital and Interest on Consumers' Security Deposit for FY 2025-26 and FY 2029-30, as shown in the Table above.

4.12 Return on Equity

4.12.1.1 The Petitioner has computed the Return on Equity Capital for FY 2025-26 to FY 2029-30 in accordance with Regulation 29 of the MERC MYT Regulations, 2024 for Distribution Wires and Retail Supply Business, separately.

4.12.1.2 The Petitioner has considered Closing Equity of FY 2024-25 as Opening Equity of FY 2025-26 and onwards. Addition to equity is considered equal to 30% of the capitalization proposed for respective year of the Control Period as specified in the MYT Regulations, 2024. Further, MYT Regulations, 2024 provides for pre-tax RoE to be computed for the Control Period. In line with Regulation 34 of the MYT Regulations, 2024, the Petitioner has claimed pre-tax RoE for FY 2025-26 to FY 2029-30, at the same rate as that considered for FY 2024-25. Since, MADC has not paid Income Tax in FY 2023-24, the pre-tax rate of RoE is same as the base rate of RoE.

4.12.1.3 The following Tables shows the RoE computed for Wires and Retail Supply Business as per the Regulations:

Table 4-19: Projected Return on Equity for Wires Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	0.34	0.34	4.84	9.34	9.34
Equity portion of capitalisation during the year	-	4.50	4.50	-	-
Regulatory Equity at the end of the year	0.34	4.84	9.34	9.34	9.34
Return on Equity Computation					
Base Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
Pre-tax Return on Equity after considering effective Tax rate	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Regulatory Equity at the beginning of the year	0.05	0.05	0.75	1.45	1.45
Return on Regulatory Equity addition during the year	0.00	0.35	0.35	0.00	0.00
Total Return on Equity	0.05	0.40	1.10	1.45	1.45

Table 4-20: Projected Return on Equity Capital for Retail Supply Business Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	0.09	0.09	0.09	0.09	0.09
Equity portion of capitalisation during the year	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	0.09	0.09	0.09	0.09	0.09
Return on Equity Computation					
Base Rate of Return on Equity	17.50%	17.50%	17.50%	17.50%	17.50%
Pre-tax Return on Equity after considering effective Tax rate	17.50%	17.50%	17.50%	17.50%	17.50%
Return on Regulatory Equity at the beginning of the year	0.02	0.02	0.02	0.02	0.02
Return on Regulatory Equity addition during the year	0.000	0.000	0.000	0.000	0.000
Total Return on Equity	0.02	0.02	0.02	0.02	0.02

4.12.1.4 The Petitioner requests the Hon'ble Commission to approve the projected Return on Equity for FY 2025-26 to FY 2029-30, as shown in the Table above.

4.13 Provisioning for Bad Debts

4.13.1.1 The Petitioner has not considered provisioning for bad debts as it has not envisaged any outstanding receivables during FY 2025-26 to FY 2029-30. In case any provisioning for bad debts is done, the same shall be claimed at the time of truing up for the respective year.

4.14 Contribution to Contingency Reserves

4.14.1.1 The Petitioner has considered the Contribution to Contingency Reserve at 0.25% of Opening GFA for each year of the Control Period from FY 2025-26 to FY 2029-30, in accordance with Regulation 35 of the MYT Regulations, 2024, as shown in the Table below:

Table 4-21: Projected Contribution to Contingency Reserves for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA of Wire Business	63.72	63.72	78.72	93.72	93.72
Contribution to Contingency Reserves for Wires Business	0.16	0.16	0.20	0.23	0.23
Opening GFA of Retail Supply Business	0.38	0.38	0.38	0.38	0.38
Contribution to Contingency Reserves for Retail Supply Business	0.001	0.001	0.001	0.001	0.001

4.14.1.2 The Petitioner requests the Hon'ble Commission to approve the projected Contribution to Contingency Reserves for FY 2025-26 to FY 2029-30, as shown in the Table above.

4.15 Non-Tariff Income

4.15.1.1 The Petitioner has projected Non-Tariff income of Rs. 0.04 Crore for the Wires Business and Rs. 0.32 Crore for the Retail Supply Business for FY 2025-26 to FY 2029-30, at the same level as the estimated levels for FY 2024-25.

4.15.1.2 The Non-Tariff Income claimed by the Petitioner for FY 2025-26 to FY 2029-30 is shown in the following Table:

Table 4-22: Projected Non-Tariff Income for 5th Control Period (Rs. Crore)

Non-Tariff Income	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wires Business	0.04	0.04	0.04	0.04	0.04
Retail Supply Business	0.32	0.32	0.32	0.32	0.32
Total	0.36	0.36	0.36	0.36	0.36

4.15.1.3 The Petitioner requests the Hon'ble Commission to approve Non-Tariff Income for FY 2025-26 to FY 2029-30 as shown in the Table above.

4.16 Summary of Aggregate Revenue Requirement

4.16.1.1 The projected ARR for the Distribution Wires Business for FY 2025-26 to FY 2029-30 is summarised in the Table below:

Table 4-23: Projected ARR for Distribution Wires Business for 5th Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.	Operation & Maintenance Expenses	1.56	1.64	1.71	1.80	1.89
2.	Depreciation	3.27	3.59	4.22	4.54	4.54
3.	Interest on Loan Capital	2.46	2.62	3.19	3.26	2.87
4.	Interest on Working Capital	0.13	0.14	0.17	0.19	0.20
5.	Interest on Security Deposit	0.03	0.03	0.03	0.03	0.03
6.	Provision for bad and doubtful debt	0.00	0.00	0.00	0.00	0.00
7.	Contribution to contingency reserves	0.16	0.16	0.20	0.23	0.23
8.	Total Revenue Expenditure	7.62	8.18	9.52	10.06	9.76
9.	Add: Return on Equity Capital	0.05	0.40	1.10	1.45	1.45
10.	Aggregate Revenue Requirement	7.67	8.58	10.62	11.51	11.21
11.	Less: Non-Tariff Income	0.04	0.04	0.04	0.04	0.04
12.	Aggregate Revenue Requirement from Distribution Wires	7.64	8.54	10.58	11.47	11.18

4.16.1.2 The Petitioner requests the Hon'ble Commission to approve the projected ARR for the Wires Business for FY 2025-26 to FY 2029-30, as shown in the Table above.

4.16.1.3 The projected ARR for the Retail Supply Business for the Control Period is summarised in the Table below:

Table 4-24: Projected ARR for Retail Supply Business for 5th Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.	Power Purchase Expenses	44.68	48.60	52.36	56.38	60.68
2.	Operation & Maintenance Expenses	0.84	0.88	0.92	0.96	1.01
3.	Depreciation	0.02	0.02	0.02	0.02	0.02
4.	Interest on Loan Capital	0.02	0.02	0.02	0.01	0.01
5.	Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
6.	Interest on Consumer Security Deposit	0.27	0.27	0.27	0.27	0.27
7.	Write-off of bad and doubtful debts	0.00	0.00	0.00	0.00	0.00
8.	Contribution to contingency reserves	0.001	0.001	0.001	0.001	0.001
9.	Intra-State Transmission Charges	7.39	7.78	9.05	10.19	11.18

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
10.	InSTS true-up claim	0.38				
11.	STU Charges	0.005	0.005	0.005	0.005	0.006
12.	MSLDC Fees & Charges	0.02	0.03	0.04	0.05	0.06
13.	Total Revenue Expenditure	53.63	57.61	62.69	67.91	73.24
14.	Add: Return on Equity Capital	0.02	0.02	0.02	0.02	0.02
15.	Aggregate Revenue Requirement	53.64	57.63	62.71	67.92	73.26
16.	Less: Non-Tariff Income	0.32	0.32	0.32	0.32	0.32
17.	Aggregate Revenue Requirement from Retail Supply	53.33	57.31	62.39	67.60	72.94

4.16.1.4 The Petitioner requests the Hon'ble Commission to approve the projected ARR for the Supply Business for FY 2025-26 to FY 2029-30, as shown in the Table above.

4.17 Revenue from Existing Tariff

4.17.1.1 The Petitioner has computed the Revenue from the existing tariff based on the projected category-wise sales and tariff presently being charged to the consumers, i.e., Tariff for FY 2024-25, as approved by the Hon'ble Commission in the MYT Order. The revenue from existing tariff for the Wires Business and Supply Business has been shown in the Table below:

Table 4-25: Projected Revenue from existing tariff for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.	Revenue of Wires Business at existing tariff	7.73	8.31	8.94	9.61	10.33
2.	Revenue of Supply Business at existing tariff	60.96	65.12	69.59	74.40	79.56
3.	Total Revenue at existing tariff	68.70	73.43	78.53	84.00	89.89

4.17.1.2 The treatment of the Cumulative Revenue Gap/(Surplus) for each year of the Control Period, including the impact of the Revenue Gap/(Surplus)

after truing up/provisional truing up for previous years has been elaborated in the next Chapter.

5 Tariff Philosophy and Proposed Category-wise Tariff for FY 2025-26 to FY 2029-30

5.1 Approach to Tariff Design

5.1.1.1 In this Petition, the Petitioner has proposed revision in the Retail Supply Tariff and Wheeling Charges for FY 2025-26 to FY 2029-30, keeping in view the principles of tariff determination set out in Sections 61 and 62 of the EA, 2003, the Tariff Policy, relevant provisions of the MYT Regulations, 2024, and the Hon'ble Commission's previous Tariff Orders.

5.2 Revenue Gap/(Surplus) after true-up/provisional true-up

5.2.1.1 In the earlier Chapters, MADC has submitted the true-up for FY 2020-21 to FY 2023-24 based on audited expenses and revenue, and provisional true-up for FY 2024-25 based on estimated expenses and revenue.

5.2.1.2 In the MYT Order, the Hon'ble Commission allowed pass through of the Revenue Gap/(Surplus) after true-up of previous years, viz., FY 2014-15 to FY 2019-20, along with associated carrying/(holding) cost, in the ARR and tariff of FY 2022-23 to FY 2024-25. Hence, MADC has also considered the same amounts, while computing the Revenue Gap/(Surplus) after final true-up of FY 2022-23 and FY 2023-24 and provisional true-up of FY 2024-25.

5.2.1.3 As the MYT Order was issued in July 2022, the Hon'ble Commission also passed through the estimated Revenue Gap/(Surplus) for FY 2020-21 and FY 2021-22 through the revised tariff for FY 2022-23 to FY 2024-25, without carrying/(holding) cost. Hence, the incremental Revenue Gap/(Surplus) after final true-up for FY 2020-21 and FY 2021-22 has been added to the Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30, as explained subsequently.

5.2.1.4 Further, in the absence of separate Wheeling Charges for FY 2020-21 and FY 2021-22 and 4 months of FY 2022-23, MADC has considered the Revenue Gap/(Surplus) of the Combined Distribution Business after true-up of FY 2020-21 to FY 2023-24, which has been added to the ARR of the Supply Business for each year of the Control Period from FY 2025-26 to FY 2029-30.

5.3 Treatment of Regulatory Asset of Rs. 81.02 Crore

5.3.1.1 In the MYT Order, the Hon'ble Commission created the Regulatory Asset of

Rs. 81.02 Crore, arising out of the cumulative Revenue Gap/(Surplus) after truing up for the period from FY 2014-15 to FY 2019-20. The relevant extract of the MYT Order is reproduced below:

“6.3.10 Also, the proposal of MADC was to create a regulatory asset of Rs. 81.02 Crore which was proposed to be adjusted against tariff hike in next control period or by way of government support. However, against the Regulatory assets of Rs. 81.02 Crore, the Commission vide para 6.2.27, has allowed the Regulatory assets of Rs. 58.73 Crore (Revenue Gap from FY 2014-15 to FY 2019-20) and balance of Rs. 22.29 Crore (Rs. 81.02 Crore – Rs. 58.73 Crore) is still required to be adjusted. Considering the tariff hike on the consumers, the Commission decides to adjust the balance Rs. 22.29 Crore against the cumulative revenue gap of Rs. 33.47 Crore of FY 2020-21 and FY 2021-22. Accordingly, the Commission creates the Regulatory Assets of Rs. 81.02 Crores to be adjusted against tariff hike in next control period or by way of government support and on which no carrying cost will be allowed. The balance Rs. 11.19 Crores (Rs. 33.47 Crores – Rs. 22.29 Crores) is to be recovered in tariff in FY 2022-23 to FY 2024-25 with deferment and allowing the carrying cost for such deferment.”(emphasis added)

5.3.1.2 In this regard, before and after issue of the MYT Order by the Hon’ble Commission, MADC has been corresponding regularly with the State Government for release of Government support for meeting the Revenue Gap of Rs. 81.02 Crore.

5.3.1.3 In the latest communication in this regard, the State Government, vide letter dated 13 October, 2023 has communicated that the Planning Department and Finance Department of the Government of Maharashtra have not consented to providing the necessary financial support to MADC. The copy of the State Government’s letter dated 13 October, 2023 is provided at **Annexure 17**.

5.3.1.4 Recently, a Note has been put up to the Board of MADC, proposing to request the State Government to revisit the issue and provide the necessary financial support to MADC to offset the Regulatory Asset of Rs. 81.02 Crore. Once the Board approves the same, MADC shall be requesting the State Government to provide the necessary financial support of Rs. 81.02 Crore. In view of the

above, MADC has not included the Regulatory Asset of Rs. 81.02 Crore as part of its Revenue Requirement for the Control Period from FY 2025-26 to FY 2029-30, as MADC does not wish to burden its consumers with the past Revenue Gap accumulated due to levy of lower tariffs in the past years. **MADC request the Hon'ble Commission to maintain status-quo in the matter, till such time as there is finality in the matter.**

5.4 Cumulative Revenue Gap/(Surplus) after true-up/provisional true-up

5.4.1.1 The treatment of the past Revenue Gap/(Surplus) by the Hon'ble Commission in the MYT Order is reproduced below for clarity.

"Table 220: Calculation of Revenue Gap till FY 2021-22 adjusted against Regulatory Asset (Rs. Crore)

<i>Particulars</i>	<i>Revenue Gap</i>
Past Revenue Gap from FY 2024-15 to FY 2019-20	58.73
Add: Revenue Gap/(Surplus) for FY 2020-21	17.41
Add: Revenue Gap/(Surplus) for FY 2021-22	16.06
Total Revenue Gap from Fy 2020-21 to FY 2021-22	33.47
Add: Carrying Cost on Past Gaps up to FY 2019-20	0.00
Less: Regulatory Assets/Government Grant	81.02
Balance Gap to be recovered in Tariff	11.19

Table 221: Carrying Cost on deferment of Revenue Gap (Rs. Crore)

<i>Particulars</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>
Opening Balance of Revenue Gap	11.19	22.38	22.38
Less: Revenue Deferred and Recovered during the year	-11.20	0.00	22.38
Closing Balance of Revenue Gap	22.38	22.38	0.00
Average Deferred Amount	16.78	22.37	11.18
Interest Rate for Carrying/(Holding) Cost	8.50%	8.50%	8.50%
Carrying/(Holding) Cost for the Year	1.43	1.90	0.95
Total Revenue Gap to be recovered with carrying cost	-9.77	1.90	23.33

Table 224: Revenue Requirement & Gap/Surplus of Combined Distribution Business (Rs. Crore)

<i>Particulars</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>
ARR of Wires Business	8.81	8.49	8.18
ARR of Supply Business	46.38	48.96	45.20

<i>Particulars</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>
<i>Add: Past Revenue Gap to be recovered with carrying cost</i>	-9.77	1.90	23.33
<i>Total ARR to be recovered during the year</i>	45.41	59.35	76.71
<i>Revenue at existing tariff</i>	45.40	59.33	76.71
<i>Revenue Gap/(Surplus)</i>	0.01	0.02	0.00

5.4.1.2 Thus, while approving the ARR and Tariff for FY 2022-23 to FY 2024-25, the Hon'ble Commission has factored in the entire cumulative Revenue Gap/(Surplus) of previous years, including the estimated Revenue Gap/(Surplus) of FY 2020-21 and FY 2021-22, and the impact of deferment of revenue requirement to FY 2024-25. Hence, MADC has claimed the impact after true-up in the same manner, as elaborated below.

5.4.1.3 The Cumulative Revenue Gap/(Surplus) after true-up for FY 2022-23, FY 2023-24 and FY 2024-25 for the Combined Distribution Business is shown in the Table below:

Table 5-1: Cumulative Gap/(Surplus) for Combined Distribution Business (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT Order	Actual	MYT Order	Actual	MYT Order	Actual
ARR of Wires Business	8.81	7.30	8.49	7.65	8.18	7.85
ARR of Supply Business	46.38	43.28	48.96	45.58	45.20	51.29
Add: Past Revenue Gap to be recovered with carrying cost	-9.77	-9.77	1.90	1.90	23.33	23.33
Total ARR to be recovered during the year	45.41	40.80	59.35	55.13	76.71	82.47
Revenue at existing tariff	45.40	35.95	59.33	50.21	76.71	64.30
Revenue Gap/(Surplus)	0.01	4.85	0.02	4.91	0.00	18.17

5.4.1.4 As can be seen from the above Tables, after true-up for FY 2022-23 and FY 2023-24 and provisional true-up for FY 2024-25, there is a Revenue Gap in each of these years, which is proposed to be adjusted in the Control Period from FY 2025-26 to FY 2029-30.

5.5 Computation of Carrying/(Holding) Cost on Past Revenue Gap/(Surplus)

- 5.5.1.1 As stated earlier, the incremental Revenue Gap/(Surplus) after final true-up for FY 2020-21 and FY 2021-22, and the Revenue Gap of FY 2022-23 and FY 2023-24, have to be added to the Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30, with associated carrying/(holding) cost.
- 5.5.1.2 The Hon'ble Commission had allowed pass through of Revenue Gap/(Surplus) of Rs. 17.41 Crore for FY 2020-21 and Rs. 16.06 Crore for FY 2021-22 in the ARR and Tariff of FY 2022-23 to FY 2024-25. As the Revenue Gap after final true-up of FY 2020-21 has been computed as Rs. 15.16 Crore, the Petitioner has considered the incremental Revenue Gap/(Surplus) of Rs. (2.25) Crore (Rs. 15.16 Crore – Rs. 17.41 Crore) for FY 2020-21, with associated carrying/(holding) cost. Similarly, as the Revenue Gap after final true-up of FY 2021-22 has been computed as Rs. 17.70 Crore, the Petitioner has considered the incremental Revenue Gap/(Surplus) of Rs. 1.64 Crore (Rs. 17.70 Crore – Rs. 16.06 Crore) for FY 2021-22, with associated carrying/(holding) cost. The Petitioner has also computed the carrying cost on the Revenue Gap of Rs. 4.85 Crore and Rs. 4.91 Crore for FY 2022-23 and FY 2023-24, respectively, as shown in the above Table.
- 5.5.1.3 The rate of interest for computing the carrying/(holding) cost has been considered equal to the rate of interest on working capital applicable for the respective year, i.e., 8.57% for FY 2020-21, 8.50% for FY 2021-22, 9.30% for FY 2022-23, 10.07% for FY 2023-24, and 10.50% for FY 2024-25 and half-year of FY 2025-26.
- 5.5.1.4 The total carrying/(holding) cost to be added to the ARR and Tariff of the MYT Control Period from FY 2025-26 to FY 2029-30, for the Distribution Business, is shown in the Table below:

Table 5-2: Cumulative Revenue Gap/(Surplus) with Carrying Cost for Combined Distribution Business (Rs. Crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total Carrying Cost
Opening Revenue Gap/(Surplus)	0.00	(2.25)	(0.60)	4.25	9.16	9.16	
Revenue Gap/(Surplus) during the year	(2.25)	1.64	4.85	4.91		(9.16)	
Revenue Gap/(Surplus) at the end of the year	(2.25)	(0.60)	4.25	9.16	9.16	0.00	
Carrying Cost Interest Rate	8.57%	8.50%	9.30%	10.07%	10.50%	10.50%	
Carrying/(Holding) Cost	(0.10)	(0.12)	0.17	0.68	0.96	0.48	2.07

5.5.1.5 As can be seen from the above Table, the Petitioner has computed carrying cost of Rs. 2.07 Crore for the Distribution Business as a whole on the past Revenue Gap/(Surplus).

5.6 Cumulative ARR for MYT Control Period from FY 2025-26 to FY 2029-30

5.6.1.1 In the earlier Chapter, the Petitioner has submitted the projected ARR for the MYT Control Period from FY 2025-26 to FY 2029-30. As stated earlier, the incremental Revenue Gap/(Surplus) after final true-up of FY 2020-21 to FY 2023-24, the Revenue Gap/(Surplus) after provisional true-up of FY 2024-25, and the associated carrying/(holding) cost as computed above, have been added to the projected ARR of the Supply Business for FY 2025-26. Further, in order to smoothen the impact of the past period Revenue Gap/(Surplus), rather than recovering the entire Revenue Gap/(Surplus) in a single year, i.e., FY 2025-26, the Petitioner has proposed to spread the Revenue Requirement across the MYT Control Period from FY 2025-26 to FY 2029-30, in such a manner that the tariff increase in terms of Average Cost of Supply (ACoS) is smoothened.

5.6.1.2 The revised ARR for recovery for the MYT Control Period from FY 2025-26 to FY 2029-30, after adjusting the previous period Revenue Gap/(Surplus) in the above manner, is presented in the tables below, separately for the Wires Business and Supply Business:

Table 5-3: Cumulative ARR for Wires Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR of Wires Business	7.64	8.54	10.58	11.47	11.18
Deferment of Revenue Requirement over 5 years for smoothening tariff impact	(1.00)	(1.00)	(1.00)	0.00	3.00
Carrying/(Holding) Cost due to deferment of Revenue Requirement over 5 years	0.11	0.21	0.32	0.32	0
Revised Wires ARR for recovery	6.74	7.75	9.90	11.79	14.18

Table 5-4: Cumulative ARR for Supply Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Standalone ARR	53.33	57.31	62.39	67.60	72.94
Incremental Gap/(Surplus) after truing up for FY 2020-21	(2.25)				
Incremental Gap/(Surplus) after truing up for FY 2021-22	1.64				
True-up Gap/(Surplus) after truing up for FY 2022-23	4.85				
True-up Gap/(Surplus) after truing up for FY 2023-24	4.91				
True-up Gap/(Surplus) after provisional truing up for FY 2024-25	(5.16)				
Carrying/(Holding) Cost on previous years' true-up Gap/(Surplus)	2.07				
Cumulative ARR	59.40	57.31	62.39	67.60	72.94
Deferment of Revenue Requirement over 5 years for smoothening tariff impact	(2.78)	(0.78)	1.22	3.22	5.22
Carrying/(Holding) Cost due to deferment of Revenue Requirement over 5 years	0.93	1.01	0.89	0.55	0
Revised Supply ARR for recovery	51.47	57.54	64.49	71.37	78.16

5.7 Tariff Increase/(Reduction) for MYT Control Period from FY 2025-26 to FY 2029-30

5.7.1.1 Based on the above projected Revenue Requirement, the Petitioner has computed the average increase/(reduction) in tariff required to meet the Revenue Requirement for each year of the MYT Control Period, separately for the Wires Business and Supply Business, as well as the combined Distribution Business, as shown in the Tables below. Further, the tariff increase/(reduction) has been computed by considering the revised tariff for the previous year as the base, for appropriate analysis.

Table 5-5: Tariff Increase/(Reduction) for Wires Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	6.74	7.75	9.90	11.79	14.18
Revenue from existing tariff (FY 2024-25 Tariff)	7.73	8.31	8.94	9.61	10.33
Revenue Gap/(Surplus) with existing tariff	-0.99	-0.56	0.96	2.18	3.85
Revenue Gap/(Surplus) with revised tariff applicable for previous year	-0.99	1.01	2.15	1.89	2.39
Annual Tariff Increase Required (%)	-13%	15%	28%	19%	20%

Table 5-6: Tariff Increase/(Reduction) for Supply Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	51.47	57.54	64.49	71.37	78.16
Revenue from existing tariff (FY 2024-25 Tariff)	60.96	65.12	69.59	74.40	79.56
Revenue Gap/(Surplus) with existing tariff	-9.49	-7.59	-5.10	-3.03	-1.41
Revenue Gap/(Surplus) with revised tariff applicable for previous year	-9.49	6.07	6.95	6.88	6.79

Particulars	FY	FY	FY	FY	FY
	2025-26	2026-27	2027-28	2028-29	2029-30
Annual Tariff Increase Required (%)	-16%	12%	12%	11%	10%

Table 5-7: Tariff Increase/(Reduction) for Combined Distribution Business for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revised Cumulative ARR for Recovery	58.21	65.29	74.39	83.15	92.33
Revenue from existing tariff (FY 2024-25 Tariff)	68.70	73.43	78.53	84.00	89.89
Revenue Gap/(Surplus) with existing tariff	-10.48	-8.14	-4.14	-0.85	2.44
Revenue Gap/(Surplus) with revised tariff applicable for previous year	-10.48	7.08	9.10	8.77	9.18
Annual Tariff Increase Required (%)	-15%	12%	14%	12%	11%

5.7.1.2 The Wheeling Charges have been proposed such that the entire Wires ARR is recovered from the Wheeling Charges. The Retail Supply Tariff, i.e., Fixed/Demand Charges and Energy Charges, have been proposed accordingly, to recover the balance part of the composite ARR projected for the Control Period.

5.8 Cost of Supply

5.8.1.1 In the MYT Regulations, 2024, the Hon'ble Commission has specified that the cross-subsidy shall be computed with reference to the Retail Cost of Supply (RCoS). The relevant extract of the MYT Regulations, 2024 is reproduced

below:

“111.4 The Commission shall endeavour to gradually reduce the cross-subsidy between consumer categories with respect to the Average Cost of Supply in accordance with the provisions of the Act:

Provided that Average Cost of Supply of Retail Supply Business shall be considered for determining cross-subsidy of consumer category.

111.5 While determining the tariff, the Commission shall also keep in view the cost of supply at different voltage levels and the need to minimise tariff shock to consumers.”(emphasis added)

5.8.1.2 Hence, the Petitioner has computed ACoS as well as RCoS, and has proposed category-wise Fixed/Demand Charges and Energy Charges in such a manner that the cross-subsidy is within $\pm 20\%$ of the RCoS over the Control Period.

5.8.1.3 The RCoS and ACoS computed by the Petitioner for each year of the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 5-8: ACoS and RCoS from FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cumulative ARR for Supply Business	51.47	57.54	64.49	71.37	78.16
Sales (MkVAh)	90.97	97.79	105.12	113.01	121.48
Retail Cost of Supply (Rs/kVAh)	5.66	5.88	6.13	6.32	6.43
Cumulative ARR of Distribution Business (Rs. Crore)	58.21	65.29	74.39	83.15	92.33
Average Cost of Supply (Rs/kVAh)	6.40	6.68	7.08	7.36	7.60

5.9 Determination of Wheeling Charges

5.9.1.1 For the computation of HT and LT Wheeling Charges, MADC has considered the ratio of GFA for HT: LT network as 93.68%: 6.32% as per voltage-wise

gross fixed Assets as on 31.03.2024.

5.9.1.2 The Petitioner has computed the Wheeling Charges separately for HT and LT voltage, as shown in the Table below:

Table 5-9: Proposed Wheeling Charges for 5th Control Period

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.	Wires ARR (Rs. Crore)	6.74	7.75	9.90	11.79	14.18
2.	GFA attributable to HT Network (%)	93.68%	93.68%	93.68%	93.68%	93.68%
3.	GFA attributable to LT Network (%)	6.32%	6.32%	6.32%	6.32%	6.32%
4.	Charge recoverable from HT consumers (Rs. Crore)	6.32	7.26	9.27	11.04	13.28
5.	Charge recoverable from LT consumers (Rs. Crore)	0.43	0.49	0.63	0.74	0.90
6.	Total HT Sales (MkVAh)	87.39	93.94	100.99	108.56	116.70
7.	Total LT Sales (MkVAh)	3.58	3.85	4.14	4.45	4.78
8.	Charge recoverable from HT consumers (Rs. Crore)	6.07	6.98	8.91	10.61	12.76
9.	Charge recoverable from LT consumers (Rs. Crore)	0.67	0.78	0.99	1.18	1.42
10.	HT Wheeling Charge (Rs./kVAh)	0.69	0.74	0.88	0.98	1.09
11.	LT Wheeling Charge (Rs./kVAh)	1.88	2.02	2.39	2.65	2.97
12.	Composite Wheeling Charges (Rs./kVAh)	0.74	0.79	0.94	1.04	1.17

5.9.1.3 As can be seen from the above computation, the LT Wheeling Charges, if computed separately, are working out to be quite high, on account of the lower share of sales (4% as against share of 10.3% of the Wires ARR). Hence, the Petitioner requests the Hon'ble Commission to consider the composite (HT and LT combined) Wheeling Charges in case of the Petitioner.

5.9.1.4 **The Petitioner requests the Hon'ble Commission to approve the composite**

Wheeling Charges for FY 2025-26 to FY 2029-30, as proposed in the above Table.

5.10 Tariff Philosophy

5.10.1.1 The Petitioner proposes the following tariff philosophy for the determination of Retail Supply Tariff for FY 2025-26 to FY 2029-30:

5.10.2 Fixed/Demand Charges

5.10.2.1 In the previous Tariff Order, the Hon'ble Commission has gradually increased the recovery of Fixed Cost through the Fixed/Demand Charges applicable to the consumers. The Petitioner submits that around 28% of the total ARR comprises fixed cost elements that need to be incurred, irrespective of quantum of sale of electricity to the consumers.

5.10.2.2 In the MYT Order, the Hon'ble Commission had approved the Fixed/Demand Charges for the Petitioner, to enable the Petitioner to recover around 147% of the Fixed portion of the ARR. The actual recovery of fixed costs through fixed/demand charges works out to 35% for FY 2025-26. Hence, the Petitioner has proposed a small increase in the Fixed/Demand Charges for each year of the Control Period, such that the recovery of fixed costs through fixed charges ranges between 43% to 53% over the Control Period.

5.10.2.3 The category-wise Demand Charges proposed for each year of the Control Period are shown in the Table below:

Table 5-10: Proposed Fixed/Demand Charges for the Control Period (Rs month) or (Rs./kVA/month)

Sr. No.	Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
A	Demand Charges (Rs/kVA/month)					
1.	HT I -Industry	250	300	350	400	450
2.	HT II - Commercial	270	320	370	420	470
3.	LT I - Industry	200	250	300	350	400
4.	LT II - Commercial	230	280	330	380	430

Sr. No.	Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
5.	LT III - Street Light	125	150	175	225	275
6.	LT IV - Public Services/ General Purpose	125	150	175	225	275

5.10.2.4 **The Petitioner requests the Hon'ble Commission to approve the category-wise Fixed/Demand Charges for FY 2025-26 to FY 2029-30, as proposed in the above Table.**

5.10.3 Energy Charges

5.10.3.1 MADC has proposed kVAh billing for all its consumers as per prevalent approach approved by the Hon'ble Commission in the MYT Order. MADC has proposed category-wise energy charges for the Control Period from FY 2025-26 to FY 2029-30 with the objective of ensuring that RCoS is equal to the Average Billing Rate of the Supply Business, as shown in the table below:

Table 5-11: Proposed Energy Charges for the Control Period (Rs./kVAh)

Sr. No.	Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.	HT I -Industry	4.92	5.06	5.24	5.37	5.44
2.	HT II - Commercial	5.09	5.20	5.37	5.42	5.52
3.	LT I - Industry	5.06	5.20	5.37	5.42	5.52
4.	LT II - Commercial	5.20	5.34	5.51	5.56	5.66
5.	LT III - Street Light	3.97	4.11	4.19	4.23	4.26
6.	LT IV - Public Services/ General Purpose	3.85	3.99	4.07	4.11	4.14

5.10.4 Cross Subsidy

5.10.4.1 The Petitioner supplies electricity primarily to consumers of Manufacturing industry related to aviation in its area of supply. Being an aviation focused SEZ and with the specific mandate from the Ministry of Commerce, Govt. of India, it is the responsibility of the Petitioner to provide reliable, economical and quality power supply to the consumers in the SEZ.

5.10.4.2 In the MYT Order issued by the Hon’ble Commission for MADC, the Hon’ble Commission has approved the category-wise tariffs in such a manner that the cross-subsidy between the consumer categories is within $\pm 20\%$ of the ACoS. The only change now is that the category-wise tariffs have been proposed in such a manner that there the cross-subsidy between the consumer categories is within $\pm 20\%$ of the RCoS rather than ACoS.

5.10.4.3 The details of category-wise cross-subsidy are provided in Form F15, submitted along with the Petition, and summarised in the table below:

Table 5-12: Proposed Category-wise Cross-Subsidy for FY 2025-26 to FY 2029-30 (%)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Proposed (w.r.t RCOS)	Proposed (w.r.t RCOS)	Proposed (w.r.t RCOS)	Proposed (w.r.t RCOS)	Proposed (w.r.t RCOS)
HT Category					
HT I -Industry	100%	100%	100%	100%	100%
HT II - Commercial	118%	118%	118%	117%	118%
LT Category					
LT I - Industry	104%	105%	105%	104%	105%
LT II - Commercial	119%	120%	120%	120%	121%
LT III - Street Light	78%	79%	77%	77%	78%
LT IV - Public Services/ General Purpose	88%	89%	88%	90%	93%

5.10.4.4 **The Petitioner requests the Hon’ble Commission to approve the category-wise cross-subsidy as proposed by the Petitioner.**

5.10.5 Tariff for EV Charging Stations

5.10.5.1 In the MYT Order for MADC, the Hon’ble Commission created the new category for HT and LT EV Charging Stations with slightly lower Fixed Cost and ensured that resultant tariff is close to ACoS.

5.10.5.2 At present, MADC does not have any consumers in these categories, and hence, no sales have been projected for these categories. However, it is likely

that some connections may be released during the next Control Period. Hence, in order to promote EV Charging Stations, MADC has proposed single-part tariff for EV Charging Stations with same Wheeling Charges as proposed for other categories and Energy Charges equal to the RCoS. Thus, the ABR for EV Charging Stations shall be equal to the ACoS, in line with the Guidelines issued by the Ministry of Power in this regard.

5.10.6 Time-of-the-Day (ToD) Tariff

5.10.6.1 In the MYT Regulations, 2024 the Hon'ble Commission has specified the contours of ToD tariff in Regulation 115, as reproduced below:

"115.1 The Time-of-Day Tariff shall be applicable to all the Distribution Licensees operating in the State from the date of issuance of the MYT Tariff Order for the Control Period.

115.2 Distribution Licensee shall propose ToD tariff for its consumers with load of 10 kW and above based on following indicative time slots and tariff as percentage of Energy Charge:

ToD Tariff (Additional Charges or (Rebate) in INR/kVAh (or kWh)				
09:00 to 16:00	16:00 to 20:00	20:00 to 00:00	00:00 to 06:00	06:00 to 09:00
Hrs	Hrs	Hrs	Hrs	Hrs
80% of the normal rate of Energy Charge	120% of the normal rate of Energy Charge	110% of Normal Rate of Energy Charge	80% of the normal rate of Energy Charge	110% of the Normal Rate of Energy Charge

Provided that Distribution Licensee may propose seasonal ToD tariff in its Tariff Petition:

Provided further that the distribution licensee to propose their ToD time slots with slot-wise rebate/penalty at the time of MYT or MTR Tariff filing subjected to compliance of the applicable MoP Rules:

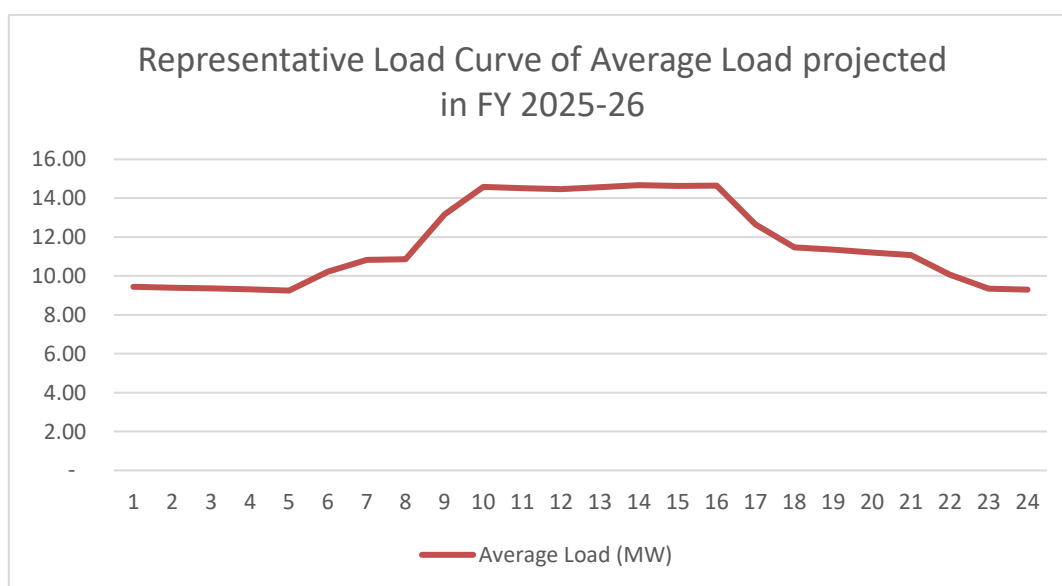
Provided further that the Commission at the time of MYT Order proceedings may extend the applicability of the ToD Tariff to the other consumer categories after assessing the growth in the demand."

5.10.6.2 Further, in the MYT Order for MADC, the Hon'ble Commission had not determined ToD tariff for the Petitioner and had directed MADC to provide

the load curve and applicability of ToD tariff in the next Tariff Petition. The relevant extract of the MYT Order for MADC is reproduced below:

“6.5.43 Considering the Power procurement plan as per the load profile of the licensee area, there may not be any benefit for applying the ToD tariff, at present. However, the same is also to be reviewed based on the actual data of licensee area. In view of the same, the Commission at present is inclined not to apply ToD tariff for the 4th Control Period. However, the Commission directs MADC to provide the load curve and the impact of the power purchase against such load curve, to review the ToD Slots and applicability of ToD Tariff, in next tariff petition.”

5.10.6.3 Accordingly, MADC submits its representative load curve for FY 2025-26, as shown in the Figure below:



5.10.6.4 As can be seen from the above Figure, MADC peak coincides exactly with the Solar Hours from 09:00 to 16:00 hours. Hence, if 20% rebate is given during Solar Hours, the revenue loss will be significant and the corresponding revenue loss will have to be made up through increase in tariff for all categories, which may not serve any purpose. Further, it may be noted that MADC’s consumers cannot shift their load even if higher rebate is given. Also, the objective of absorbing more Solar power is not applicable for MADC at present, as MADC has no tie-up with Solar plants at present.

5.10.6.5 Most importantly, there are no Smart Meters in MADC's licence area, and hence, if the ToD time slots are revised, then all the ToD meters will have to be reprogrammed with the help of the respective meter manufacturers, which will be a time-consuming process. In view of the above, the Petitioner is of the view that there will be no benefit in introducing ToD tariff for MADC, and has not proposed any ToD tariff for the next Control Period from FY 2025-26 to FY 2029-30.

5.10.6.6 Hence, the Petitioner requests the Hon'ble Commission not to introduce ToD tariff framework for the Petitioner's licence area.

5.10.7 Green Energy Tariff/Charges

5.10.7.1 On 6th June, 2022, the Ministry of Power, GoI notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The said Rules mandate the State Commission to determine Green Power Tariff.

5.10.7.2 The Hon'ble Commission determined Green Power Tariff for the consumers opting for meeting 100% of their power requirement through RE sources in Case No. 134 of 2020 dated 22.03.2021, wherein, the Green Energy Tariff was determined as Rs 0.66 per kWh for all the Distribution Licensees in the State, as per the conditions and methodology specified under said Order.

5.10.7.3 As the Hon'ble Commission is yet to formulate the framework for determination of Green Energy Charges, the Petitioner requests the Hon'ble Commission to continue with the existing Green Energy Charges of Rs. 0.66/kWh, as approved in the previous MYT Order. Alternatively, the Hon'ble Commission may determine the Green Energy Charges applicable for all the Distribution Licensees in the State for the next Control Period from FY 2025-26 to FY 2029-30.

5.10.8 Load Factor Incentive

5.10.8.1 Load Factor Incentive (up to 15% of energy charge) has been introduced by the Hon'ble Commission for incentivising bulk consumers in the State to maintain steady demand on the system.

5.10.8.2 The Hon'ble Commission has ruled that that Load Factor Incentive shall not

be applicable for the month if the consumer exceeds its Contract Demand in that month. Consumers exceeding Contract demand during the month irrespective of peak/offpeak hours. Further, the Load Factor shall be computed considering the actual interruptions hours recorded in the meter. In case of faulty meter, if interruption hours in the meter are not available, then interruption hours recorded on feeder meter shall be considered for calculation of Load Factor Incentive for the individual consumer.

5.10.8.3 The Petitioner does not propose any change in the Load Factor Incentive mechanism.

5.10.9 Discount for Digital Payment

5.10.9.1 MERC MYT Regulations, 2024 provides for discount to be given to LT category of consumers for payment of electricity bills through various modes of digital payment. The relevant extract is as follows.

“36.3 A discount on the monthly bill (excluding taxes and duties) shall be provided to Low Tension category consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets, etc.:

Provided that the rate of such discount shall be stipulated by the Commission in the relevant Tariff Order”

5.10.9.2 The Petitioner therefore proposes to retain the existing discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/- per month per bill, for all LT category consumers.

5.11 Tariff Proposal for FY 2025-26 to FY 2029-30

5.11.1.1 Based on the tariff philosophy as discussed in the earlier paragraphs, the Petitioner proposes the following revised Tariff for its area of supply for FY 2025-26 to FY 2029-30:

Table 5-13: Proposed Tariff Schedule for FY 2025-26

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
HIGH TENSION CATEGORIES				
1	HT I: HT- Industry	Rs. 250 per kVA	0.74	4.92
2	HT II: HT- Commercial	Rs. 270 per kVA	0.74	5.09
3	HT III: HT EV Charging Station	-	0.74	5.66
LOW TENSION CATEGORIES				
4	LT I: LT Industry	Rs. 200 per kVA	0.74	5.06
5	LT II: LT Commercial	Rs. 230 per kVA	0.74	5.20
6	LT III: LT Street Light	Rs. 125 per kVA	0.74	3.97
7	LT IV: LT Public Service	Rs. 125 per kVA	0.74	3.85
8	LT V: LT EV Charging Station	-	0.74	5.66

Table 5-14: Proposed Tariff Schedule for FY 2026-27

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
HIGH TENSION CATEGORIES				
1	HT I: HT- Industry	Rs. 300 per kVA	0.79	5.06
2	HT II: HT- Commercial	Rs. 320 per kVA	0.79	5.20
3	HT III: HT EV Charging Station	-	0.79	5.88
LOW TENSION CATEGORIES				
4	LT I: LT Industry	Rs. 250 per kVA	0.79	5.20
5	LT II: LT Commercial	Rs. 280 per kVA	0.79	5.34
6	LT III: LT Street Light	Rs. 175 per kVA	0.79	4.11
7	LT IV: LT Public Service	Rs. 175 per kVA	0.79	3.99
8	LT V: LT EV Charging Station	-	0.79	5.88

Table 5-15: Proposed Tariff Schedule for FY 2027-28

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
HIGH TENSION CATEGORIES				
1	HT I: HT- Industry	Rs. 350 per kVA	0.94	5.24
2	HT II: HT- Commercial	Rs. 370 per kVA	0.94	5.37
3	HT III: HT EV Charging Station	-	0.94	6.13
LOW TENSION CATEGORIES				
4	LT I: LT Industry	Rs. 300 per kVA	0.94	5.37
5	LT II: LT Commercial	Rs. 330 per kVA	0.94	5.51
6	LT III: LT Street Light	Rs. 175 per kVA	0.94	4.19
7	LT IV: LT Public Service	Rs. 175 per kVA	0.94	4.07
8	LT V: LT EV Charging Station	-	0.94	6.13

Table 5-16: Proposed Tariff Schedule for FY 2028-29

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
HIGH TENSION CATEGORIES				
1	HT I: HT- Industry	Rs. 400 per kVA	1.04	5.37
2	HT II: HT- Commercial	Rs. 420 per kVA	1.04	5.42
3	HT III: HT EV Charging Station	-	1.04	6.31
LOW TENSION CATEGORIES				
4	LT I: LT Industry	Rs. 350 per kVA	1.04	5.42
5	LT II: LT Commercial	Rs. 380 per kVA	1.04	5.56
6	LT III: LT Street Light	Rs. 225 per kVA	1.04	4.23
7	LT IV: LT Public Service	Rs. 225 per kVA	1.04	4.11
8	LT V: LT EV Charging Station	-	1.04	6.31

Table 5-17: Proposed Tariff Schedule for FY 2029-30

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
HIGH TENSION CATEGORIES				
1	HT I: HT- Industry	Rs. 450 per kVA	1.17	5.44
2	HT II: HT- Commercial	Rs. 470 per kVA	1.17	5.52

Sr. No	Consumer Category	Demand Charge per month	Wheeling Charges (Rs./kVAh)	Energy Charges (Rs/kVAh)
3	HT III: HT EV Charging Station	-	1.17	6.43
LOW TENSION CATEGORIES				
4	LT I: LT Industry	Rs. 400 per kVA	1.17	5.52
5	LT II: LT Commercial	Rs. 430 per kVA	1.17	5.66
6	LT III: LT Street Light	Rs. 275 per kVA	1.17	4.26
7	LT IV: LT Public Service	Rs. 275 per kVA	1.17	4.14
8	LT V: LT EV Charging Station	-	1.17	6.43

5.11.1.2 The Petitioner requests the Hon'ble Commission to approve the category-wise tariffs for FY 2025-26 to FY 2029-30 as proposed above.

5.11.1.3 The revenue to be recovered from revised tariffs have been provided in Forms F14.1 to F14.5 submitted along with the Petition.

5.12 Determination of Cross-Subsidy Surcharge

5.12.1.1 Section 2(47) of the Electricity Act, 2003 defines 'Open Access', while Section 42 of the Act inter-alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of Cross-Subsidy Surcharge, Additional Surcharge and other applicable charges.

5.12.1.2 Section 86(1) of the Act inter-alia mandates the Hon'ble Commission to determine Cross-Subsidy Surcharge (CSS), Additional Surcharge and other applicable charges payable by the consumers opting for Open Access.

5.12.1.3 The Hon'ble Commission in the MYT Order for MADC has determined the CSS based on the Formula stipulated in the revised Tariff Policy notified by Ministry of Power on January 28, 2016, as reproduced below:

"SERCs may calculate the cost of supply of electricity by the distribution licensee to consumers of the applicable class as aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the SERC; (c) transmission, distribution and wheeling

charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable.

Surcharge formula:

$$S = T - [C/(1-L/100) + D + R]$$

Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of consumers seeking open access."

5.12.1.4 Accordingly, the Petitioner has computed the category-wise CSS for HT I Industry category and HT-II Commercial Category, i.e., the category eligible for Open Access in accordance with the above formula, for FY 2025-26 to FY 2029-30, as shown in the following Table.

Table 5-18: Proposed Cross-Subsidy Surcharge for HT-I category for FY 2025-26 to FY 2029-30 (Rs/kVAh)

Year	T (ABR)	C	WL	TL	L	C/(1-L%)	D	CSS
	Rs./kVAh	Rs./kVAh	%	%	%	Rs./kVAh	Rs./kVAh	Rs./kVAh
FY 2025-26	6.38	4.81	1.64%	3.28%	4.92%	5.06	0.74	0.58
FY 2026-27	6.65	4.87	1.64%	3.26%	4.90%	5.12	0.79	0.74

Year	T (ABR)	C	WL	TL	L	C/(1-L%)	D	CSS
	Rs./kVAh	Rs./kVAh	%	%	%	Rs./kVAh	Rs./kVAh	Rs./kVAh
FY 2027-28	7.05	4.88	1.64%	3.24%	4.88%	5.13	0.94	0.98
FY 2028-29	7.34	4.89	1.64%	3.21%	4.85%	5.14	1.04	1.15
FY 2029-30	7.34	4.90	1.64%	3.16%	4.80%	5.14	1.17	1.02

Table 5-19: Proposed Cross-Subsidy Surcharge for HT-II category for FY 2025-26 to FY 2029-30 (Rs/kVAh)

Year	T (ABR)	C	WL	TL	L	C/(1-L%)	D	CSS
	Rs./kVAh	Rs./kVAh	%	%	%	Rs./kVAh	Rs./kVAh	Rs./kVAh
FY 2025-26	7.40	4.81	1.64%	3.28%	4.92%	5.06	0.74	1.28
FY 2026-27	7.72	4.87	1.64%	3.26%	4.90%	5.12	0.79	1.34
FY 2027-28	8.17	4.88	1.64%	3.24%	4.88%	5.13	0.94	1.42
FY 2028-29	8.43	4.89	1.64%	3.21%	4.85%	5.14	1.04	1.47
FY 2029-30	8.43	4.90	1.64%	3.16%	4.80%	5.14	1.17	1.52

5.12.1.5 The Petitioner requests the Hon'ble Commission to approve the category-wise Cross Subsidy Surcharge for FY 2025-26 to FY 2029-30 as proposed in the Table above.

6 Proposed Tariff Schedule for FY 2025-26 to FY 2029-30

MAHARASHTRA AIRPORT DEVELOPMENT COMPANY LIMITED

SCHEDULE OF ELECTRICITY TARIFFS

(Effective from 1 April, 2025)

GENERAL:

1. These tariffs supersede all tariffs so far in force.

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2. The tariffs are subject to revision and/or surcharge that may be levied by the Distribution Licensee from time to time as per the directives of the Commission.
 3. The tariffs are exclusive of the separate Electricity Duty, Tax on Sale of Electricity and other levies by the Government or other competent authorities, which will be payable by consumers over and above the tariffs.
 4. The tariffs are applicable for supply at one point only.
 5. The Distribution Licensee may measure the Maximum Demand for any period shorter than 30 minutes / 15 minutes of maximum use, subject to conformity with the Commission's Electricity Supply Code Regulations, where it considers that there are considerable load fluctuations in operation.
 6. The tariffs are subject to the provisions of the applicable Regulations and any directions that may be issued by the Commission from time to time.
 7. Unless specifically stated to the contrary, the figures of Energy Charge and Wheeling Charge are denominated in Rupees per unit (kVAh) for the energy consumed during the month.
 8. Fuel Adjustment Charge (FAC) computed in accordance with provisions of MYT Regulations, 2024 and Commission's directions in this regard from time to time shall be applicable to all categories of consumers, and will be charged over and above the base tariff.

HT-I - HT Industry

Applicability

This tariff category is applicable for electricity for Industrial use at High Voltage for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, etc.

It is also applicable for use of electricity / power supply for Administrative Offices / Canteen, Recreation Hall / Sports Club or facilities / Health Club or facilities / Gymnasium / Swimming Pool exclusively meant for employees of the industry; water pumps, firefighting pumps and equipment, street, and common area lighting; Research and Development units, Telecommunications Tower, etc.

Provided that all such facilities are situated within the same industrial premises and supplied power from the same point of supply.

This tariff category shall be applicable for use of electricity / power supply by an Information Technology (IT), or IT-enabled Services (ITeS) Unit as defined in the applicable IT/ITes Policy of Government of Maharashtra.

It is also applicable for use of electricity / power supply for common facilities in the IT Park/ SEZ (such as lobbies, central air conditioning, lifts, escalators, Effluent Treatment Plant/ Sewage Treatment Plant, wash rooms etc.) which are used by the Units, excluding support services areas, after the registration is granted to the IT Park by the Directorate of Industries and Development Commissioner of the SEZ for an IT SEZ, as per the IT and ITeS Policy of the Government of Maharashtra as applicable from time to time. (In case the Government of Maharashtra revisits the present dispensation given under the IT and ITeS Policy, 2015, such use will be billed under the Commercial tariff category unless otherwise stipulated in the revised Policy.)

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 250 per kVA per month	0.74	4.92

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 300 per kVA per month	0.79	5.06

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 350 per kVA per month	0.94	5.24

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 400 per kVA per month	1.04	5.37

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 450 per kVA per month	1.17	5.44

HT II : HT- Commercial

Applicability

This tariff category is applicable for electricity used at High Voltage in non-residential, nonindustrial and/or commercial premises for commercial consumption meant for operating various appliances used for purposes such as lighting, heating, cooling, cooking washing/cleaning, entertainment/ leisure and water pumping in, but not limited to the following premises:

- a) Non-Residential, Commercial and Business premises, including Shopping Malls and Showrooms;
- b) Combined lighting and power services for facilities relating to Entertainment, including film studios, cinemas and theatres (including multiplexes), Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment;
- c) Offices, including Commercial Establishments;
- d) Marriage Halls, Hotels/Restaurants, Ice-cream parlours, Coffee Shops, Guest Houses,
- e) Internet/Cyber Cafes, Telephone Booths and Fax / Photocopy shops;
- f) Automobile and all other types of repairs, servicing and maintenance centres (unless specifically covered under another tariff category); Retail Gas Filling Stations, Petrol Pumps & Service Stations, including Garages; -
- g) Banks and ATM centres, Telephone Exchanges, TV Stations, Micro Wave Stations, Radio Stations, Telecommunications Tower;
- h) Sewage Treatment Plant/ Effluent Treatment Plant and common facilities like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting for Commercial Complexes, and not covered under the HT I – Industry category;

- i) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;
- j) Construction of all types of structures/ infrastructure for any purposes;
- k) Advertisements, hoardings (including hoardings fixed on lamp posts/installed along roadsides), and other commercial illumination such as external flood-lights, displays, neon signs at departmental stores, malls, multiplexes, theatres, clubs, hotels and other such establishments
- l) Stand-alone Research and Development units not covered under any other category;

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 270 per kVA per month	0.74	5.09

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 320 per kVA per month	0.79	5.20

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 370 per kVA per month	0.94	5.37

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 420 per kVA per month	1.04	5.42

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 470 per kVA per month	1.17	5.52

Note:

A consumer in the HT II tariff category requiring single-point supply for the purpose of downstream consumption by separately identifiable entities shall have to operate as a Franchisee authorised as such by the Distribution Licensee; or such downstream entities shall be required to take separate individual connections and be charged under the tariff category applicable to them

HT III: HT- Electric Vehicle (EV) Charging Stations

Applicability:

This Tariff category is applicable for Electric Vehicle Charging Station including battery swapping stations for Electric Vehicle.

In case the consumer uses the electricity supply for charging his own electric vehicle at his premises, the tariff applicable shall be as per the category of such premises.

Electricity consumption for other facilities at Charging Station such as restaurant, rest rooms, convenience stores, etc., shall be charged at tariff applicable to Commercial Category.

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.74	5.66

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.79	5.88

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.94	6.13

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	1.04	6.31

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	1.17	6.43

LOW TENSION (LT) TARIFF

LT I: LT - Industry

Applicability:

This tariff category is applicable for electricity for Industrial use, at Low/Medium Voltage, for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, etc. It is also applicable for use of electricity / power supply for Administrative Offices / Canteens, Recreation Hall / Sports Club or facilities / Health Club or facilities/ Gymnasium / Swimming Pool exclusively meant for employees of the industry; lifts, water pumps, fire-fighting pumps and equipment, street and common area lighting; Research and Development units, dhobi/laundry, Telecommunications Towers etc. Provided that all such facilities are situated within the same industrial premises and supplied power from the same point of supply; This tariff category shall also be applicable for use of electricity / power supply by an Information Technology (IT) or IT-enabled Services (ITeS) Unit as defined in the applicable IT/ITeS Policy of Government of Maharashtra. It is also applicable for use of electricity / power supply for common facilities in the IT Park/SEZ (such as lobbies, central air conditioning, lifts, escalators, Effluent Treatment Plant/Sewage Treatment Plant, wash rooms etc.) which are used by the Units, excluding support services areas, after the registration is granted to the IT Park by the Directorate of Industries and Development Commissioner of the SEZ for an IT SEZ, as per the IT and ITeS Policy of the Government of Maharashtra as applicable from time to time.

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 200 per kVA per month	0.74	5.06

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 250 per kVA per month	0.79	5.20

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 300 per kVA per month	0.94	5.37

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 350 per kVA per month	1.04	5.42

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 400 per kVA per month	1.17	5.52

LT II - LT Commercial

Applicability

This tariff category is applicable for electricity used at Low/Medium Voltage in non-residential, non-industrial and/or commercial premises for commercial consumption meant for operating various appliances used for purposes such as lighting, heating, cooling, cooking, and washing/cleaning, entertainment/ leisure and water pumping in, but not limited to, the following premises:

- a) Non-Residential, Commercial and Business premises, including shopping malls and Show rooms;
- b) Combined lighting and power supply for facilities relating to Entertainment, including film studios, cinemas, and theatres (including multiplexes),

Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment;

- c) Offices, including Commercial Establishments;
- d) Marriage Halls, Hotels / Restaurants, Ice-cream parlours, Coffee Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths, and Fax / Photocopy shops;
- e) Automobile and all other types of repairs, servicing, and maintenance centres (unless specifically covered under another tariff category); Retail Gas Filling Stations, Petrol Pumps and Service Stations, including Garages;
- f) Tailoring Shops, Computer Training Institutes, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons;
- g) Banks and ATM centres, Telephone Exchanges, TV Stations, Microwave Stations, Radio Stations;
- h) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;
- i) Construction of all types of structures/ infrastructure for any purposes;
- j) Sewage Treatment Plant/ Effluent Treatment Plant and common facilities like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting for Commercial Complexes and not covered under the LT III - Industry category;
- k) Stand-alone Research and Development Units not covered under any other category.
- l) Temporary supply for any of the activity not covered under any other head.

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 230 per kVA per month	0.74	5.20

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 280 per kVA per month	0.79	5.34

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 330 per kVA per month	0.94	5.51

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 380 per kVA per month	1.04	5.56

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 430 per kVA per month	1.17	5.66

LT III : LT - Street Light

Applicability

This tariff category is applicable for the electricity used for lighting of public streets/thorough fares which are open for use by the general public, at Low / Medium Voltage, and at High Voltage.

Street-lights in commercial complexes, industrial premises, etc. will be billed at the tariff of the respective applicable categories. This category is also applicable for use of electricity / power supply at Low / Medium Voltage or at High Voltage for (but not limited to) the following purposes, irrespective of who owns, operates or maintains these facilities:

- a) Lighting in Public Gardens (i.e. which are open to the general public free of charge);
- b) Traffic Signals and Traffic Islands;
- c) Public Water Fountains; and
- d) Such other public places open to the general public free of charge

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 125 per kVA per month	0.74	3.97

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 150 per kVA per month	0.79	4.11

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 175 per kVA per month	0.94	4.19

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 225 per kVA per month	1.04	4.23

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 275 per kVA per month	1.17	4.26

LT IV: LT - Public Services / General Purpose
Applicability:

Electricity used at Low/Medium Voltage for any other activity not covered under the LT I, LT II, LT III and LT V tariff categories.

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 125 per kVA per month	0.74	3.85

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 150 per kVA per month	0.79	3.99

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 175 per kVA per month	0.94	4.07

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 225 per kVA per month	1.04	4.11

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	Rs. 275 per kVA per month	1.17	4.14

LT V: LT - Electric Vehicle (EV) Charging Stations

Applicability:

This Tariff category is applicable for Electric Vehicle Charging Station including battery swapping stations for electric vehicle.

In case the consumer uses the electricity supply for charging his own electric vehicle at his premises, the tariff applicable shall be as per the category of such premises.

Electricity consumption for other facilities at Charging Station such as restaurant, rest rooms, convenience stores, etc., shall be charged at tariff applicable to Commercial Category.

Tariff w.e.f April 1, 2025

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.74	5.66

Tariff w.e.f April 1, 2026

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.79	5.88

Tariff w.e.f April 1, 2027

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	0.94	6.13

Tariff w.e.f April 1, 2028

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	1.04	6.31

Tariff w.e.f April 1, 2029

Consumption Slab	Demand Charge	Wheeling Charge (Rs/kVAh)	Energy Charge (Rs./kVAh)
All Units	-	1.17	6.43

MISCELLANEOUS AND GENERAL CHARGES

Fuel Adjustment Cost (FAC) Component of Z factor Charge

The Fuel Adjustment Charge (FAC) component of the Z-factor Charge will be determined in accordance with the formula specified in the relevant Multi Year Tariff Regulations and any directions that may be given by the Commission from time to time, and will be applicable to all consumer categories for their entire consumption.

In case of any variation in the fuel prices and power purchase prices, the Distribution Licensee shall pass on the adjustments through the FAC component of the Z-factor Charge accordingly.

The details of applicable Z_{FAC} for each month shall be available on the Distribution Licensee's website.

Electricity Duty and Tax on Sale of Electricity

Electricity Duty and Tax on Sale of Electricity shall be levied in addition to the tariffs approved by the Commission, and in accordance with the Government of Maharashtra stipulations from time to time. The rate and the reference number of the Government Resolution/ Order under which the Electricity Duty and Tax on Sale of Electricity are applied shall be stated in the consumers' energy bills. A copy of such Resolution / Order shall be provided on the Distribution Licensee's Website.

Prompt Payment Discount

A prompt payment discount of one percent of the monthly bill (excluding Taxes and Duties) shall be provided to consumers for payment of electricity bills within 7 days from the date of their issue.

Delayed Payment Charges

In case the electricity bill is not paid within the due date mentioned on the bill, delayed payment charges of 1.25 percent shall be levied on the total amount of the electricity bill (including Taxes and Duties)

Digital Payment Discount

A discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/-, shall be provided to LT category consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets etc.

Rate of Interest on Arrears

The rate of interest chargeable on the arrears of payment of billed dues shall be as given below:

Sr. No.	Delay in Payment (months)	Interest Rate (%)
1	Payment made after 60 days and before 90 days from the date of billing	12%
2	Payment made after 90 days from date of billing	15%

Load Factor Incentive

Consumers having a Load Factor above 75% and up to 85% will be entitled to an incentive in the form of a rebate of 0.75% on the Energy Charges for every percentage

point increase in Load Factor from 75% to 85%. Consumers having a Load Factor above 85 % will be entitled to a rebate of 1% on the Energy Charges for every percentage point increase in Load Factor from 85%. The total rebate will be subject to a ceiling of 15% of the Energy Charges applicable to the consumer.

This incentive is applicable only to consumers in the tariff categories HT Industry, HT Commercial.

Additionally, the Load Factor Incentive shall not be applicable for the month if the consumer exceeds its Contract Demand in that month. Consumers exceeding Contract demand during the off-peak hours (2200 hrs to 0600 hrs) would also not be eligible for Load factor Incentive for that month.

The Load Factor incentive will be available only if the consumer has no arrears with the Distribution Licensee, and payment is made within seven days from the date of the electricity bill. However, it will be available to consumers in whose case payment of arrears in instalments has been allowed by the Distribution Licensee, and such payment is being made as scheduled. The Distribution Licensee shall take a commercial decision on the schedule for such payments.

The Load Factor is to be computed as follows:

$$\text{Load Factor} = \frac{\text{Consumption during the month in MU}}{\text{Maximum Consumption Possible during the month in MU}}$$

Maximum consumption possible = Contract Demand (kVA) x Actual Power Factor x (total no. of hours during the month, less actual interruptions hours recorded in meter for billing period)

Penalty for exceeding Contract Demand

In case a consumer (availing Demand-based Tariff) exceeding his Contract Demand, he will be billed at the applicable Demand Charge rate for the Demand actually recorded, and also be charged an additional amount at the rate of 150% of the applicable Demand Charge (only for the Demand in excess of the Contract Demand).

Under these circumstances, the consumer shall not be liable for any other action under Section 126 of the EA, 2003, since the penal additional Demand Charge provides for the penalty that the consumer is liable to pay for exceeding his Contract Demand. In case a consumer exceeds this Contract Demand on more than three occasions in a calendar year, the action to be taken would be governed by the provisions of the Supply Code Regulations.

Consumer Security Deposit

The amount of the Security Deposit shall be as stipulated in Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 as amended from time to time.

Definitions:

Maximum Demand

Maximum Demand in kilowatts or kilo-Volt Amperes, in relation to any period shall, unless otherwise provided in any general or specific Order of the Commission, mean twice the highest number of kilo-watt-hours or kilo-Volt Ampere hours supplied and taken during any consecutive thirty-minute blocks in that period.

Contract Demand

Contract Demand means the demand in kilowatt (kW) or kilo-Volt Amperes (kVA), mutually agreed between the Distribution Licensee and the consumer as entered into in the agreement or agreed through other written communication. (For conversion of kW into kVA, the Power Factor of 0.80 shall be applied).

Sanctioned Load

Sanctioned Load means the load in kW mutually agreed between the Distribution Licensee and the consumer. In case the meter is installed on the LV (Low voltage)/MV (Medium Voltage) side, the methodology to be followed for billing purpose is as follows:

- 2% to be added to MV demand reading, to determine the kW or kVA billing demand, and
- 'X' units to the MVA reading to determine the total energy compensation to compensate the transformation losses, which is calculated as follows

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- 'X' = (730 * kVA rating of transformer)/500 Units/month, to compensate for the iron losses, plus one percent of units registered on the LT side for copper losses.

Billing Demand (for LT categories):

Monthly Billing Demand will be the higher of the following:

- (a) 65% of the actual Maximum Demand recorded in the month during 0600hours to 2200 hours.
- (b) 40% of the Contract Demand.

Note:

- (a) Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.
- (b) In case of change in Contract Demand, the above period will be reckoned from the month following the month in which the change in Contract Demand is effected.

Billing Demand (for HT categories):

Monthly Billing Demand will be the higher of the following:

- a) Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;
- b) 75% of the highest billing demand recorded during preceding eleven months subject to limit of Contract Demand;
- c) 75% of the Contract Demand.

Note:

- (a) Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.
- (b) In case of change in Contract Demand, the above period will be reckoned from the month following the month in which the change of Contract Demand is effected.

7 Schedule of Charges

- 7.1.1.1 MADC submits that as per Regulation 19 of the MERC Supply Code, MADC, as a Distribution Licensee, is required to obtain the approval of the Hon'ble Commission for its Schedule of Charges for the specified matters and for such other matters as are required by the Distribution Licensee to fulfil its obligation to supply electricity to its consumers under the EA, 2003 and other relevant Regulations.
- 7.1.1.2 Sections 45, 46 and 47 of the EA, 2003 and the MERC Supply Code empowers MADC to recover charges/expenses reasonably incurred in providing electric supply to person requiring such supply.
- 7.1.1.3 The Petitioner being a deemed distribution licensee had filed a Petition on 29th November 2020 (Case No. 235 of 2020) for approval of Truing-up of FY 2014-15 to FY 2019-20 and ARR and Tariff for the 4th Control Period from FY 2020-21 to FY 2024-25, for its Electricity Distribution Business in notified SEZ area of MIHAN.
- 7.1.1.4 The Petitioner, in the above Petition, had also sought relief from the Hon'ble Commission to allow the Petitioner to levy and recover the charges for the various services provided to the consumers of the Petitioner at par with the "Schedule of Charges" approved by the Hon'ble Commission (vide Order dated 30th March 2020 in Case No. 322 of 2019) for Maharashtra State Electricity Distribution Company Ltd. (MSEDCL), as MSEDCL is a parallel licensee for the licensed area of MADC.
- 7.1.1.5 The Hon'ble Commission, vide its Order dated 21st July 2022 has observed that schedule of charges are normative charges to be levied to the Consumers within the area of supply based on the likely cost to be incurred for a particular activity by the said licensee. The cost for a particular activity would vary with each distribution licensee. The Hon'ble Commission has further observed that MADC being a licensee within the area, which is much smaller than MSEDCL, is likely to incur cost, which may be lower than MSEDCL.
- 7.1.1.6 The Hon'ble Commission did not grant the relief proposed by the Petitioner to allow the Petitioner to levy and recover the charges for the various services provided to the consumers of the Petitioner at par with the "Schedule of

Charges” approved by the Hon’ble Commission (vide Order dated 30th March 2020 in Case No. 322 of 2019) for MSEDCL. The Hon’ble Commission directed the Petitioner to file a separate Petition for determination and approval of “Schedule of Charges” to be levied to its consumers along with the rationale within six months from the said Order.

- 7.1.1.7 During the intervening period, as an interim arrangement, the Hon’ble Commission permitted the Petitioner to levy and recover charges for the various services provided to the consumers of the Petitioner at par with the “Schedule of Charges” approved by the Hon’ble Commission (vide Order dated 30th March 2020 in Case No. 322 of 2019) for MSEDCL.
- 7.1.1.8 Accordingly, the Petitioner submitted the separate Petition in Case No. 23 of 2023 for determination and approval of “Schedule of Charges” to be recovered from the existing / prospective consumers for the various services provided to them.
- 7.1.1.9 The Hon’ble Commission sought replies to the data gaps sent on the submitted Petition to which MADC sent replies dated 17.11.2023. However, the Hon’ble Commission has subsequently sent additional data gaps. In view of the fact that the Petitioner is now filing the MYT Petition for the next Control Period, the Petitioner finds it appropriate to include the prayer for approval of Schedule of Charges as part of the present MYT Petition, as is the usual practice followed by other Distribution Licensees.
- 7.1.1.10 The Petitioner submits that Schedule of Charges (SoC) represent the charges levied to consumers/applicants for new connection and on existing consumers for various activities carried out by the Licensee such as load enhancement, change of name, category, etc., meter testing and various other miscellaneous activities required to be performed as a Distribution Licensee.
- 7.1.1.11 The Petitioner further submits that the “Schedule of Charges” comprises charges to be levied / recovered by the Distribution Licensee for the following services rendered by the Distribution Licensee to its consumers / applicants. The Petitioner submits that the “Schedule of Charges” includes certain Miscellaneous Charges also.

- (i) Service connection charges for new overhead (LT & HT) connections;

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- (ii) Service connection charges for new underground (LT & HT) connections;
 - (iii) Cost of meter and meter box;
 - (iv) Application registration and processing charges;
 - (v) Miscellaneous and General Charges;
 - a. Installation Testing Fees;
 - b. Renewable Energy Installations with Net Metering features;
 - c. Reconnection Charges;
 - d. Changing location of meter within same premises at consumer request (shifting of service line is not required);
 - e. Testing of meters & Metering equipment like CT/PT;
 - f. Testing of Distribution Transformer; and
 - g. Administrative charges for Cheque bouncing;
 - (vi) Open Access charges

7.1.1.12 The Petitioner has attempted to determine the schedule of charges by applying following approach for determination of the schedule of charges to be levied on the consumers in the licence area:

- i. Based on actual Expenses incurred by the Petitioner for providing connection / rendering services for the existing consumers in supply area.
- ii. Estimation of Schedule of Charges with the help of bill of quantities and standard rates.
- iii. Study of the Schedule of Charges approved by the Hon'ble Commission for other distribution licensees in Maharashtra / Schedule of charges approved by the SERCs of other states for similar placed licensees.

7.1.1.13 The Petitioner submits that the consumer mix, supply area and quantum of units handled by the Petitioner is minuscule compared to MSEDCL. Moreover, the Petitioner's supply area constitutes primarily HT consumers to be served by underground distribution lines. The electrical infrastructure development plan for the SEZ does not envisage overhead lines for the supply of electricity. Around 65% of the licence area has been occupied and the

Petitioner does not have any pending applications for supply of electricity.

7.1.1.14 The Schedule of Charges proposed in the Petition in Case No. 23 of 2023 is provided in the Table below:

Table 7-1: Schedule of Charges submitted in Case No. 23 of 2023

Sr. No.	Category	Proposed Charges in Rs
1	Application registration and processing charges	
A	New connections/ Reduction or addition of Load/Shifting of service/ Extension of service/Change of Tariff Category/Temporary Connection	
	a) Single phase	80
	b) Three phase	125
	c) HT supply	280
B	Change of Name	
	a) Single phase	80
	b) Three phase	70
	c) HT supply	175
2	Service Connection Charges (For underground lines)	
A	L.T. Supply - Single Phase	
	For loads up to 5 kW	3,400
	For loads above 5 kW and up to 10 kW	7,600
B	LT Supply Three Phase	
	Motive power up to 20 kVA	9,000
	Motive power loads >20 kVA but <= 50 kVA	19,500
	Motive power loads >50 kVA but <= 100 kVA	40,000
	Motive power loads >100 kVA but <= 150 kVA	60,000
	Above 150 kVA up to 200 kVA	2,50,000
C	HT Supply	
	If line extended from existing network	
	For loads up to 500 kVA	3,50,000
	For loads above 500 kVA	4,00,000
	Consumer wishing to have dedicated line from MADC's 22/33/11kV substation /Provision of dedicated distribution facility for power supply to HT consumer	At Actual
D	Temporary Connection	At Actual
3	Miscellaneous and General Charges	

Sr. No.	Category	Proposed Charges in Rs
A	Re-connection Charges	
	a) Re-installation of fuse cut-out	100
	b) Re-installation of meter	450
	c) HT Supply	730
	d) Re-connection of Service Cable	1,120
B	Shifting of Meter, if carried out only on consumer's request	
	Single Phase	150
	Three Phase	290
C	Shifting of services, if carried out only on consumer's request	
	Single Phase	At Actual
	Three Phase	At Actual
D	Meter Testing at Laboratory	
	Single Phase	At actual
	Three Phase	At actual
	HT Tri-vector/TOD meter	At actual
	Meter testing at Government approved laboratory	At Actual
	Yearly metering calibration charges	At Actual
E	Cost of Meter (consumer have to purchase the meter including necessary equipment like CT / PT meter cubicle box, etc. also need to bear the cost in case of Lost or Burnt meter)	
	Single Phase meter	At Actual
	Three Phase whole current meter	At Actual
	Three Phase CT operated meter	At Actual
	HT TOD meter	At Actual
	ABT compliant meter	At Actual
	Solar roof top Net Meter and Renewable Energy generation meter along with connectivity charges	At Actual
F	Charges for dishonoured Cheques (irrespective of cheque amounts) - for first instance	500 or bank charges, whichever is higher
4	Schedule of Charges related to Open Access	

Sr. No.	Category	Proposed Charges in Rs
A	Open Access Processing fee per application	3,000
B	Open Access Operating Charges per month	3,000

Notes

- i) In case MADC permits an applicant to carry out the works through a Licensed Electrical Contractor (LEC), a rate of 1.30 % of the normative charges will be applicable towards supervision charges.
- ii) In case of extension of load, the normative charges will be applicable on the total load (existing as well as additional load demanded) as per the load slabs indicated above.
- iii) The GST will be levied extra as per applicable rates.
- iv) The road opening charges vary from area to area, hence, will be levied on actual basis, as applicable.

7.1.1.15 As regards the proposed Schedule of Charges, MADC has modified the Schedule of charges related to 'Service connection charges for new Underground connection' in the present Petition and the details of calculation of revised charges and its justification is elaborated in the attached Annexure No. 15.

7.1.1.16 MADC submits the revised Schedule of charges for category of 'Service connection charges for new Underground connection' in the Table below:

Table 7-2: Proposed Revised Schedule of Charges for 'Service connection charges for new Underground connection'

Service connection charges for new Underground connection		
Sr. No.	Category	Amount in Rs.
Low Tension (LT) Supply		
1	A Single Phase	
	1 Load Upto 5 kW	15,100
	2 Load above 5 kW and Up to 10 kW	19,450
	B Three Phase	

Service connection charges for new Underground connection			
Sr. No.	Category	Amount in Rs.	
	1	Load upto 20 kVA	48,600
	2	Load above 20 kVA and up to 50 kVA	1,02,000
	3	Load above 50 kVA and up to 100 kVA	1,67,600
	4	Load above 100 kVA and up to 200 kVA	2,52,500
2	High Tension (HT) Supply		
	1	11 KV HT supply for load above 200 kVA and up to 1000 kVA	14,11,000
	2	11 KV HT supply for load above 1000 kVA and up to 5000 kVA	17,47,750
	3	33 KV HT supply for load above 5000 kVA	22,26,600
Notes	1) Road opening charges vary as per the location and hence to be considered as actual		
	2) GST will be extra as per the applicable rates		

7.1.1.17 Thus, the Schedule of charges proposed by MADC for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 7-3: Proposed Schedule of Charges

Sr. No.	Category	Proposed Charges in Rs
1	Application registration and processing charges	
A	New connections/ Reduction or addition of Load/Shifting of service/ Extension of service/Change of Tariff Category/Temporary Connection	
	a) Single phase	80
	b) Three phase	125
	c) HT supply	280
B	Change of Name	
	a) Single phase	80
	b) Three phase	70
	c) HT supply	175
2	Service Connection Charges (For underground lines)	
A	L.T. Supply - Single Phase	
	For loads up to 5 kW	15,100
	For loads above 5 kW and up to 10 kW	19,450
B	LT Supply Three Phase	

Sr. No.	Category	Proposed Charges in Rs
	Motive power up to 20 kVA	48,600
	Motive power loads >20 kVA but <= 50 kVA	1,02,000
	Motive power loads >50 kVA but <= 100 kVA	1,67,600
	Motive power load >100 kVA but <= 200 kVA	2,52,500
C	HT Supply	
	11 KV HT supply for load above 200 kVA and up to 1000 kVA	14,11,000
	11 KV HT supply for load above 1000 kVA and up to 5000 kVA	17,47,750
	33 KV HT supply for load above 5000 kVA	22,26,600
Note:	1) Road opening charges vary as per the location and hence to be considered as actual	
	2) GST will be extra as per the applicable rates	
3	Miscellaneous and General Charges	
A	Re-connection Charges	
	a) Re-installation of fuse cut-out	100
	b) Re-installation of meter	450
	c) HT Supply	730
	d) Re-connection of Service Cable	1,120
B	Shifting of Meter, if carried out only on consumer's request	
	Single Phase	150
	Three Phase	290
C	Shifting of services, if carried out only on consumer's request	
	Single Phase	At Actual
	Three Phase	At Actual
D	Meter Testing at Laboratory	
	Single Phase	At actual
	Three Phase	At actual
	HT Tri-vector/TOD meter	At actual
	Meter testing at Government approved laboratory	At Actual
	Yearly metering calibration charges	At Actual
E	Cost of Meter (consumer have to purchase the meter including necessary equipment like CT/PT meter	

Sr. No.	Category	Proposed Charges in Rs
	cubicle box, etc., also need to bear the cost in case of Lost or Burnt meter)	
	Single Phase meter	At Actual
	Three Phase whole current meter	At Actual
	Three Phase CT operated meter	At Actual
	HT TOD meter	At Actual
	ABT compliant meter	At Actual
	Solar roof top Net Meter and Renewable Energy generation meter along with connectivity charges	At Actual
F	Charges for Dishonoured Cheques (irrespective of cheque amounts) - for first instance	500 or bank charges whichever is higher
4	Schedule of Charges related to Open Access	
A	Open Access Processing fee per application	3000
B	Open Access Operating Charges per month	3000

7.1.1.18 MADC requests the Hon'ble Commission to approve the above proposed Schedule of Charges for the fifth Control Period, i.e., from FY 2025-26 to FY 2029-30.

8 Compliance with Directives

8.1.1.1 The Hon'ble Commission in the MYT Order (Case No. 235 of 2020) has given certain directives to be complied with by MADC. The compliance report of the various directives is as given below:

8.2 Green power tariff for consumers of MADC (Directive No. 8.1.1) Directive

8.2.1.1 MADC should immediately honour the pending requests from Consumers to provide green power on payment of Green Tariff as determined by the Commission.

MADC's submission

8.2.1.2 MADC humbly submits that as recorded in Para 5.6.21 of the MYT Order dated 21 July 2022 in Case No. 235 of 2020, MADC has already tied up power from conventional sources from Manikaran Power Limited for the period from 1st November 2021 to 31st October 2025. The Hon'ble Commission has already approved this arrangement. Power procured under this PPA caters to the existing load of MADC. Any additional power purchase (including mandatory RE power procurement) needs to be done in optimised manner, so that the burden on the MADC consumer is reduced else MADC consumers will have to pay fixed charges for conventional power without actually purchasing power, or incur the losses on account of sale of surplus power at rates lower than the rate of purchase. Hence, as of now, MADC is not procuring any RE power apart from the small amount of solar power procured under the Net Metering arrangement. In the absence of actual RE procurement, MADC is yet to provide green power to consumers who have asked for the same.

8.2.1.3 However, in order to comply with its RPO requirement as well as to provide green power to consumer who have requested for the same, RE power procurement is under active consideration of MADC. Towards this as initial step, it has entered into Net Metering arrangement for a consumer w.e.f. April 2022. Subsequently, MADC has floated short-term tender for RE power procurement on DEEP portal on dtd. 27.11.2024

8.3 Energy Sales (Directive No. 8.1.2)

Directive

8.3.1.1 MADC shall get the category-wise sales audited by Third Party and exhibit the same in the subsequent Audited Annual Accounts from next tariff proceedings.

MADC's submission

8.3.1.2 MADC has noted the concern of the Hon'ble Commission and submits that the Bureau of Energy Efficiency (BEE) has notified Regulations under which all Electricity Distribution Companies are mandated to conduct annual energy audit and periodic energy accounting on quarterly basis. MADC has been regularly conducting Energy Audit in compliance with the Regulations of BEE. As regards inclusion of category-wise sales in the Audited Accounts, MADC shall exhibit the same in the Audited Annual Accounts for FY 2024-25.

8.4 Meter readings at all interface points/ voltage levels (Directive no. 8.1.3)

Directive

8.4.1.1 MADC to hereon maintain the meter readings at all interface points/ voltage levels and submit the same to the Commission in next tariff proceedings for analysis purpose.

MADC's submission

8.4.1.2 The Petitioner has noted the concern of the Hon'ble Commission and has started working on this and floated e-tender for Supply, Installation and Commissioning of Energy Management System in MIHAN SEZ area, Nagpur. This EMS will facilitate meter reading at all interface points/ voltage levels. Recently, MADC has issued Work Order to M/s. Inizent Internet Solutions Pvt. Ltd. for Supply, Installation and Commissioning of Energy Management System in MIHAN SEZ area, Nagpur. This is mostly for metering and hardware where Multi-function meter (MFM), modem and other equipment will be installed.

8.5 Renewable Purchase Obligation (Directive No. 8.1.4)

Directive

8.5.1.1 MADC to reconcile with MSEDCL and to arrive at the conclusion that whether the RPO on the power supplied by MSEDCL to MADC has been complied with along with the supporting in the next MYT Petition.

MADC's submission

8.5.1.2 In compliance to directions of the Hon'ble Commission, MADC vide its letter No. MADC/Power/RPO/2024/283 dated 4 June 2024 has requested MSEDCL to provide reconciliation along with the necessary supporting documents for the period from FY 2015-16 to FY 2021-22. The copy of letter has also been sent to the office of the Hon'ble Commission.

8.6 Distribution loss (Directive No. 8.1.5)

Directive

8.6.1.1 MADC to continue its efforts in bringing down the Distribution losses to the lowest possible levels and ensure that performance does not deteriorate beyond the levels already achieved in the past.

MADC's submission

8.6.1.2 The actual distribution loss for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 have been computed as 0.51%, 1.94%, 1.27%, and 1.64%, respectively, as compared to the approved level of 0.94%. The Hon'ble Commission had approved the Distribution Loss level of 0.94% based on the actual loss level achieved in FY 2019-20.

8.6.1.3 For FY 2020-21 to FY 2023-24, the distribution losses are slightly higher as compared to the loss approved in the MYT Order, on account of the following reasons:

- a) The actual sales have been lower than approved in FY 2020-21 to FY 2023-24, as the sales have not increased as envisaged.
- b) It may be noted that the maximum load on MADC system is around 16 MW, though the transformation capacity of 160 MVA has been created anticipating much higher load. The Hon'ble Commission will anticipate that with such lower loading of transformers, the transformer 'no load

losses' will be higher in absolute terms, and when the distribution losses are calculated in percentage terms based on the lower actual sales, the distribution losses in percentage terms are bound to be higher.

- c) Despite the above, MADC has been able to ensure that the distribution losses are well within control and have not exceeded 2%, which is creditable. In fact, the actual distribution loss in FY 2020-21 was only 0.51%, which is much lower than the approved distribution losses of 0.94%.

8.6.1.4 The distribution system is entirely underground and the distribution losses in the system are purely technical losses, and there is no element of commercial losses or theft.

8.7 Renewable Purchase Obligation (Directive No. 8.1.6)

Directive

8.7.1.1 MADC to be diligent and ensure that RE power is procured to meet its RPO requirement at least from FY 2022-23 onwards.

MADC's submission

8.7.1.2 MADC would like to highlight that Hon'ble Commission in Para 5.6.24 of the MYT Order has stated that MADC to ensure that RE power is procured to meet its RPO requirement at least from FY 2024-25 onwards.

8.7.1.3 The Petitioner respectfully submits that the medium-term PPA with Manikaran has the obligation of take or pay, hence, if MADC purchases actual RE power to fulfil the RPO targets including the cumulative shortfall of previous years, then MADC would end up with surplus energy, which shall need to be sold in the Power Exchange at prevalent market prices, which may be lower. Also, at the present time, the rate of REC's is significantly lower, at around 12 to 14 paise per unit. Hence, MADC has decided to fulfil the RPO obligation through purchase of RECs. Accordingly, MADC has procured total 35680 RECs in July 2024 worth Rs. 0.51 Crore to meet the RPO of FY 2020-21 to FY 2023-24.

8.7.1.4 However, the above purchase of REC's will not be sufficient to fulfil the cumulative RPO target obligation from FY 2020-21 to FY 2024-25, and hence,

MADC has considered purchase of additional REC's to meet its RPO target including previous shortfall of true up years and for FY 2024-25. Also, MADC has envisaged and done the preliminary preparation for floating of tender to tie up RE power along with conventional power to meet its power purchase requirement after expiry of PPA with Manikaran in the month of October 2025

8.8 Renewable Purchase Obligation (Directive No. 8.1.7)

Directive

8.8.1.1 MADC to ensure that Power planning is undertaken by considering the procurement of RE power and purchase of REC is to be restored to only in case of shortfall of generation of RE power.

MADC's submission

8.8.1.2 As submitted in its reply to Directive 8.1.6, any additional power purchase (including mandatory renewable power procurement) needs to be done in an optimised manner, so that the burden on the MADC consumer is reduced, else MADC consumers will have to pay fixed charges for conventional power without actually purchasing power. Accordingly, MADC has opted for REC purchase to meet the shortfall in procurement of RE power.

8.9 Interest on Consumer security deposit (Directive No. 8.1.8 & 8.1.9)

Directive

8.9.1.1 MADC to pay interest to all the consumers on their security deposit from the date of the deposit and comply with the relevant Supply Code Regulations in future on a timely basis.

MADC's submission

8.9.1.2 MADC on 31 October 2023 in Case No. 209 of 2023 has filed a Petition for deferment of interest on security deposit to be paid to the consumers of the Petitioner.

8.9.1.3 During the E-hearing on the above Petition held on 28 May, 2024, MADC informed the Hon'ble Commission that it had reconciled the data and ascertained the consumer-wise liability towards the Security Deposit and interest on the Security Deposit. MADC further requested the Hon'ble Commission to grant permission to MADC to refund/adjust the interest on

Security Deposit to each consumer in three monthly instalments. The Hon'ble Commission directed MADC to pay the interest on the Security Deposit to all the consumers as per the applicable interest rate along with the carrying cost for three months. Post the E-hearing, MADC has decided to pay/adjust the interest on the security deposit to all consumers from the date of deposit in one tranche in the month of August 2024. MADC has accordingly informed the office of the Hon'ble Commission vide its letter MADC/Case No. 209 of 2023/2024/319 dated 18 June 2024.

8.9.1.4 MADC would like to apprise the Commission that it has cleared and paid the interest to all the consumers on their security deposit from the date of the deposit.

8.10 Investment related to Contribution to Contingency Reserves (Directive No. 8.1.10 & 8.1.11)

Directive

8.10.1.1 MADC should ensure that investments related to Contribution to Contingency Reserves are made in a time bound manner.

MADC's submission

8.10.1.2 The Hon'ble Commission, in its previous MYT Order issued in July 2022 directed MADC to invest the amount against Contingency Reserve for FY 2020-21 and FY 2021-22 within six months of the issue of the said Order. Thus, the investment against Contingency Reserve for FY 2020-21 and FY 2021-22 should have been made by end of December 2022. The Petitioner would like to apprise the Hon'ble Commission that due to internal approval issues, the said investment in Contingency Reserves was not done by December 2022, and was finally invested in specified securities in November 2024. The Petitioner sincerely apologises for the delay and assures the Hon'ble Commission that henceforth, these investments shall be made on time.

8.10.1.3 The Petitioner has invested the amount against Contingency reserve for the true up years from FY 2020-21 to FY 2023-24 in the month of November 2024. Thus, the investment against Contingency Reserve for FY 2020-21 and FY 2021-22 has been delayed by 23 months, the investment against Contingency Reserve for FY 2022-23 was delayed by 14 months, and the investment against

Contingency Reserve for FY 2022-23 was delayed by 2 months. The Petitioner is well aware that if this investment had been done on time, then the interest earned on the investment would have been passed on the consumers through Non-Tariff Income, and the ARR would have been reduced by that amount. Hence, the Petitioner has decided to pass on the notional interest on the amount invested in the Contingency Reserve in the Non-Tariff Income, as detailed in a later section. The Petitioner requests the Hon'ble Commission to allow the investment in Contingency Reserve and also consider the notional interest income as part of the Non-Tariff Income.

8.11 Distribution Loss (Directive No. 8.1.12)

Directive

8.11.1.1 MADC to segregate the Distribution Loss between the HT and LT levels and submit the break-up at the time of the next tariff Petition.

MADC's submission

8.11.1.2 The Petitioner respectfully submits that this is yet to be done, and shall be taken up at the earliest.

8.12 VCoS (Directive No. 8.1.13)

Directive

8.12.1.1 MADC to also submit, at the time of MTR filing, relevant details and computation of VCoS in line with the framework stipulated by the ATE.

MADC's submission

8.12.1.2 The Petitioner respectfully submits that in order to determine the VCoS, it is necessary to have details of the distribution losses at different voltage levels. Once the voltage-wise loss levels are identified, then the Petitioner shall submit the VCoS to the Hon'ble Commission.

8.13 Implementation of kVAh billing (Directive No. 8.1.14)

Directive

8.13.1.1 MADC to implement kVAh billing for all categories of consumers of MADC.

MADC’s submission

8.13.1.2 MADC has implemented kVAh billing for all categories of consumers of MADC with effect from 1 August 2022.

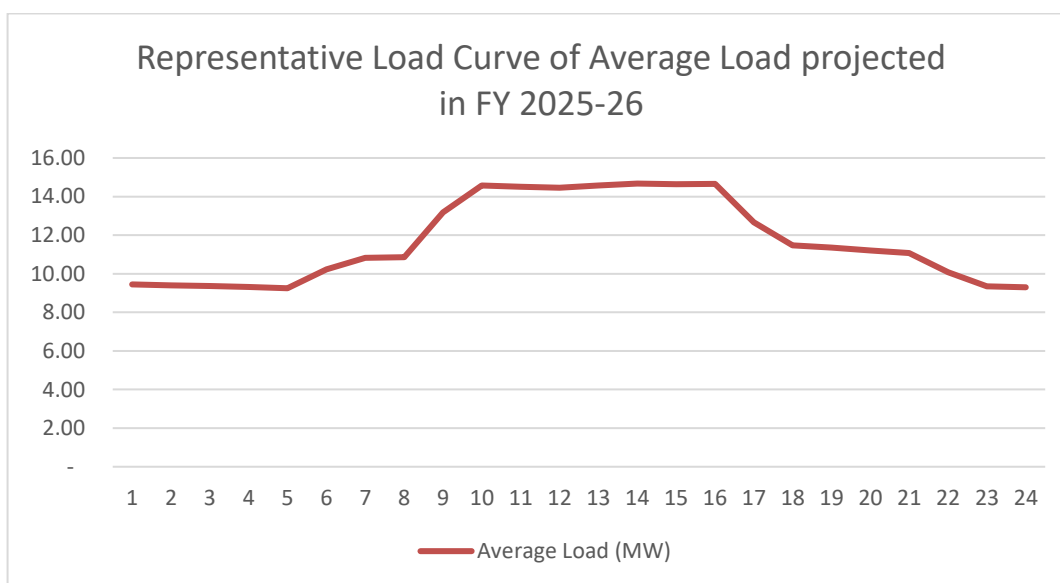
8.14 ToD Tariff (Directive No. 8.1.15)

Directive

8.14.1.1 MADC to provide the load curve and the impact of the power purchase against such load curve for implementation of ToD tariff , if required, in next tariff Petition.

MADC’s submission

8.14.1.2 MADC submits its representative load curve for FY 2025-26, as shown in the Figure below:



8.14.1.3 As can be seen from the above Figure, MADC peak coincides exactly with the Solar Hours from 09:00 to 16:00 hours. Hence, if 20% rebate is given during Solar Hours, the revenue loss will be significant and the corresponding revenue loss will have to be made up through increase in tariff for all categories, which may not serve any purpose. Further, it may be noted that MADC’s consumers cannot shift their load even if higher rebate is given. Also, the objective of absorbing more Solar power is not applicable for MADC at

present, as MADC has no tie-up with Solar plants at present.

8.14.1.4 Most importantly, there are no Smart Meters in MADC's licence area, and hence, if the ToD time slots are revised, then all the ToD meters will have to be reprogrammed with the help of the respective meter manufacturers, which will be a time-consuming process. In view of the above, the Petitioner is of the view that there will be no benefit in introducing ToD tariff for MADC, and has not proposed any ToD tariff for the next Control Period from FY 2025-26 to FY 2029-30.

8.15 Power Factor (Directive No. 8.1.16)

Directive

8.15.1.1 MADC to display PF (computed by considering leading and lagging RkVAh) recorded during the month in the bill of all the Consumer categories till further directions.

MADC's submission

8.15.1.2 MADC submits that the Power Factor (PF) computed by considering leading and lagging RkVAh, is displayed in the bill issued to the consumers.

Sample bills of HT and LT category are attached herewith as "**Annexure - 16**"

8.16 Schedule of Charges (Directive No. 8.1.17)

Directive

8.16.1.1 MADC to file a separate Petition for Schedule of Charges to be levied to its Consumers along with the rationale within six months from this Order.

MADC's submission

8.16.1.2 MADC, on 20 January, 2023 filed a Petition for Schedule of Charges in Case No. 23 of 2023. The office of the Hon'ble Commission vide its e-mail dated 21 August 2023 raised data gaps in the Petition. MADC replied to data gaps vide its letter dated 17 November, 2023. Further, the office of the Hon'ble Commission vide its e-mail dated 22 November 2023 raised additional data gaps.

8.16.1.3 In view of the fact that the Petitioner is now filing the MYT Petition for the next Control Period, the Petitioner finds it appropriate to include the prayer

for approval of Schedule of Charges as part of the present MYT Petition, as is the usual practice followed by other Distribution Licensees.

8.17 Establishment of CGRF and support thereof (Directive No. 8.1.18)

Directive

8.17.1.1 MADC to establish the CGRF to address the grievance of the Consumers being supplied by MADC. The Commission is in process of appointing the chairperson for the CGRF, MADC. Once said appointment is done, MADC shall immediately provide secretariat support for functionalising office of CGRF in its licence area.

MADC's submission

8.17.1.2 The Hon'ble Commission vide its letter dated 17 February 2023 has appointed Chairperson, CGRF for MADC- SEZ Nagpur. MADC, vide its letter dated 8 March 2023 has submitted joining report to the office of the Hon'ble Commission.

MADC has provided necessary support for functionalising the office of CGRF in its licence area, which includes dedicated office/cabin, personal computer, printer and all stationery required for official work of CGRF.

8.18 Filing of Truing-up Petition for FY 2020-21 to FY 2021-22 (Directive No. 8.1.19)

Directive

8.18.1.1 MADC to submit its Petition for Truing-up of FY 2020-21 to FY 2022-23 in accordance with Regulation 5.1 (C) of the MYT Regulations, 2019, by 30 November, 2024. However, MADC is at liberty to approach the Commission earlier in case of variations in uncontrollable factors that may result in sudden, steep, and sustained increase in tariff, in accordance with the 4th proviso to Regulation 5.1 (c) of the MYT Regulations, 2019.

MADC's submission

8.18.1.2 In compliance with the Regulation 5.1 (c) of the MYT Regulations, 2019,

MADC has submitted its Petition for Truing-up of FY 2020-21 to FY 2022-23 in the present Petition.

9 Prayers

The Petitioner prays to the Hon'ble Commission as under:

- i. To admit the MYT Petition as per the provisions of MERC (MYT) Regulations 2024, and consider for further proceedings before the Hon'ble Commission;
- ii. To approve the truing up and Revenue Gap/(Surplus) for FY 2020-21 to FY 2023-24 and recovery of the same through tariff, as proposed by the Petitioner;
- iii. To approve the provisional truing up and Revenue Gap/(Surplus) for FY 2024-25 and recovery of the same through tariff, as proposed by the Petitioner;
- iv. Incorporate the impact of the revision in Intra-State Transmission Losses, Intra-State Transmission Charges, STU Fees and Charges, and MSLDC Fees and Charges, as being approved by the Hon'ble Commission in other Petitions filed by the respective Utilities;
- v. To allow recovery of past Revenue Gaps/(Surplus) along with the carrying/(holding) cost as proposed by the Petitioner;
- vi. To approve the ARR for FY 2025-26 to FY 2029-30 and its recovery through revised tariff as proposed by the Petitioner;
- vii. To determine the Petitioner's share of the Transmission Charges and MSLDC Charges, and consider the same while approving the ARR for the Petitioner for FY 2025-26 to FY 2029-30;
- viii. To maintain status-quo in the matter of Regulatory Asset of Rs. 81.02 Crore, till such time as there is finality in the matter;
- ix. To approve the composite Wheeling Charges for FY 2025-26 to FY 2029-30, as proposed by the Petitioner;
- x. To approve Retail Supply Tariff for FY 2025-26 to FY 2029-30 and the Tariff schedule, as proposed by the Petitioner;
- xi. To determine CSS for the Petitioner in accordance with the formula stipulated under the Tariff Policy 2016;
- xii. To approve the Schedule of Charges for FY 2025-26 to FY 2029-30, as proposed by the Petitioner;
- xiii. To approve the new tariff category of Electric Vehicle (EV) Charging Stations for both HT and LT.
- xiv. Condone any inadvertent omissions, errors, short comings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date; and

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- xv. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.