

Before the  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400 005**  
**Tel. No. 022 69876666**  
E-mail: [mercindia@merc.gov.in](mailto:mercindia@merc.gov.in)  
Website: [www.merc.gov.in](http://www.merc.gov.in)

**Case No. 211 of 2024**

**Case of Adani Electricity Mumbai Limited (Distribution Business) for Approval of  
Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up for FY 2024-25, and  
ARR and Tariff for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30**

**Coram**

**Sanjay Kumar, Chairperson**  
**Anand M. Limaye, Member**  
**Surendra J. Biyani, Member**

**Date: 28 March 2025**

**ORDER**

In accordance with Regulation 5 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 ('MYT Regulations'), Adani Electricity Mumbai Limited (Distribution Business) (AEML-D), has submitted its Petition for approval of truing up of FY 2022-23 and FY 2023-24, provisional truing up of 2024-25, and Aggregate Revenue Requirement (ARR) and Tariff for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30. The original Petition was filed on 30 November 2024 and AEML-D submitted the revised Petition on 6 January 2025.

The Commission, in exercise of the powers vested in it under Sections 61, 62 and 86 of the Electricity Act (EA) 2003 and all other powers enabling it in this behalf and after taking into consideration the submissions made by AEML-D and the suggestions and comments received through the public consultation process and after considering all other relevant material, has approved the Truing -up of ARR for FY 2022-23 and FY 2023-24, provisional truing up of 2024-25, and ARR and Tariff for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30.

## TABLE OF CONTENTS

<b>1</b>	<b>BACKGROUND AND BRIEF HISTORY .....</b>	<b>29</b>
1.1	BACKGROUND .....	29
1.2	MYT REGULATIONS, 2019 .....	29
1.3	MYT ORDER FOR 4 <sup>TH</sup> CONTROL PERIOD FROM FY 2020-21 TO 2024-25 .....	29
1.4	MID-TERM REVIEW ORDER FOR 4 <sup>TH</sup> CONTROL PERIOD .....	29
1.5	MYT REGULATIONS, 2024 .....	29
1.6	PETITION FOR APPROVAL OF MULTI-YEAR TARIFF, ADMISSION OF THE PETITION AND PUBLIC PROCESS.....	29
1.7	ORGANISATION OF THE ORDER .....	31
<b>2</b>	<b>SUGGESTIONS / OBJECTIONS, AEML-D'S RESPONSES AND COMMISSION'S RULING .....</b>	<b>33</b>
2.1	SALES PROJECTION .....	33
2.2	DISTRIBUTION LOSS .....	33
2.3	STANDBY CHARGES.....	34
2.4	WHEELING CHARGES METHODOLOGY .....	37
2.5	TARIFF HIKE.....	37
2.6	FIXED/DEMAND CHARGES .....	38
2.7	TARIFF FOR EV CHARGING STATIONS.....	39
2.8	SUBSIDY, CROSS SUBSIDY & ACTUAL COST SHOULD BE REFLECTED IN BILLS .....	40
2.9	RE TARIFF AND CAPPING OF CURRENT TARIFF .....	41
2.10	VIRTUAL NET METERING AND GROUP NET METERING FOR ROOF-TOP SOLAR .....	41
2.11	ADVANCE PAYMENT OPTION.....	42
2.12	NEW CATEGORY UNDER LT CATEGORY .....	43
2.13	DISTRICT COOLING SOLUTIONS UNDER INDUSTRIAL TARIFF CATEGORY .....	44
2.14	LENGTH AND STRUCTURE OF EXECUTIVE SUMMARY DOCUMENT .....	44
2.15	CATEGORY WISE TARIFF REVISION.....	45
2.16	APPOINTMENT OF CONSUMER REPRESENTATIVE .....	46
2.17	PUBLIC NOTICE TO BE CIRCULATED ALONG WITH BILLS .....	46
2.18	TARIFF TO REFLECT COST OF SUPPLY .....	47
2.19	MEASUREMENT OF LOAD CURVE .....	47
2.20	UNITY POWER FACTOR .....	47
2.21	BILLING DEMAND.....	48
2.22	STANDBY & GRID SUPPORT CHARGES.....	48
2.23	NO PENALTY FOR EXCEEDING THE CONTRACT DEMAND DURING NON-PEAK HOURS .....	49
2.24	UNINTERRUPTED POWER .....	49
2.25	CEILING TARIFF .....	49
2.26	PRIVATIZATION OF ELECTRICITY .....	51
2.27	GENERAL OBJECTIONS .....	51
2.28	SALES MIX AND TARIFF PARITY .....	52
2.29	PF & LF CONSIDERATION.....	54
2.30	TARIFF PROPOSAL FOR HT AND LT .....	55
2.31	FAC RECOVERY PROJECTIONS .....	55

2.32	TARIFF TRAJECTORY DIFFERENCES.....	56
2.33	REFUND OF CONSUMER SECURITY DEPOSIT AND THEFT OF ELECTRICITY METER BY AEML-D....	57
2.34	DELAY IN BILL GENERATION .....	57
2.35	USE OF PROPERTY / RESOURCES BY OTHER DIVISIONS AND GROUP COMPANIES.....	58
2.36	USE OF SOLAR POWER GENERATION FOR ALL OFFICES OF AEML-D AND REDUCE THE COST OF OPERATION .....	59
2.37	AVERAGE BALANCE IN CURRENT BANK ACCOUNT.....	59
2.38	REDUCTION IN TIME FOR PROCESSING OF ONLINE REQUEST.....	60
2.39	PAST UNITS AND BILL AMOUNT DETAILS .....	60
2.40	FAILURE TO SHOW KVAH IN THE BILLS.....	61
2.41	PROMPT PAYMENT DISCOUNT ON POWER PURCHASE .....	61
2.42	STATUS OF CGRF & OMBUDSMAN ORDER COMPLIANCE .....	62
2.43	STATUS OF COMPLIANCE WITH SUPPLY CODE REGULATIONS, 2021 IN RESPECT OF POWER QUALITY 62	
2.44	GRID SUPPORT CHARGES ON SOLAR CONSUMPTION.....	63
2.45	RECOVERY OF DEMAND CHARGES INSTEAD OF FIXED CHARGES FOR SERVICE CATEGORY .....	63
2.46	TARIFF CHARGED TO PUBLIC TOILET BLOCKS.....	64
2.47	REGULATIONS FOR MANDATORY SALE AND USE OF ENERGY EFFICIENT APPLIANCES .....	65
2.48	THIRTY UNITS OF FREE ELECTRICITY TO ALL CONSUMERS IN BPL CATEGORY .....	66
2.49	ADOPTION OF NON-TELESCOPIC TARIFF.....	67
2.50	ISSUES RELATED TO AGRICULTURE CATEGORY .....	67
2.51	AMENDMENTS TO ELECTRICITY SUPPLY CODE REGULATIONS .....	68
2.52	ERROR IN PUBLIC NOTICE PUBLISHED BY AEML-D.....	69
<b>3</b>	<b>TRUING UP FOR FY2022-23 AND FY 2023-24.....</b>	<b>70</b>
3.1	SALES FOR FY 2022-23 AND FY 2023-24.....	70
3.2	OPEN ACCESS CONSUMPTION .....	74
3.3	CHANGEOVER SALES ON TPC-D NETWORK.....	74
3.4	DEMAND-SIDE MANAGEMENT (DSM) MEASURES .....	76
3.5	DISTRIBUTION LOSSES AND ENERGY BALANCE.....	76
3.6	POWER PROCUREMENT .....	81
3.7	OPERATION AND MAINTENANCE (O&M) EXPENSES.....	111
3.8	CAPITALISATION .....	125
3.9	CAPITALIZATION IN FY 2021-22 .....	132
3.10	OPENING GROSS BLOCK FOR FY 2022-23 .....	134
3.11	DEPRECIATION .....	135
3.12	FINANCING PLAN AND INTEREST EXPENSES ON LOAN.....	138
3.13	FERV.....	146
3.14	RETURN ON EQUITY (ROE) .....	149
3.15	INTEREST ON WORKING CAPITAL (IoWC).....	156
3.16	INTEREST ON CONSUMERS' SECURITY DEPOSIT .....	165
3.17	PROVISION FOR BAD AND DOUBTFUL DEBTS .....	166
3.18	CONTRIBUTION TO CONTINGENCY RESERVE .....	167
3.19	DSM EXPENSES .....	169

3.20	EV CHARGER EXPENSES .....	170
3.21	NON-TARIFF INCOME (NTI) .....	170
3.22	INCOME FROM OTHER BUSINESS .....	176
3.23	EFFICIENCY GAIN/ (LOSS) FOR FY 2022-23 AND FY 2023-24 .....	177
3.24	ISSUE RELATED TO TRUE-UP SURPLUS OF AEML-G .....	181
3.25	ISSUE RELATED TO REVENUE FROM WHEELING CHARGES AND CSS FOR FY 2023-24 .....	182
3.26	ISSUE RELATED TO REFUND OF STANDBY CHARGES FROM TPC-G .....	182
3.27	SUMMARY OF AGGREGATE REVENUE REQUIREMENT .....	184
3.28	REVENUE FROM OWN CONSUMER .....	192
3.29	REVENUE FROM WHEELING CHARGES FROM CHANGE-OVER AND OPEN ACCESS CONSUMERS	193
3.30	REVENUE FROM CROSS-SUBSIDY SURCHARGE FROM OA CONSUMERS .....	194
3.31	REVENUE GAP .....	194
<b>4</b>	<b>PROVISIONAL TRUING-UP FOR FY 2024-25 .....</b>	<b>198</b>
4.1	SALES .....	198
4.2	DISTRIBUTION LOSSES AND ENERGY BALANCE .....	206
4.3	POWER PROCUREMENT .....	209
4.4	OPERATION AND MAINTENANCE EXPENSES.....	230
4.5	CAPITALISATION .....	232
4.6	DEPRECIATION .....	234
4.7	FINANCING PLAN AND INTEREST EXPENSES .....	236
4.8	RETURN ON EQUITY .....	238
4.9	INTEREST ON WORKING CAPITAL .....	241
4.10	INTEREST ON CONSUMER'S SECURITY DEPOSIT .....	243
4.11	PROVISION FOR BAD AND DOUBTFUL DEBTS .....	244
4.12	CONTRIBUTION TO CONTINGENCY RESERVE .....	245
4.13	NON-TARIFF INCOME.....	246
4.14	INCOME FROM OTHER BUSINESS .....	248
4.15	SUMMARY OF AGGREGATE REVENUE REQUIREMENT .....	248
4.16	REVENUE.....	251
4.17	REVENUE GAP/SURPLUS FOR FY 2024-25 FOR THE WIRES BUSINESS AND RETAIL SUPPLY BUSINESS	254
<b>5</b>	<b>AGGREGATE REVENUE REQUIREMENT FOR 5<sup>TH</sup> CONTROL PERIOD FROM FY 2025-26 TO FY 2029-30</b>	<b>257</b>
5.1	SALES .....	257
5.2	APPROACH FOR PROJECTION OF NUMBER OF CONSUMERS FOR THE CONTROL PERIOD .....	271
5.3	DISTRIBUTION LOSSES AND ENERGY BALANCE .....	273
5.4	RESOURCE ADEQUACY AND POWER PROCUREMENT PLANNING.....	277
5.5	POWER PURCHASE QUANTUM AND COST.....	296
5.6	OPERATION AND MAINTENANCE EXPENSES.....	317
5.7	TOTEX FOR SMART METER IMPLEMENTATION .....	323
5.8	CAPITAL EXPENDITURE AND CAPITALISATION .....	327
5.9	DEPRECIATION .....	331
5.10	INTEREST ON LONG-TERM LOAN .....	334

5.11	INTEREST ON WORKING CAPITAL .....	336
5.12	INTEREST ON CONSUMER SECURITY DEPOSIT .....	339
5.13	RETURN ON EQUITY .....	340
5.14	PROVISION FOR BAD AND DOUBTFUL DEBTS .....	343
5.15	CONTRIBUTION TO CONTINGENCY RESERVE .....	344
5.16	NON-TARIFF INCOME.....	345
5.17	INCOME FROM OTHER BUSINESS .....	348
5.18	PAST PERIOD ADJUSTMENT .....	348
5.19	TRUE-UP SURPLUS OF AEML-G .....	354
5.20	AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26 TO FY 2029-30 .....	354
<b>6</b>	<b>CUMULATIVE REVENUE GAP, TARIFF PHILOSOPHY AND CATEGORY-WISE TARIFFS FOR FY 2025-26 TO FY 2029-30 .....</b>	<b>359</b>
6.1	INCREMENTAL REVENUE GAP/SURPLUS FOR FY 2022-23 .....	359
6.2	REVENUE GAP / SURPLUS FOR FY 2023-24.....	360
6.3	PROVISIONAL REVENUE GAP/ SURPLUS FOR FY 2024-25.....	360
6.4	CUMULATIVE REVENUE GAP / SURPLUS TILL FY 2025-26.....	361
6.5	APPROACH FOR RECOVERY OF PAST GAP / (SURPLUS) .....	363
6.6	ALLOCATION OF ASSETS AND COST AT DIFFERENT VOLTAGE LEVELS AND COMPUTATION OF WHEELING CHARGES.....	367
6.7	CROSS SUBSIDY SURCHARGE (CSS) .....	376
6.8	AVERAGE COST OF SUPPLY (ACoS).....	382
6.9	RETAIL AVERAGE COST OF SUPPLY .....	383
6.10	TARIFF REVISION .....	384
6.11	TARIFF DESIGN CONSIDERATION .....	385
6.12	REVISED TARIFF FOR THE CONTROL PERIOD FROM FY 2025-26 TO FY 2029-30 .....	420
<b>7</b>	<b>SCHEDULE OF CHARGES .....</b>	<b>432</b>
<b>8</b>	<b>DIRECTIVES IN THIS ORDER .....</b>	<b>440</b>
8.1	SUMMARY OF DIRECTIVES .....	440
<b>9</b>	<b>APPLICABILITY .....</b>	<b>442</b>
9.1	APPLICABILITY OF REVISED TARIFF.....	442
9.2	APPLICABILITY OF ORDER.....	442
<b>10</b>	<b>ANNEXURE I (A): REVENUE WITH REVISED TARIFFS FOR FY 2025-26.....</b>	<b>443</b>
<b>11</b>	<b>ANNEXURE I (B): REVENUE WITH REVISED TARIFFS FOR FY 2026-27 .....</b>	<b>444</b>
<b>12</b>	<b>ANNEXURE I (C): REVENUE WITH REVISED TARIFFS FOR FY 2027-28 .....</b>	<b>445</b>
<b>13</b>	<b>ANNEXURE I (D): REVENUE WITH REVISED TARIFFS FOR FY 2028-29.....</b>	<b>446</b>
<b>14</b>	<b>ANNEXURE I (E): REVENUE WITH REVISED TARIFFS FOR FY 2029-30 .....</b>	<b>447</b>
<b>15</b>	<b>ANNEXURE II: TARIFF SCHEDULE FOR FY 2025-26 TO FY 2029-30 .....</b>	<b>448</b>

<b>16</b>	<b>APPENDIX – 1: LIST OF PERSONS WHO ATTENDED THE TECHNICAL VALIDATION SESSION (TVS) HELD ON 24 DECEMBER , 2024.....</b>	<b>485</b>
<b>17</b>	<b>APPENDIX – 2: LIST OF PERSONS WHO ATTENDED PUBLIC HEARING DATED 18 FEBRUARY, 2025</b>	<b>485</b>

### **List of Tables**

Table 3-1: Own sales and Change-over sales for FY 2022-23 as submitted by AEML-D (MU)	70
Table 3-2 : Own sales and Change-over sales for FY 2023-24 as submitted by AEML-D (MU)	71
Table 3-3: Own Sales and Change-over Sales for FY 2022-23 as approved by the Commission (MU)	73
Table 3-4: Own Sales and Change-over Sales for FY 2023-24 as approved by the Commission (MU)	73
Table 3-5: OA Consumption for FY 2022-23 and FY 2023-24 as submitted by AEML-D (MU)	74
Table 3-6: Open Access Consumption for FY 2022-23 in AEML-D licence area as approved by the Commission (MU)	74
Table 3-7: Open Access Consumption for FY 2023-24 in AEML-D licence area as approved by the Commission (MU)	74
Table 3-8: Changeover sales on TPC-D's network for FY 2022-23 and FY 2023-24 as submitted by AEML-D(MU)	75
Table 3-9: Changeover sales on TPC-D's network for FY 2022-23 and FY 2023-24 as approved by the Commission (MU)	75
Table 3-10: Energy Saving due to DSM Programmes as submitted by AEML-D (MU)	76
Table 3-11: Distribution Loss for FY 2022-23 as submitted by AEML-D	77
Table 3-12: Distribution Loss for FY 2023-24 as submitted by AEML-D	77
Table 3-13: Energy Balance for FY 2022-23 as submitted by AEML-D	77
Table 3-14: Energy Balance for FY 2023-24 as submitted by AEML-D	78
Table 3-15: Energy Balance approved by the Commission for FY 2022-23	79
Table 3-16: Energy Balance approved by the Commission for FY 2023-24	79
Table 3-17: Energy Requirement approved by the Commission for FY 2022-23	80
Table 3-18: Energy Requirement approved by the Commission for FY 2023-24	80
Table 3-19: Power Purchase Cost from ADTPS for FY 2022-23 as submitted by AEML-D	82
Table 3-20: Power Purchase Cost from ADTPS for FY 2023-24 as submitted by AEML-D	82
Table 3-21: Power Purchase from ADTPS approved by Commission after truing up for FY 2022-23 and FY 2023-24	82
Table 3-22: Power Purchase Cost from MTPP for FY 2022-23 as submitted by AEML-D	83
Table 3-23: Power Purchase Cost from MTPP for FY 2023-24 as submitted by AEML-D	83
Table 3-24: Power Purchase from MTPP approved by Commission after truing up for FY 2022-23 and FY 2023-24	83
Table 3-25: Power Purchase Cost from RE Hybrid for FY 2022-23 as submitted by AEML-D	84

Table 3-26: Power Purchase Cost from RE Hybrid for FY 2023-24 as submitted by AEML-D .....	84
Table 3-27: Power Purchase from RE Hybrid for FY 2022-23 and FY 2023-24 approved by Commission .....	85
Table 3-28: Cost of Solar Power Purchase in FY 2022-23 and FY 2023-24, as submitted by AEML-D .....	85
Table 3-29: Cumulative Shortfall in Solar RPO Target till FY 2022-23 as submitted by AEML-D.....	87
Table 3-30: Cumulative Shortfall in Solar RPO Target till FY 2023-24 as submitted by AEML-D.....	87
Table 3-31: Solar Power Procurement Cost for FY 2022-23 and FY 2023-24 approved by the Commission .....	87
Table 3-32: Solar Power Procurement quantum for FY 2022-23 and FY 2023-24 as approved by the Commission (MU) .....	88
Table 3-33: Cumulative Shortfall in Solar RPO for FY 2022-23 as approved by Commission .....	88
Table 3-34: Cumulative Shortfall in Solar RPO for FY 2023-24 as approved by.....	89
Table 3-35: Power Purchase Cost from Non-Solar Sources for FY 2022-23 and FY 2023-24 as submitted by AEML-D .....	89
Table 3-36: Power Purchase Cost of Non-Solar under Short-term contracts for FY 2023-24 as submitted by AEML-D .....	90
Table 3-37: Cumulative Shortfall in Non-Solar RPO Target till FY 2022-23 .....	91
Table 3-38: Cumulative Shortfall in Non-Solar RPO Target till FY 2023-24 .....	91
Table 3-39: Non-Solar RE Purchase for FY 2022-23 and FY 2023-24 as approved by the Commission .....	92
Table 3-40: Power Purchase Cost of Non-Solar under Short-term contracts for FY 2023-24 as approved by the Commission.....	93
Table 3-41: Non-Solar RPO Procurement quantum for FY 2022-23 and FY 2023-24 as approved by the Commission (MU) .....	93
Table 3-42: Cumulative Shortfall in Non-Solar RPO for FY 2022-23 as approved by Commission .....	94
Table 3-43: Cumulative Shortfall in Non-Solar RPO for FY 2023-24 as approved by Commission. ....	94
Table 3-44: Short-term power purchase in FY 2022-23.....	95
Table 3-45: Short-term power purchase in FY 2023-24.....	95
Table 3-46: Short-Term Power Purchase for FY 2022-23 and FY 2023-24 as approved by the Commission .....	96
Table 3-47: Sale Rate Vs Variable Cost in FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs./kWh) .....	97



Table 3-48: Sale of Surplus Power in FY 2022-23 and FY 2023-24 as submitted by AEML-D .....	97
Table 3-49: Sale of Surplus Power for FY 2022-23 and FY 2023-24 as approved by the Commission .....	98
Table 3-50: Banking for FY 2022-23 as submitted by AEML-D.....	99
Table 3-51: Banking for FY 2022-23 and FY 2023-24 as approved by the Commission.....	101
Table 3-52: Transmission Charges for FY 2022-23 and FY 2023-24 as approved by the Commission .....	103
Table 3-53: MSLDC Charges for FY 2022-23 and FY 2023-24 as approved by the Commission .....	103
Table 3-54 : Power Purchase Quantum and Cost for FY 2022-23 as submitted by AEML-D .....	108
Table 3-55 : Power Purchase Quantum and Cost for FY 2023-24 as submitted by AEML-D .....	108
Table 3-56: Power Purchase approved by the Commission for FY 2022-23 .....	109
Table 3-57: Power Purchase approved by the Commission for FY 2023-24 .....	110
Table 3-58: O&M Expenses approved in MTR Order for FY 2022-23 and FY 2023-24 (Rs. Crore) .....	111
Table 3-59: Efficiency Factor for FY 2022-23 .....	112
Table 3-60: Escalation Factor for FY 2022-23 .....	112
Table 3-61: Normative O&M expenses for FY 2022-23 (Rs. Crore).....	113
Table 3-62: Actual O&M expenses for FY 2022-23 as submitted by AEML-D (Rs. Crore).....	113
Table 3-63: Corporate expenses for FY 2022-23 (Rs. Crore) .....	113
Table 3-64: O&M Net entitlement for FY 2022-23 as submitted by AEML-D (Rs. Crore).....	114
Table 3-65: Efficiency factor for FY 2023-24 .....	115
Table 3-66: Escalation factor for FY 2023-24 .....	115
Table 3-67: Normative O&M expenses for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	115
Table 3-68: Actual O&M expense for FY 2023-24 as submitted by AEML-D (Rs. Crore) ..	115
Table 3-69: Corporate Expenses for FY 2023-24 as submitted by AEML-D (Rs. Crore) ....	116
Table 3-70: O&M Net Entitlement for FY 2023-24 as submitted by AEML-D (Rs. Crore) ..	116
Table 3-71: WPI data for past six years.....	118
Table 3-72: CPI data for past six years .....	118
Table 3-73: Escalation rate for FY 2022-23 and FY 2023-24 approved by the Commission .....	119
Table 3-74: Revised Normative O&M Expenses approved by the Commission for FY 2022-23 and FY 2023-24 .....	120
Table 3-75: Impact on PF due to SC Judgment for FY 2022-23 and FY 2023-24 (Rs. Crore) .....	120

Table 3-76: Disallowed Other Allowances for FY 2022-23 and FY 2023-24 (Rs. Crore) ...	121
Table 3-77: Disallowed Corporate Expenses for FY 2022-23 and FY 2023-24 (Rs. Crore)	123
Table 3-78: O&M expenses Disallowed for FY 2022-23 and FY 2023-24 for Wires & Supply (Rs. Crore).....	123
Table 3-79: O&M Expenses allowed by the Commission after truing up for FY 2022-23 and FY 2023-24 for Wires Business (Rs. Crore).....	124
Table 3-80: O&M Expenses allowed by the Commission after truing up FY 2022-23 and FY 2023-24 for Supply Business (Rs. Crore) .....	124
Table 3-81: Capitalisation for Wires Business and Supply Business as submitted by AEML-D for FY 2022-23 (Rs. Crore) .....	125
Table 3-82: Capitalisation for Wires Business and Supply Business as submitted by AEML-D for FY 2023-24 (Rs. Crore) .....	126
Table 3-83: Capitalisation for Wires Business and Supply Business approved after truing up for FY 2022-23 (Rs. Crore) .....	131
Table 3-84: Capitalisation for Wires Business and Supply Business approved after truing up for FY 2023-24 (Rs. Crore) .....	132
Table 3-85 : Additional claim for FY 2021-22 (Rs. Crore).....	133
Table 3-86 : Impact on Depreciation in FY 2021-22 (Rs. Crore).....	134
Table 3-87 : Impact on Interest on Loan in FY 2021-22 (Rs. Crore) .....	134
Table 3-88 : Impact on Return on Equity in FY 2021-22 (Rs. Crore).....	134
Table 3-89 : Opening GFA for Wires and Supply Business for FY 2022-23 as submitted by AEML-D (Rs Crore).....	134
Table 3-90 : Opening GFA for Wires and Supply Business for FY 2022-23 as approved by Commission (Rs Crore) .....	135
Table 3-91 : Depreciation for Wires Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	135
Table 3-92 : Depreciation for Supply Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	136
Table 3-93: Depreciation for Wires Business for FY 2022-23 as approved by the Commission (Rs. Crore).....	137
Table 3-94: Depreciation for Supply Business for FY 2022-23 as approved by the Commission (Rs. Crore).....	137
Table 3-95: Depreciation for Wires Business for FY 2023-24 as approved by the Commission (Rs. Crore).....	138
Table 3-96: Depreciation for Supply Business for FY 2023-24 as approved by the Commission (Rs. Crore).....	138
Table 3-97: FY 2022-23 Capital expenditure (Rs. Crore) .....	138
Table 3-98: FY 2023-24 Capital expenditure (Rs. Crore) .....	139
Table 3-99: Interest on loan for Wires as claimed by AEML-D (Rs. Crore) .....	141

Table 3-100: Interest on loan for Supply as claimed by AEML-D (Rs. Crore).....	141
Table 3-101: Interest Expenses for FY 2022-23 as approved by Commission (Rs. crore) ...	142
Table 3-102: Interest Expenses for FY 2023-24 as approved by Commission (Rs. crore) ...	143
Table 3-103: Financing charges for loans as submitted by AEML-D .....	143
Table 3-104: Financing charges for Working Capital as submitted by AEML-D for FY 2022-23 (Rs. Crore).....	144
Table 3-105: Financing charges for Working Capital as submitted by AEML-D for FY 2023-24 (Rs. Crore).....	144
Table 3-106: Financing charges for long-term loans approved by the Commission (Rs. Crore) .....	145
Table 3-107: Allocation of Financing charges approved by the Commission for long-term loans (Rs. Crore).....	145
Table 3-108: FY 2022-23 Financing charges for Working Capital approved by the Commission (Rs. Crore).....	146
Table 3-109: FY 2023-24 Financing charges for Working Capital approved by the Commission (Rs. Crore).....	146
Table 3-110: Type of Hedging contracts made for \$ 300 million Bond and \$ 282 million Sub-debt (for Principal repayment) .....	147
Table 3-111: Realized FERV loss accrued to AEML in FY 2023-24 as submitted by AEML-D .....	147
Table 3-112: Division wise FERV loss for AEML in FY 2023-24.....	147
Table 3-113: Foreign Exchange Rate Variation on Loans for FY 2023-24 as approved by the Commission (Rs. Crore) .....	148
Table 3-114: Return on Regulatory Equity for Wires Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	151
Table 3-115: Return on Regulatory Equity for Wires Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	151
Table 3-116: Return on Equity for FY 2022-23 for Wires and Supply Business as approved by the Commission (Rs. Crore) .....	154
Table 3-117: Return on Equity for FY 2023-24 for Wires and Supply Business as approved by the Commission (Rs. Crore) .....	155
Table 3-118: Interest on Working Capital for Wire Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	157
Table 3-119: Interest on Working Capital for Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	157
Table 3-120: Actual IoWC allocation for FY 2022-23 (Rs. Crore).....	158
Table 3-121: DPC IOA allocation for FY 2022-23 (Rs. Crore) .....	159
Table 3-122: IoWC Net Entitlement as submitted by AEML-D for FY 2022-23 (Rs. Crore) .....	159

Table 3-123: Interest on Working Capital for Wire Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	160
Table 3-124: Interest on Working Capital for Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	160
Table 3-125: Actual IoWC allocation FY 2023-24 as submitted by AEML-D (Rs. Crore)..	161
Table 3-126: DPC and IOA allocation for FY 2023-24 .....	161
Table 3-127: IoWC Net entitlement as submitted by AEML-D for FY 2023-24 (Rs. Crore) .....	161
Table 3-128: Interest on Working Capital for Wires Business for FY 2022-23 approved by the Commission (Rs. Crore) .....	163
Table 3-129: Interest on Working Capital for Wires Business for FY 2023-24 approved by the Commission (Rs. Crore) .....	163
Table 3-130: Interest on Working Capital for Supply Business for FY 2022-23 approved by the Commission. (Rs. Crore) .....	163
Table 3-131: Interest on Working Capital for Supply Business for FY 2023-24 approved by the Commission. (Rs. Crore) .....	164
Table 3-132: Net Entitlement of IoWC after sharing of Gains and Losses for Wires Business for FY 2022-23 and FY 2023-24 (Rs. Crore) .....	165
Table 3-133: Net Entitlement of IoWC after sharing of Gains and Losses for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. Crore) .....	165
Table 3-134: Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	166
Table 3-135: Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. crore) .....	166
Table 3-136: Bad debts written off as submitted by AEML-D for FY 2022-23 and FY 2023-24 (Rs. Crore).....	167
Table 3-137: Provision for Bad and Doubtful Debts for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore).....	167
Table 3-138 : Contribution to Contingency Reserve for Wires Business & Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	168
Table 3-139 : Contribution to Contingency Reserve for Wires Business & Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	168
Table 3-140 : Contribution to Contingency Reserves for FY 2022-23 for Wires and Supply Business approved by the Commission (Rs. Crore) .....	169
Table 3-141 : Contribution to Contingency Reserves for FY 2023-24 for Wires and Supply Business approved by the Commission (Rs. Crore) .....	169
Table 3-142: Contribution to CR investment for FY 2022-23, as submitted by AEML-D (Rs. Crore) .....	171

Table 3-143: Contribution to CR investment for FY 2023-24, as submitted by AEML-D (Rs. Crore) .....	171
Table 3-144: Non-Tariff Income for FY 2022-23, as submitted by AEML-D (Rs. Crore)...	173
Table 3-145: Non-Tariff Income for FY 2023-24, as submitted by AEML-D (Rs. Crore)...	173
Table 3-146: Interest on CR investment for FY 2022-23, as approved by the Commission (Rs. Crore) .....	174
Table 3-147: Interest on Contribution to CR investment for FY 2023-24, as approved by the Commission (Rs. Crore) .....	174
Table 3-148: Non-Tariff Income for Wire Business for FY 2022-23 and FY 2023-24 approved by Commission (Rs. Crore) .....	175
Table 3-149: Non-Tariff Income for Supply Business for FY 2022-23 and FY 2023-24 approved by Commission (Rs. Crore) .....	176
Table 3-150: Income from Other Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	177
Table 3-151: Income from Other Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	177
Table 3-152: Income from Other Business for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore) .....	177
Table 3-153: Efficiency Gains on Distribution Loss for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	178
Table 3-154: Sharing of Efficiency Gain on account of lower than target Distribution Loss for FY 2022-23, as approved by Commission.....	180
Table 3-155: Sharing of Efficiency Gain on account of lower than target Distribution Loss for FY 2023-24, as approved by Commission.....	180
Table 3-156: ARR of Wires Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	184
Table 3-157: ARR of Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	185
Table 3-158: ARR of Wires Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	186
Table 3-159: ARR of Retail Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	187
Table 3-160: ARR approved by the Commission for Wires Business after truing up for FY 2022-23 (Rs. Crore) .....	188
Table 3-161: ARR approved by the Commission for Supply Business after truing up for FY 2022-23 as (Rs. Crore).....	189
Table 3-162: ARR approved by Commission for Wires Business after truing up for FY 2023-24 (Rs. Crore).....	190

Table 3-163: ARR approved by the Commission for Supply Business after truing up for FY 2023-24 (Rs. Crore) .....	191
Table 3-164: Revenue from Sales submitted by AEML-D for FY 2022-23 .....	192
Table 3-165: Revenue from Sales submitted by AEML-D for FY 2023-24 .....	192
Table 3-166: Revenue for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore) .....	193
Table 3-167: Wheeling Revenue from Change-over and OA Consumers in FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	193
Table 3-168: Wheeling Revenue from Change-over and OA Consumers in FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	193
Table 3-169: Wheeling Revenue from Change-over and OA Consumers in FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore) .....	193
Table 3-170: Revenue from CSS in FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	194
Table 3-171: Revenue from CSS in FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	194
Table 3-172: Revenue from CSS in FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore) .....	194
Table 3-173: Revenue Gap for Wires Business for FY 2022-23 as submitted by AEML-D (Rs Crore) .....	194
Table 3-174: Revenue Gap/(Surplus) for Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore) .....	195
Table 3-175: Revenue Gap/(Surplus) for Wires Business for FY 2023-24 as submitted by AEML-D (Rs Crore) .....	195
Table 3-176: Revenue Gap/(Surplus) for Supply Business in FY 2023-24 as submitted by AEML-D (Rs. Crore) .....	195
Table 3-177: Revenue Gap/(Surplus) for Wires Business for FY 2022-23 as approved by the Commission (Rs. Crore) .....	196
Table 3-178: Revenue Gap/(Surplus) for Supply Business for FY 2022-23 as approved by the Commission (Rs. Crore) .....	196
Table 3-179: Revenue Gap/(Surplus) for Wires Business for FY 2023-24 as approved by the Commission (Rs. Crore) .....	196
Table 3-180: Revenue Gap/(Surplus) for Supply Business for FY 2023-24 as approved by the Commission (Rs. Crore) .....	197
Table 4-1: Own Sales of Actual H1 and estimated H2 for FY 2024-25 as submitted by AEML-D (MU) .....	199
Table 4-2: FY 2024-25 Changeover Sales H1 provisional actual & H2 estimated as submitted by AEML-D (MU) .....	200
Table 4-3: Changeover Sales of H1 Provisional actual and H2 Estimated of FY 2024-25 as submitted by AEML-D (MU) .....	201

Table 4-4: OA Consumption H1 provisional actual & H2 Estimated FY 2024-25 as submitted by AEML-D (MU).....	202
Table 4-5: Category-wise CAGR considered for projection of Energy Sales .....	203
Table 4-6: Category-Wise Own Sales for FY 2024-25 as approved by Commission (MU).204	
Table 4-7: Category-Wise Change-over Sales of FY 2024-25 as approved by Commission (MU) .....	206
Table 4-8: OA Consumption for FY 2024-25 as approved by the Commission (MU) .....	206
Table 4-9: Energy Balance for FY 2024-25 as submitted by AEML-D.....	207
Table 4-10: Energy requirement as submitted by AEML-D for FY 2024-25 .....	207
Table 4-11: Energy Requirement of AEML-D for FY 2024-25 as approved by the Commission .....	208
Table 4-12: Power Procurement from ADTPS in FY 2024-25 as submitted by AEML-D...	209
Table 4-13: Quantum & Cost of Power Purchase from APL for FY 2024-25 as approved by Commission. ....	210
Table 4-14: Purchase from Hybrid RE for FY 2024-25 .....	210
Table 4-15: Quantum & Cost of Power Purchase from Hybrid RE for FY 2024-25 as approved by Commission .....	211
Table 4-16: Power Purchase from DSPPL in FY 2024-25 as submitted by AEML-D .....	211
Table 4-17: Power Purchase from DSPPL in FY 2024-25 as approved by the Commission (MU) .....	212
Table 4-18: Power Purchase from Non-solar sources in FY 2024-25 as submitted by AEML-D .....	212
Table 4-19: Power Purchase from Non-solar sources in FY 2024-25 as approved by the Commission (MU).....	213
Table 4-20: Power Purchase from short term Non-Solar sources in FY 2024-25 as submitted by AEML-D .....	214
Table 4-21: Power Purchase from Short term Non-Solar sources in FY 2024-25 as approved by the Commission (MU) .....	215
Table 4-22: RPO Target till FY 2024-25 as submitted by AEML-D .....	216
Table 4-23: Cumulative shortfall of RPO Target till FY 2024-25 as approved by the Commission (MU) .....	218
Table 4-24: Medium Term Power Purchase for FY 2024-25 .....	219
Table 4-25: Quantum & Cost of Power Purchase from MTPP for FY 2024-25 as approved by Commission. ....	220
Table 4-26: Power Purchase from Short-Term sources for FY 2024-25 as submitted by AEML-D.....	221
Table 4-27: Short Term Power Purchase for FY 2024-25 as provisionally approved by the Commission .....	221
Table 4-28: Banking in FY 2024-25 as submitted by AEML-D .....	222

Table 4-29: Banking in FY 2024-25 as approved by the Commission.....	222
Table 4-30: Sale of Surplus Power in FY 2024-25 as submitted by AEML-D .....	223
Table 4-31: Sale of Surplus Power in FY 2024-25 provisionally approved by the Commission .....	223
Table 4-32: Transmission Charges for FY 2024-25 as submitted by AEML-D (Rs. Crore).227	
Table 4-33: Transmission Charges for FY 2024-25 approved by the Commission (Rs. Crore) .....	227
Table 4-34: MSLDC Charges for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	228
Table 4-35: MSLDC Charges for FY 2024-25 approved by Commission (Rs. Crore) .....	228
Table 4-36: Power Purchase for FY 2024-25 as submitted by AEML-D.....	229
Table 4-37: Power Purchase for FY 2024-25 as approved by the Commission (MU).....	230
Table 4-38: FY 2024-25 O&M H1 provisional actual.....	231
Table 4-39: Summary of O&M Expenses for FY 2024-25 for Wires Business as submitted by AEML-D (Rs Crore) .....	231
Table 4-40: Summary of O&M Expenses for FY 2024-25 for Supply Business as submitted by AEML-D (Rs Crore) .....	231
Table 4-41: O&M Expenses for FY 2024-25 for Wires and Supply Business as approved by the Commission (Rs. Crore) .....	232
Table 4-42: Capital Expenditure and Capitalization for Wires Business and Supply Business for FY 2024-25 (Rs. Crore) .....	232
Table 4-43: Capitalization approved by the Commission for FY 2024-25 (Rs. Crore) .....	233
Table 4-44: Depreciation in FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore) .....	234
Table 4-45: Depreciation in FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore) .....	235
Table 4-46: Depreciation for Wires Business for FY 2024-25 as approved by the Commission (Rs. Crore).....	235
Table 4-47: Depreciation for Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore).....	235
Table 4-48: Interest on Loans for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	236
Table 4-49: Interest Expenses for FY 2024-25 as approved by the Commission (Rs. Crore) .....	237
Table 4-50: Return on Equity for FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore).....	239
Table 4-51: Return on Equity for FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore).....	239
Table 4-52: Return on Equity for Wires Business and Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore).....	240



Table 4-53: Interest on Working Capital for FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore) .....	241
Table 4-54: Interest on Working Capital for FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore) .....	242
Table 4-55: Interest on Working Capital for Wires Business for FY 2024-25 approved by the Commission (Rs. Crore) .....	242
Table 4-56: Interest on Working Capital for Supply Business for FY 2024-25 approved by the Commission (Rs. Crore) .....	243
Table 4-57: Estimated Interest on Consumer's Security Deposit for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	243
Table 4-58: Estimated Interest on CSD for FY 2024-25 as approved by the Commission (Rs. Crore) .....	244
Table 4-59: Provision for Bad and Doubtful Debts for FY 2024-25 as submitted by AEML-D (Rs. Crore).....	245
Table 4-60: Provision for Bad and Doubtful Debts for FY 2024-25 approved by the Commission (Rs. Crore) .....	245
Table 4-61: Contribution to Contingency Reserves in FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore) .....	245
Table 4-62: Contribution to Contingency Reserves for FY 2024-25 approved by the Commission for Supply Business (Rs. Crore) .....	246
Table 4-63: Non-Tariff Income for FY 2024-25 for Wires and Supply Business as submitted by AEML-D (Rs. Crore) .....	247
Table 4-64: Non-Tariff Income for FY 2024-25 approved by Commission (Rs. Crore) .....	248
Table 4-65: Income from Other Business for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	248
Table 4-66: Income from Other Business for FY 2024-25, as approved by the Commission (Rs. Crore) .....	248
Table 4-67: ARR for Wires and Supply Business for FY 2024-25 as submitted by AEML-D (Rs. Crore).....	249
Table 4-68: ARR for Wires Business for FY 2024-25 approved by the Commission (Rs. Crore) .....	250
Table 4-69: ARR for Retail Supply Business for FY 2024-25 approved by the Commission (Rs. Crore).....	251
Table 4-70: Wheeling Revenue from Change-over and OA Consumers in FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	252
Table 4-71: Wheeling Revenue from Change-over & Open Access Consumers in FY 2024-25 approved by the Commission (Rs. Crore).....	252
Table 4-72: Estimated Revenue from CSS in FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	252

Table 4-73: Revenue from CSS in FY 2024-25 approved by the Commission (Rs. Crore)...	253
Table 4-74: Estimated Revenue from sale of power in FY 2024-25 as submitted by AEML-D .....	253
Table 4-75: Total Revenue in FY 2024-25 approved by Commission (Rs. Crore) .....	254
Table 4-76: Revenue Gap/(Surplus) for Wires Business for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	254
Table 4-77: Revenue Gap/(Surplus) for Retail Supply Business for FY 2024-25 as submitted by AEML-D (Rs. Crore) .....	254
Table 4-78: Provisional Revenue Gap/(Surplus) for the Wires Business for FY 2024-25 as approved by the Commission (Rs. Crore) .....	255
Table 4-79: Provisional Revenue Gap/(Surplus) for the Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore) .....	255
Table 5-1: Projected Own Sales for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU) .....	259
Table 5-2: Projected AEML-D Changeover Sales on TPC-D network for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU) .....	260
Table 5-3: Projected TPC-D Changeover Sales on AEML-D network for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU) .....	261
Table 5-4: Projected OA consumption for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU) .....	262
Table 5-5: Category-wise CAGR considered for projection of Energy Sales .....	263
Table 5-6: Category-wise Direct Sales approved for FY 2025-26 to FY 2029-30 (MU) .....	266
Table 5-7: Category-wise TPC-D Change-over Sales on AEML-D network approved for 5 <sup>th</sup> Control Period (MU) .....	268
Table 5-8: Category-wise OA Consumption approved for 5 <sup>th</sup> Control Period (MU) .....	270
Table 5-9: Category-wise CAGR considered for projection of No. of Consumers .....	271
Table 5-10: Category-wise No. of Consumers projection for 5 <sup>th</sup> Control Period .....	272
Table 5-11: Energy balance for FY 2025-26 to FY 2029-30 submitted by AEML-D .....	273
Table 5-12: Energy Requirement for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU) .....	274
Table 5-13: Distribution Loss approved for FY 2025-26 to FY 2029-30 .....	275
Table 5-14: AT&C Loss approved for FY 2025-26 to FY 2029-30 .....	275
Table 5-15: InSTS Loss approved for FY 2025-26 to FY 2029-30 .....	276
Table 5-16: HT and LT losses approved for FY 2025-26 to FY 2029-30 .....	276
Table 5-17: Energy Input requirement approved for FY 2025-26 to FY 2029-30 .....	276
Table 5-18: Power Purchase from ADTPS approved by the Commission for FY 2025-26 to FY 2029-30 .....	297
Table 5-19: Power Purchase from DSPPL approved by the Commission for FY 2025-26 to FY 2029-30 .....	298

Table 5-20: Power Purchase from JSW Renewable approved by the Commission for FY 2025-26 to FY 2029-30 .....	298
Table 5-21: Power Purchase from Tembhur hydro approved by the Commission for FY 2025-26 to FY 2029-30 .....	299
Table 5-22: Power Purchase from Hybrid RE approved by the Commission for FY 2025-26 to FY 2029-30 .....	299
Table 5-23: Power Purchase from MTPP approved for FY 2025-26 to FY 2029-30.....	301
Table 5-24: Power Purchase from RE+Thermal RTC approved for FY 2025-26 to FY 2029-30 .....	302
Table 5-25: Power Purchase from SECI approved by the Commission for FY 2025-26 to FY 2029-30 .....	303
Table 5-26: Power Purchase from JSW Neo Energy Limited approved by the Commission for FY 2025-26 to FY 2029-30.....	304
Table 5-27: Power Purchase from Short term Non-solar RE approved by the Commission for FY 2025-26 to FY 2029-30.....	304
Table 5-28: Banking approved by the Commission for FY 2025-26 to FY 2029-30.....	306
Table 5-29: BESS approved by the Commission for FY 2025-26 to FY 2029-30.....	306
Table 5-30: Short Term Power Purchase Cost approved by the Commission for FY 2025-26 to FY 2029-30 .....	307
Table 5-31: Transmission Charges approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore).....	309
Table 5-32: MSLDC Charges approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore).....	309
Table 5-33: STU Fees & Charges approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore).....	309
Table 5-34: GNA Charges approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore) .....	310
Table 5-35: Power Purchase Cost Projected by AEML-D for FY 2025-26 to FY 2029-30..	311
Table 5-36: Power Purchase Quantum and Cost approved by the Commission for FY 2025-26 to FY 2029-30 .....	312
Table 5-37: RPO for FY 2025-26 to FY 2029-30 as submitted by AEML-D.....	314
Table 5-38: RPO status at the end of Control Period as submitted by AEML-D .....	315
Table 5-39: ESO for FY 2025-26 to FY 2029-30 as submitted by AEML-D .....	315
Table 5-40: RPO Target for FY 2025-26 to FY 2029-30 .....	316
Table 5-41: RPO Target vs. Estimated Achievement for FY 2025-26 to FY 2029-30 as approved by the Commission.....	316
Table 5-42: ESO for FY 2024-25 to FY 2029-30 as approved by the Commission .....	317
Table 5-43: Projected O&M based on Average GFA for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore).....	318

Table 5-44: Projected O&M cost based on number of consumers for Wires Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore) .....	319
Table 5-45: Normative O&M Expenses for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business, as submitted by AEML-D (Rs. Crore) .....	319
Table 5-46: Projected O&M based on Average GFA for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore) .....	320
Table 5-47: Projected O&M expenses based on number consumers for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore) .....	321
Table 5-48: Normative O&M Expenses for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business, as submitted by AEML-D (Rs. Crore) .....	321
Table 5-49: Normative O&M expense for Wire Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore).....	322
Table 5-50: Normative O&M expense approved for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply business (Rs. Crore) .....	322
Table 5-51: Comparison of NPV of cost to consumers in TOTEX vs. Capex Model.....	324
Table 5-52: Claim against TOTEX Scheme as submitted by AEML-D (Rs. Crore) .....	324
Table 5-53: TOTEX Scheme – replacement with Smart Meters provisionally approved by Commission (Rs. Crore) .....	325
Table 5-54: TOTEX Scheme – new connection Smart Meters as approved by Commission (Rs. Crore) .....	326
Table 5-55: TOTEX Scheme Expense for Wires Business as approved by Commission (Rs. Crore) .....	326
Table 5-56: TOTEX Scheme Expense for Wire Business as approved by Commission (Rs. Crore) .....	327
Table 5-57: Projected Capitalization for FY 2025-26 and FY 2029-30 (Rs. Crore) .....	327
Table 5-58: Capitalisation against DPR schemes yet to be approved by the Commission (Rs. Crore) .....	329
Table 5-59: Average of AEML-D's last 3 years actual capitalisation in DPR and Non-DPR Schemes (Rs. Crore) .....	330
Table 5-60: Capitalisation approved for FY 2025-26 to FY 2029-30 (Rs. Crore) .....	331
Table 5-61: Depreciation for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore) .....	332
Table 5-62: Depreciation approved for Wires Business for FY 2025-26 to FY 2029-30 (Rs. Crore) .....	333
Table 5-63: Depreciation approved for Supply Business for FY 2025-26 and FY 2029-30 (Rs. Crore) .....	333
Table 5-64: Interest on Long-Term Loan for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore) .....	335

Table 5-65: Interest on Long-Term Loan for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore).....	335
Table 5-66: Interest on Long-Term Loan for Wires Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore) .....	336
Table 5-67: Interest on Long-Term Loan for Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore) .....	336
Table 5-68: IoWC for Wires Business for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore).....	337
Table 5-69: IoWC for Retail Supply Business for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore).....	337
Table 5-70: IoWC for Wires Business for 5 <sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore) .....	338
Table 5-71: IoWC for Supply Business for 5 <sup>th</sup> Control Period, from 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore).....	338
Table 5-72: Interest on CSD for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as submitted by AEML-D (Rs. Crore).....	339
Table 5-73: Interest on Security Deposit for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as submitted by AEML-D (Rs. Crore) .....	339
Table 5-74: Interest on CSD for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as approved by the Commission (Rs. Crore) .....	339
Table 5-75: Interest on CSD for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by the Commission (Rs. Crore).....	340
Table 5-76: Return on Equity for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore) .....	341
Table 5-77: Return on Equity for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore) .....	341
Table 5-78: Return on Equity for Wires Business for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore) .....	342
Table 5-79: Return on Equity for Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore) .....	342
Table 5-80: Provision for Bad Debts for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore) .....	343
Table 5-81: Provision for Bad Debts for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore).....	344
Table 5-82: Contribution to Contingency Reserve for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore).....	344
Table 5-83: Contribution to Contingency Reserve approved for Retail Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore) .....	345

Table 5-84: Non-Tariff Income for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as submitted by AEML-D (Rs. Crore) .....	345
Table 5-85: Non-Tariff Income for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as submitted by AEML-D (Rs. Crore).....	346
Table 5-86: O&M Service Charges for services rendered to AEML-SEEPZ, as approved by the Commission (Rs./kWh).....	346
Table 5-87: Revenue from services rendered to AEML-SEEPZ, as approved by the Commission (Rs./kWh).....	347
Table 5-88: Non-Tariff Income for 5 <sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Wires Business, as approved by the Commission (Rs. Crore) .....	347
Table 5-89: Non-Tariff Income for 5 <sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by the Commission (Rs. Crore) .....	347
Table 5-90: Income from Other Business submitted by AEML-D for 5 <sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 (Rs. Crore).....	348
Table 5-91: Income from Other Business for 5 <sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Wires Business as approved by Commission (Rs. Crore).....	348
Table 5-92: True-up surplus of ADTPS, as submitted by AEML-D (Rs. Crore) .....	349
Table 5-93: True-up surplus of ADTPS, as approved by the Commission (Rs. Crore) .....	350
Table 5-94: Capex approval for past period, as submitted by AEML-D (Rs. Crore).....	351
Table 5-95: Capex approval for past period, as approved by the Commission (Rs. Crore) ..	351
Table 5-96: Recovery of ADSM Charges, as submitted by AEML-D (Rs. Crore) .....	354
Table 5-97: ARR for FY 2025-26 to FY 2027-28 as submitted by AEML-D (Rs. Crore) ...	355
Table 5-98: ARR for FY 2028-29 and FY 2029-30 as submitted by AEML-D (Rs. Crore).	356
Table 5-99: ARR for FY 2025-26 to FY 2029-30 for Wires Business as approved by Commission (Rs. Crore) .....	357
Table 5-100: ARR for FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by Commission (Rs. Crore) .....	358
Table 6-1: Incremental Revenue Gap/(Surplus) for FY 2022-23 .....	359
Table 6-2: Incremental Revenue Gap/(Surplus) approved for FY 2022-23 .....	359
Table 6-3: Revenue Gap/(Surplus) for FY 2023-24 .....	360
Table 6-4: Revenue Gap/(Surplus) Approved for FY 2023-24 .....	360
Table 6-5: Provisional Revenue Gap/(Surplus) for FY 2024-25 .....	360
Table 6-6: Provisional Revenue Gap/(Surplus) Approved for FY 2024-25 .....	361
Table 6-7: Recovery of Cumulative Revenue Gap / Surplus till FY 2025-26 (Rs. Crore)....	361
Table 6-8: Approved Cumulative Revenue Gap/(Surplus) of Wires Business till FY 2025-26 (Rs. Crore).....	362
Table 6-9: Approved Cumulative Revenue Gap/(Surplus) of Supply Business till FY 2025-26 (Rs. Crore).....	362

Table 6-10: Approved Cumulative Revenue Gap/(Surplus) of combined Distribution Business till FY 2025-26 (Rs. Crore).....	362
Table 6-11: Approved Additional Gap/(Surplus) for Supply Business on account of MTR Order till FY 2025-26 (Rs. Crore).....	363
Table 6-12: Net ARR approved for Wires & Supply Business for FY 2025-26 .....	365
Table 6-13: Net ARR approved for Wires & Supply Business for FY 2026-27 .....	365
Table 6-14: Net ARR approved for Wires & Supply Business for FY 2027-28 .....	366
Table 6-15: Net ARR approved for Wires & Supply Business for FY 2028-29 .....	366
Table 6-16: Net ARR approved for Wires & Supply Business for FY 2029-30 .....	366
Table 6-17: Voltage-wise asset allocation for FY 2023-24 .....	367
Table 6-18: FY 2025-26 to FY 2029-30 projected Wires ARR bifurcation voltage-wise (Rs. Crore) .....	369
Table 6-19: Wires ARR allocation between HT and LT for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore) .....	371
Table 6-20: Existing Wheeling Charges and Proposed Wheeling Charges as submitted by AEML-D (Rs./ kWh) .....	371
Table 6-21: Revenue from Wheeling Charges from Changeover & OA consumers, as submitted by AEML-D (Rs. Crore) .....	372
Table 6-22: Approved Voltage-wise Wires ARR from FY 2025-26 to FY 2029-30 (Rs. Crore) .....	374
Table 6-23: Approved Wheeling Charges from FY 2025-26 to FY 2029-30.....	374
Table 6-24: Approved Revenue from Wheeling Charges (Rs. Crore).....	375
Table 6-25: Approved Voltage-wise Losses (%).....	375
Table 6-26: Average Tariff (T) for each category, as submitted by AEML-D (Rs./kWh)....	376
Table 6-27: WAPPC (C), as submitted by AEML-D .....	377
Table 6-28: Transmission and Wheeling Charges for HT and LT .....	377
Table 6-29: Existing CSS and CSS Proposed by AEML-D .....	378
Table 6-30: Revenue from Proposed CSS (Rs. Crore) .....	379
Table 6-31: Transmission and Wheeling Charges considered by the Commission (Rs./kWh) .....	380
Table 6-32: Approved CSS for the Control Period (Rs/kWh) .....	380
Table 6-33: Approved CSS for the Control Period (Rs/kVAh) .....	381
Table 6-34: Revenue from CSS, as approved by the Commission (Rs. Crore).....	382
Table 6-35: Projected Total ACoS, as submitted by AEML-D .....	382
Table 6-36: Approved ACoS for FY 2025-26 to FY 2029-30 .....	383
Table 6-37: Projected Retail ACoS, as submitted by AEML-D .....	383
Table 6-38: Approved Retail Cost of Supply for FY 2025-26 to FY 2029-30 (Rs. Crore)...	383
Table 6-39: Tariff Revision for the Control Period, as submitted by AEML-D.....	384
Table 6-40: Approved Tariff revision for the Control Period.....	384

Table 6-41: Existing and Proposed Fixed / Demand Charges, as submitted by AEML-D ...	385
Table 6-42: Proposed merging of categories / sub-categories / slabs .....	388
Table 6-43: Existing and Proposed Energy Charges for the Control Period, as submitted by AEML-D .....	389
Table 6-44: Cross Subsidy Trajectory, as submitted by AEML-D.....	392
Table 6-45: Cross Subsidy Trajectory, approved by the Commission .....	393
Table 6-46: Time of Day Scheme proposed by AEML-D.....	408
Table 6-47: ToD proposal for consumers, other than residential, with sanctioned load > 10 kW, as submitted by AEML-D .....	409
Table 6-48: ToD proposal for residential consumers with sanctioned load > 10 kW .....	410
Table 6-49: ToD slab Comparison.....	414
Table 6-50: ToD slots approved by the Commission for 5 <sup>th</sup> MYT Control Period .....	416
Table 6-51: Category-wise Tariff applicability approved by the Commission .....	417
Table 6-52: Tariffs Effective from 1 April, 2025 (FY 2025-26) .....	421
Table 6-53: Tariffs Effective from 1 April, 2026 (FY 2026-27) .....	423
Table 6-54: Tariffs Effective from 1 April, 2027 (FY 2027-28) .....	425
Table 6-55: Tariffs Effective from 1 April, 2028 (FY 2028-29) .....	427
Table 6-56: Tariffs Effective from 1 April, 2029 (FY 2029-30) .....	429
Table 7-1: Increase in CPI-IW and WPI between April 2022 and September 2024 .....	432
Table 7-2: Proposed Schedule of Charges .....	433
Table 7-3: Schedule of Charges as approved by the Commission.....	437



**List of Abbreviations**

A&G	Administrative and General
AAD	Advance Against Depreciation
ABR	Average Billing Rate
ACoS	Average Cost of Supply
ADTPS	Adani Dahanu Thermal Power Station
AEML	Adani Electricity Mumbai Limited
AEML-D	Adani Electricity Mumbai Limited – Distribution
AEML-G	Adani Electricity Mumbai Limited – Generation
AEML-T	Adani Electricity Mumbai Limited – Transmission
AIH	All-in-Hire
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
ATL	Adani Transmission Limited
BEST	Brihanmumbai Electric Supply & Transport Undertaking
BIS	Bureau of Indian Standards
BPL	Below Poverty Line
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CBA	Cost Benefit Analysis
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CPD	Coincident Peak Demand
CPI	Consumer Price Index
CSD	Consumer Security Deposit
CSS	Cross Subsidy Surcharge
DISCOM	Distribution Company
DPC	Delayed Payment Charge
DPR	Detailed Project Report
DSM	Demand Side Management
DSPPL	Dhursar Solar Power Plant Ltd.
DSS	Distribution Sub-station
EA, 2003	Electricity Act, 2003
ECS	Electronic Clearing System
EPA	Energy Purchase Agreement
FAC	Fuel Adjustment Cost

FBSM	Final Balancing and Settlement Mechanism
FCR	Fixed Cost Reconciliation
FY	Financial Year
G, T & D	Generation, Transmission and Distribution
G<>T	Generation - Transmission Interface
GFA	Gross Fixed Assets
GoM	Government of Maharashtra
GST	Goods and Services Tax
HT	High Tension
IDC	Interest During Construction
IEX	Indian Energy Exchange
InSTS	Intra-State Transmission System
IoWC	Interest on Working Capital
IT	Income Tax
IT/ITeS	Information Technology / Information Technology enabled Services
kVA	kilo Volt Ampere
kW	kilo Watt
kWh	kilo Watt hour
LMC	Load Management Charges
LT	Low Tension
MAT	Minimum Alternate Tax
MCGM	Municipal Corporation of Greater Mumbai
MCLR	Marginal Cost of Lending Rate
MD	Maximum Demand
MD Charges	Maximum Demand Charges
MERC/Commission	Maharashtra Electricity Regulatory Commission
MMOPL	Mumbai Metro One Private Limited
MOD	Merit Order Dispatch
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.
MSLDC	Maharashtra State Load Despatch Centre
MSME	Micro Small and Medium Enterprises
MTR	Mid-Term Review
MU	Million Units
MVA	Mega-Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff

MYT Regulations, 2019	MERC (Multi Year Tariff) Regulations, 2019
MYT Regulations, 2024	MERC (Multi Year Tariff) Regulations, 2024
NCD	Non-convertible Debentures
NCPD	Non-Coincident Peak Demand
NTI	Non-Tariff Income
O&M	Operation and Maintenance
OA	Open Access
PBT	Profit Before Tax
PPA	Power Purchase Agreement
PS	Public Services
PV	Photo Voltaic
R&M	Repair and Maintenance
RCoS	Retail Average Cost of Supply
RE	Renewable Energy
REC	Renewable Energy Certificate
REGSL	Reliance Electric Generation and Supply Pvt. Ltd.
RInfra	Reliance Infrastructure Limited
RInfra-D	Reliance Infrastructure Limited- Distribution Business
RInfra-G	Reliance Infrastructure Limited- Generation Business
RInfra-T	Reliance Infrastructure Limited- Transmission Business
RoC	Registrar of Companies
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RPO Regulations, 2019	MERC (Renewable Purchase Obligation, its Compliance and implementation of REC framework) Regulations, 2019
RPO Regulations, 2024	MERC (Renewable Purchase Obligation, its Compliance and implementation of REC framework) (First Amendment) Regulations, 2024
RTC	Round the Clock
RTS	Roof Top Solar
SAIDI	System Average Interruption Duration Index
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SLDC	State Load Despatch Centre
SoC	Schedule of Charges
T<>D	Transmission - Distribution Interface
TL	Transmission Loss

TOD	Time of Day
TOSE	Tax on Sale of Electricity
TPC-D	The Tata Power Company-Distribution
TSU	Transmission System User
TVS	Technical Validation Session
UI	Unscheduled Interchange
VCoS	Voltage-wise Cost of Supply
VIPL	Vidarbha Industries Private Limited
WL	Wheeling Loss
WPI	Wholesale Price Index

# **1 BACKGROUND AND BRIEF HISTORY**

---

## **1.1 BACKGROUND**

Adani Electricity Mumbai Limited (AEML) is an integrated Utility engaged in Generation, Transmission and Distribution of electricity.

The Distribution Business of AEML, i.e., AEML-D, has a Distribution Licence for the distribution and supply of electricity in parts of Mumbai, for a period of 25 years with effect from 16 August 2011.

## **1.2 MYT REGULATIONS, 2019**

The Commission notified the MERC (Multi-Year Tariff) Regulations, 2019 (MYT Regulations, 2019) on 1 August 2019 for the 4<sup>th</sup> Control Period from FY 2020-21 to FY 2024-25.

## **1.3 MYT ORDER FOR 4<sup>th</sup> CONTROL PERIOD FROM FY 2020-21 TO 2024-25**

In its Order dated 30 March 2020 in Case No. 325 of 2019 ('MYT Order'), the Commission carried out the true-up for FY 2017-18 and FY 2018-19, provisional true up for FY 2019-20 and approved the ARR for FY 2020-21 to FY 2024-25 and retail Tariff and Wheeling Charges for FY 2020-21 to FY 2024-25, in accordance with the MYT Regulations, 2019.

## **1.4 MID-TERM REVIEW ORDER FOR 4<sup>TH</sup> CONTROL PERIOD**

In its Order dated 31 March 2023 in Case No. 231 of 2022 ('MTR Order'), the Commission approved the true-up for FY 2019-20 to FY 2021-22, provisional true-up for FY 2022-23, and revised the ARR and Tariff for FY 2023-24 and FY 2024-25.

## **1.5 MYT REGULATIONS, 2024**

The Commission notified the MERC (Multi-Year Tariff) Regulations, 2024 (MYT Regulations, 2024) on 19 August 2024 for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30.

## **1.6 PETITION FOR APPROVAL OF MULTI-YEAR TARIFF, ADMISSION OF THE PETITION AND PUBLIC PROCESS**

AEML-D filed its Petition for approval of truing up for FY 2022-23 and FY 2023-24, provisional truing up for FY 2024-25 and ARR and Tariff for 5<sup>th</sup> Control Period from FY 2025-

26 to FY 2029-30 on 30<sup>th</sup> November 2024. The Commission sought replies on the preliminary data gaps raised on 10 December 2024 and also certain other information from AEML-D, replies to which were submitted by AEML-D on 20 December 2024.

The Technical Validation Session (TVS) was held on 24<sup>th</sup> December 2024. The list of persons who attended the TVS is at **Appendix-1**. On 25<sup>th</sup> December 2024, the Commission sought additional information and clarifications on the issues raised during the TVS.

AEML-D submitted its replies and filed its revised MYT Petition on 6<sup>th</sup> January 2025, with the following main prayers:

- 1) *“Admit the petition as submitted herewith;*
- 2) *Approve the actual revenue gap/ surplus arising on account of truing-up for FY 2022-23 and FY 2023-24 along with the carrying cost as worked out in this petition;*
- 3) *Approve the provisional ARR and revenue gap/ surplus for FY 2024-25 as worked out in this petition;*
- 4) *Approve the cumulative revenue gap till FY 2024-25 along with carrying / holding cost as worked out in this petition and allow recovery of the same in the manner as presented in this petition;*
- 5) *Approve the ARR for each year of the Control Period i.e. FY 2025-26 to FY 2029-30, as projected in this Petition;*
- 6) *Approve the consideration of implementation of Smart Meters under the TOTEX Model;*
- 7) *Approve the Retail Tariffs inclusive of Energy charges, Fixed / Demand charges, Wheeling charges, Cross Subsidy Surcharge, Green Tariffs as proposed in this Petition for each year of the Control Period i.e. FY 2025-26 to FY 2029-30;*
- 8) *Approve the revision in Schedule of Charges as proposed in this petition;*
- 9) *Allow for specific deviations wherever sought in this petition from the MYT Regulations, 2019 and MYT Regulations, 2024 and other Regulations mentioned herein in the petition;*
- 10) *Grant specific relief, wherever made in this petition, for reconsideration / relaxation of rulings;*
- 11) *Allow additions/ alterations/ modifications/ changes to the Petition at a future date;*
- 12) *Allow any other relief, order or direction, which the Hon’ble Commission deems fit to be issued.”*

The Commission admitted the MYT Petition on 14<sup>th</sup> January 2025. In accordance with Section 64 (2) of the Electricity Act, 2003 (EA 2003), the Commission directed AEML-D to publish its Petition in the prescribed abridged form and manner so as to ensure adequate public participation, and to reply expeditiously to all the suggestions and objections received. AEML-

D issued a Public Notice inviting suggestions and objections from the public on its Petition. The Public Notice was published in the daily newspapers, viz, Free Press Journal Times of India and Indian Express (English), and in Navshakti and Loksatta (Marathi) on 18<sup>th</sup> January 2025.

The Petition and its Executive Summary were made available for inspection/purchase at AEML-D's offices and on its website ([www.adanielectricity.com](http://www.adanielectricity.com)). The Public Notice and Executive Summary of the Petition were also made available on the websites of the Commission ([www.merc.gov.in](http://www.merc.gov.in)) in downloadable format. The Public Notice stipulated that the suggestions and objections, in English or Marathi, may be filed with proof of service on AEML-D, latest by 10 February 2025.

The Commission received written suggestions and objections, as well as oral submissions on various issues at the e-Public Hearing held on 18 February 2025. The list of persons who attended the Public Hearing is at **Appendix-2**.

The Commission has ensured that the due process contemplated under the law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to all the concerned/stakeholder to file their say.

The issue-wise suggestions and objections made in writing as well as during the Public Hearing, along with AEML-D's responses and the Commission's rulings, have been summarised in Chapter 2 of this Order.

## 1.7 ORGANISATION OF THE ORDER

This Order consists of the following chapters as outlined below:

- **Chapter 1** provides a brief history of the due regulatory process undertaken by the Commission. A list of abbreviations with their expanded forms has been included.
- **Chapter 2** lists out the suggestions and objections received in writing as well as during the Public Hearing. These have been summarized issue-wise, followed by the response of AEML-D and the rulings of the Commission.
- **Chapter 3** details of the Truing-up for FY 2022-23 and FY 2023-24.
- **Chapter 4** details of the Provisional Truing up for FY 2024-25
- **Chapter 5** details of the approval of ARR for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30.
- **Chapter 6** details the Cumulative Revenue Gap/(Surplus), Tariff Philosophy and category-wise Tariffs for FY 2025-26 to FY 2029-30.

- **Chapter 7** details the changes approved in the Schedule of Charges
- **Chapter 8** details the Applicability of the Order
- **Annexure I** details the revenue from revised tariffs for FY 2025-26 to FY 2029-30
- **Annexure II** details the approved Tariff Schedule for FY 2025-26 to FY 2029-30
- **Appendix-1:** List of persons who attended Technical Validation Session (TVS) dated 24<sup>th</sup> December 2024
- **Appendix-2:** List of persons who attended the Public Hearing dated 18<sup>th</sup> February 2025.



## 2 SUGGESTIONS / OBJECTIONS, AEML-D'S RESPONSES AND COMMISSION'S RULING

---

The suggestions/objections received from Stakeholders and the Commission's views thereon have been summarized issue-wise in the following paragraphs. It may be noted that all the suggestions given by the stakeholders have been considered, and the Commission has attempted to discuss all the suggestions as well as the Commission's decisions on each suggestion, however, in case any suggestion is not specifically discussed, it does not mean that the same has not been considered.

### 2.1 SALES PROJECTION

TPC-D submitted that AEML-D's sales projections for FY 2025-26 onwards were overestimated, leading to lower tariffs. Therefore, TPC-D has requested the Commission to consider realistic and achievable growth rates for arriving at the realistic tariffs.

#### *AEML-D's Response*

AEML-D submitted that its sales projections are done based on historical trends and economic factors influencing consumption growth. AEML-D highlighted that its forecast for FY 2025-26 is close to the originally estimated figures for FY 2024-25, despite the impact of COVID-19.

In contrast, TPC-D's own forecast includes a 11% increase in energy sales in the first year and sustained growth, thereafter, making its objections to AEML-D's estimates inconsistent. AEML-D asserted that its forecast is conservative and reflective of past trends, ensuring stability in revenue projections

#### *Commission's Ruling*

The Commission has projected the sales for AEML-D based on the CAGR of actual sales for different periods observed in the past seven years, i.e., FY 2016-17 to FY 2023-24 for projecting the sales for FY 2024-25 and for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, as elaborated in Chapter 5 of this Order.

### 2.2 DISTRIBUTION LOSS

Mr. Ponrathnam Nadarajan has requested clarification regarding the unit denomination used for computation of distribution loss.

***AEML-D's Response***

AEML-D submitted that perusal of the MYT Petition as well as the detailed financial model, clearly demonstrates that distribution loss is computed as the difference between energy input in MU terms and network sales (energy output) in MU terms. Even though presently, EHT/HT categories are being billed in kVAh terms, for the purposes of distribution loss, the common denomination considered is kWh and not kVA as stated by the objector.

***Commission's Ruling***

The Commission clarifies that kWh is the unit of measurement used for calculating Distribution Losses. kVAh is used solely for billing of Energy Charges for applicable HT categories and LT categories with Sanctioned Load above 20 kW.

**2.3 STANDBY CHARGES**

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) objected to the proposed unilateral discontinuation of the Standby arrangement by AEML-D. MSEDCL submitted that AEML-D's claim of terminating the Standby arrangement since October 2021 is invalid. The matter is already sub-judice and pending before the Commission in Case No. 1 of 2024, and hence, the contentions of AEML-D should not be accepted.

MSEDCL submitted that the Commission has consistently upheld the necessity of Standby arrangement through multiple Orders for ensuring uninterrupted power supply and grid stability. MSEDCL highlighted that discontinuation without the Commission's approval is unilateral and non-compliant with regulatory norms.

Despite AEML-D's claim of termination, the Commission has held AEML-D liable for Standby charges. The total outstanding dues (including principal and Late Payment Surcharge) as of January 2025 amount to approximately Rs. 784.38 Crore.

MSEDCL urged the Commission to factor in the unpaid Standby charges in AEML-D's MYT Order Petition for truing up for FY 2023-24 and FY 2024-25 and projections for the 5<sup>th</sup> Control Period. Any relief sought by AEML-D in the form of refunds should be denied.

MSEDCL placed reliance on the Commission's Order dated 11 January 2024 in Case No. 134 of 2024, which reinforces the necessity and continuity of Standby arrangements to ensure grid stability and prevent supply disruptions. Discontinuing Standby support without an alternative arrangement poses a serious risk to the stability of Mumbai's grid. MSEDCL highlighted the necessity of grid security and continued regulatory oversight.

MSEDCL submitted that Standby agreements must be regulated and approved by the Commission, and AEML-D's claim of unilateral termination is baseless. MSEDCL requested the Commission to declare the termination invalid and further requested the Commission to direct AEML-D to make immediate payment of all pending Standby charges. Further, regulatory safeguards should be imposed to prevent such unilateral actions in the future.

### ***AEML-D's Response***

AEML-D submitted that MSEDCL has itself stated that AEML-D has already preferred a Petition before this Commission, being Case No. 01 of 2024, on the issue of seeking termination from the Standby arrangement, which is pending adjudication.

Therefore, when the entire issue qua the continuance/ non-continuance/ validity of Standby arrangement is a subject matter of the above Petition (Case No. 01 of 1 2024), then there remains no basis for MSEDCL to seek an adjudication of the same in the present tariff proceedings.

AEML-D submitted that MSEDCL in its objections/ suggestions has placed reliance upon the various Orders of this Commission to contend that the Commission vide such Orders has directed for Standby arrangement. However, MSEDCL has erred in understanding that in the said Orders, the Commission has time and again directed MSEDCL to execute a formal agreement with AEML-D qua Standby arrangement. Nevertheless, till date no such agreement has ever been executed. This once again goes to show that the Standby arrangement was merely an ad-hoc/ temporary arrangement between AEML-D and MSEDCL and that AEML D was always at the liberty to exit from such arrangement when it deemed fit.

As already stated in the Petition, the Hon'ble APTEL vide an order dated 26.09.2023 passed in I.A. No. 844 of 2023 filed in Appeal No. 516 of 2023, inter alia held as under:

*"The directions issued to the Appellant in the impugned order, to the extent it related to payment of stand by charges, is set aside. We make it clear that we have not expressed any opinion on the merits of the rival contentions; and it is open to the parties involved to raise all such contentions, as are available to them in law, before the MERC. The IA stands disposed of."*

Thus, based on the above APTEL Order, AEML-D was not at all required to make any payment of Standby charges or even continue with the Standby arrangement, till such time the Commission decides the issue in Case No. 01 of 2024.

AEML-D submitted that the Standby Arrangement of AEML-D with MSEDCL was always on an ad-hoc/ temporary basis as no formal or binding contract/ agreement was ever formulated between the parties. The said arrangement was only valid for the period for which AEML-D sought Standby support. In fact, there is no denial to the fact that MSEDCL on numerous occasions failed to provide such Standby support in blatant disregard of the directions of this Commission, which ultimately led towards termination/ discontinuance from such an arrangement by AEML-D from October 2021 onwards.

AEML-D submitted that the reason why it did not factor in the cost of Standby arrangement at the time of filing of the MYT Petition is because the Hon'ble APTEL, vide an Order dated 26.09.2023 passed in I.A. No. 844 of 2023 in Appeal No. 516 of 2023, while setting aside the observations relating to Standby charges in the Commission's Order dated 31.03.2024 in Case No. 231 of 2022, categorically observed that the issue of Standby arrangement ought to be decided by the Commission in separate proceedings altogether. It was on this count itself that AEML-D filed Case No. 01 of 2024 seeking discontinuance/ termination from the Standby arrangement.

It is further submitted that MSEDCL in its objections/ suggestions has placed reliance upon the Order dated 11.01.2024 passed by this Commission in Case No. 134 of 2024. It may not be out of place to mention herein that the said order was passed in a Petition filed by Brihanmumbai Electric Supply and Transport Undertaking (BEST) seeking approval to revoke the agreement signed between BEST and TPC-G for Unit 5 of Trombay Thermal Power Station. It is trite to mention herein that nowhere in the said Order was the issue of Standby arrangement adjudicated by this Commission. In fact, this Commission held that on account of the prevailing transmission constraint, BEST shall extend its PPA with TPC-G for an additional period of 5 years. There is no link whatsoever with the extension of PPA with TPC-G and the Standby arrangement between MSEDCL and AEML-D. Even otherwise, AEML-D places reliance upon the settled principle of law that change in facts of a particular case can lead to a different interpretation/ decision.

In light of the aforesaid submissions, AEML-D reiterates that since the entire issue governing Standby arrangement is sub-judice before the Commission in Case No. 01 of 2024, the objection/ suggestion of MSEDCL qua the said standby arrangement ought not be considered by the Commission in adjudicating the subject MYT Petition.

### ***Commission's Ruling***

AEML-D has filed Case No 01 of 2024 in respect of discontinuance of Standy arrangement with MSEDCL. TPC-D, the other licensee in Mumbai has also filed similar Petition being Case No 136 of 2024 in respect of Standby arrangement. All Distribution Licensees in Mumbai are

required to be heard in the matter. The Commission will decide the matter after hearing all the parties. The Commission in the present order has not considered Standby Charges in the ARR of AEML-D, which is subject to the outcome of Case No. 01 of 2024 and Case No. 136 of 2024 pending before the Commission.

## **2.4 WHEELING CHARGES METHODOLOGY**

TPC-D submitted that MYT Regulations, 2024 specify that the division of Wires Business ARR should be strictly based on voltage-wise assets. However, AEML-D has adopted a different approach of bifurcating the various elements of ARR, rather than the one based on GFA, as provided in the MYT Regulations, 2024.

Further, TPC-D submitted that it has bifurcated the Wheeling ARR for HT and LT based on the GFA. Therefore, TPC-D requested the Commission to enforce a uniform approach across all distribution licensees.

### ***AEML-D's Response***

AEML-D submitted that its methodology adheres to the MYT Regulations, 2024, and the guidelines issued by MERC in 2022. The new Regulations provide for bifurcation of each element of ARR between the various voltages as per the principles described in the voltage-wise guidelines, replacing the earlier GFA-based method. AEML-D submitted that TPC-D has violated MYT Regulations by continuing to use outdated methodologies, creating disparities in wheeling charges.

### ***Commission's Ruling***

The Commission has allocated the assets and Wires ARR between HT and LT voltage as specified in Annexure-III of the MERC MYT Regulations, 2024, and computed the Wheeling Charges accordingly, as elaborated in Chapter 6 of this Order.

## **2.5 TARIFF HIKE**

Mr. Subhash Gopal Devkar submitted that the proposed hike would impose an undue financial strain on residential, commercial and industrial consumers, particularly in the wake of economic challenges and inflation in our country. The increase will disproportionately affect low- and middle-income families, who are already struggling with high costs of living. The Government must ensure essential services like electricity remain affordable.

Mr. Sanjay Kotwani submitted that AEML-D is hiking power tariffs every year and has now submitted the tariff hike proposal for 5 years in advance.

Mr. Nikhil Sawant submitted that AEML-D has proposed substantial increase in Tariff for the Control Period. If this proposal is approved as presented by AEML-D, it would severely burden the common consumer due to a significant rise in electricity costs. Further, the objector requested the Commission to reject the tariff hike proposed by AEML-D and provide justice to the common consumers.

### ***AEML-D's Response***

AEML-D submitted that it has actually proposed a reduction in tariffs from their current levels. Further, the ARR and tariff proposal is prepared as per the provisions of the MYT Regulations and, as per the prescribed process, the Petition has been put up for public consultation. However, this is just AEML-D's proposal and tariff approval is the prerogative of the Commission.

AEML-D submitted that the filing of Tariff Petition is as per the procedure and process notified by the Commission in the MYT Regulations, 2024, which AEML as a distribution licensee is adhered to. Further, AEML-D has submitted that it has proposed a reduction in tariff from what is currently being charged.

AEML-D submitted that the electricity tariff being levied comprises not only Fixed Charges but also Wheeling Charges and Energy Charges. Therefore, the increase or decrease should be considered for total tariff, inclusive of all charges. It is submitted that there is only a miniscule 1% to 2% increase in tariff in the first two years of the Control Period. Further, AEML-D submitted that it has been the Commission's philosophy as well, to increase the Fixed charges on a year-on-year basis so as to recover an increasing portion of fixed cost through Fixed charges. AEML-D has proposed to continue with the same approach. However, tariff approval is the prerogative of the Commission.

### ***Commission's Ruling***

The Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order.

## **2.6 FIXED/DEMAND CHARGES**

Mr. Ayush Sonayia submitted that AEML-D has proposed increase in fixed charges/demand charges for residential category (both single and three-phase) exceeding 15% over the next two financial years. The objector asserted that, considering that average salary increments for middle-class individuals are approximately 10%, a 15% increase would significantly impact

their ability to afford other essential expenditures. Therefore, the objector requested that the proposed increment in fixed/demand charges should be reconsidered and reduced by approximately 7-9%.

### ***AEML-D's Response***

AEML-D submitted that fixed charges are for recovery of fixed costs of the Retail supply business. Reference can be made to the financial model submitted along with the MYT Petition. Perusal of the sheet '% Recovery' shows the recovery from fixed / demand charges as a percentage of the total retail fixed cost.

The Fixed Charges, if kept at the same level as existing, would only recover around 49% fixed cost in the first year and 57% in the second year, which is low and requires rationalisation to ensure greater coverage. Therefore, AEML-D has proposed increase in fixed charges to recover the retail fixed cost. This approach is in line with the Commission's own approach in the past Tariff Orders.

### ***Commission's Ruling***

The Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order. The Commission has not revised the Fixed/Demand Charges for any category, for reasons elaborated in Chapter 6 of this Order.

## **2.7 TARIFF FOR EV CHARGING STATIONS**

Mr. Blase Martin D'Souza submitted that, to support the Government's Policies to reduce the use of Fossil Fuel the Electric Vehicle (EV) adaptation is being given a major push. In continuation of this, the Commission should look at the following changes in the Electric Vehicle Charging Tariff:

- Fixed / Demand Charge should be made NIL
- There should be a flat Tariff Rate of Rs. 5 per unit
- The incentive under ToD under the LT Category for use in the 10 pm to 6 am Time Slot should be increased to Rs. 2/- per unit. This will drive Domestic Users to Charge their Vehicles during non-peak hours which will help the Distribution Companies balance their daily requirements at peak hours.

Mr. Ponrathnam Nadarajan submitted that the single part tariff proposed for EV Charging is exorbitant.

Mr. Mahaveer Kumar Jain submitted that the provisions relating to EV charging, as outlined in Ministry of Power guidelines dated 17 September 2024 should be fully implemented.

### ***AEML-D's Response***

AEML-D submitted that it has already proposed to make fixed / demand charges for EV charging stations as “Nil” in its MYT Petition.

Regarding flat rate of Rs. 5 per unit, AEML-D submitted that it has proposed category wise tariffs taking into consideration the various provisions of the MYT Regulations, including the provision relating to cross-subsidy. Nonetheless, tariff approval is the prerogative of the Commission.

Regarding the incentive of Rs. 2/unit under ToD tariff for use in 10 pm to 6 am time slot, AEML-D submitted that it has proposed to revise ToD rates and slots after thorough study of its load profile and energy rates in the market, details of which are included in the MYT Petition. AEML-D will abide by the ToD tariff that will be approved by the Commission

AEML-D submitted that, as detailed in the MYT Petition, the single part tariff for EV charging stations is after taking into consideration the guidelines issued by the MoP seeking for single part tariff. In fact, perusal of Table 227, which shows the existing and proposed ABR and the % increase / decrease thereon, it can be seen that for FY 2025-26, for HT EV charging category, there is a 3% decrease in tariff and for LT EV charging category, the tariff is the same as existing. Thus, there is no exorbitant charge as stated by the objector.

### ***Commission's Ruling***

The Commission has determined single part tariff for the EV Charging stations and removed fixed charges as per guidelines issued by MoP, GOI. The detailed Tariff Philosophy has been elaborated in Section 6 of this Order.

## **2.8 SUBSIDY, CROSS SUBSIDY & ACTUAL COST SHOULD BE REFLECTED IN BILLS**

Mr. Ponrathnam Nadarajan submitted that subsidy, cross subsidy and actual cost should be reflected on the bill.

### ***AEML-D's Response***

AEML-D submitted that the contents of energy bill are as per the Supply Code Regulations, 2021 and AEML-D is complying with the same. AEML-D shall present any more details also in the bills, as may be directed by the Commission.



***Commission's Ruling***

The Commission is of the view that the major components related to tariff directly related to the end consumers are already being reflected in the current energy bill and further, the details related to tariff are covered under the Tariff Orders, which are publicly accessible via the Commission's website and even AEML-D's website.

**2.9 RE TARIFF AND CAPPING OF CURRENT TARIFF**

Mr. Blase Martin D'Souza and Eugenie Co-operative Housing Society Ltd. submitted that Renewable Energy is increasingly becoming the primary supply source for Distribution Companies. Renewable Energy Tariffs have dropped by 50% since FY 2013-14, with auction prices falling from ₹5.50-₹9.50 per unit in FY 2013-14 to ₹2.48-₹4.99 per unit in FY 2024-25. This downward trend is expected to continue due to technological advancements. Additionally, Rooftop Solar provides cost-free power to Distribution Companies with zero transmission losses, yet these benefits are not reflected in tariff proposals. Given the significant cost reduction, there is no justification for a year-on-year tariff increase and proposed capping the tariff at 40% below the current rate for the next three years.

***AEML-D's Response***

AEML-D submitted that AEML-D's power purchase proposal, in any case, includes an increasing share of renewables. However, there are various other elements of cost, which go into making of the ARR, including capex related costs, O&M cost, past revenue gaps, etc. AEML-D has prepared its ARR for the MYT Control Period considering the forecast of these various elements of expenditure. In any case, AEML-D has proposed a significant reduction in tariffs from the current levels, as can be seen from the Petition.

***Commission's Ruling***

The details of quantum and cost of power purchase approved by the Commission for the 5<sup>th</sup> Control period, i.e., FY 2025-26 to FY 2029-30 are elaborated in Chapter 5 of this Order.

The detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order.

**2.10 VIRTUAL NET METERING AND GROUP NET METERING FOR ROOF-TOP SOLAR**

Mr. Blase Martin D'Souza and Eugenie Co-operative Housing Society Ltd. submitted that the Virtual Net Metering Regulations extend the Scheme to only Residential Consumers. However, in the City of Mumbai, there are Buildings with both Residential and Commercial Uses. These Commercial Users are mainly Shops having a LT Commercial (0 to 20W) connection. It is

suggested to amend the definition of VNM to include Residential and Commercial Users with connected load of less than 20 W. This will bring many more users to adopt the Rooftop Solar Systems and being Renewable Energy Users. Cooperative Housing Societies will then be able to use the entire Roof area of their Building Terraces to create Rooftop Solar Systems that can be shared with all their members whether Residential or Commercial.

#### ***AEML-D's Response***

AEML-D submitted that it is complying to the Virtual Net Metering Regulations and the amendment thereto as notified by the Commission. In the Statement of Reasons (SOR) issued with the said Regulations, the Commission has stated that Virtual Net Metering (VNM) has been consciously restricted to residential consumers only, while consumers of other categories could always opt for Net Metering or Group Metering facility or could also opt for Green Energy Open Access. Further, the SOR also states that the present Regulations are in line with the MNRE Guidelines dated June 7, 2024, where VNM is recognised for residential customers only. In any case, the objector's suggestion is for the consideration of the Commission, albeit the appropriate mechanism for the same is to seek amendment of the present Regulations, which is a process separate from the instant proceedings of Multi-Year Tariff.

#### ***Commission's Ruling***

This aspect is not pertinent to the present Tariff proceedings on the true-up and MYT Petition filed by AEML-D.

### **2.11 ADVANCE PAYMENT OPTION**

Mr. Blase Martin D'Souza submitted that the Advance Payment option, which was introduced under the earlier Tariff Order, was intended to facilitate the Distribution Company to collect their dues in advance and give a better discount to the consumer. It was also a shield from the Customer otherwise not defaulting on any payment. However, the prerequisite of no payment default within the preceding nine months is illogical. Furthermore, the objector asserted that this condition contradicts the fundamental purpose of the Advance Payment Option, which is to prevent prospective defaults. Finally, the objector concluded that this stipulation serves no discernible practical purpose.

#### ***AEML-D's Response***

AEML-D submitted that the benefit of the advance payment option as per the Commission's Tariff Order is to incentivise the consumers who do not default on payment. It is seen from the Advance Payment rules in the Tariff Order that it offers a fairly attractive interest rate, and it can thus, act as an incentive scheme for consumers to not default on payment of bills. Further, a particular consumer who has the ability to pay in advance should have no reason to default,

as well. Nevertheless, the suggestion is for the consideration of the Commission and AEML-D implements the tariff order as has been approved by the Commission.

### ***Commission's Ruling***

The Commission has included the pre-condition of not allowing the Advance Payment option for defaulting consumer so as to bring discipline amongst defaulting consumer to take benefit of new initiative introduced by the Commission in the Tariff Order. However, considering the suggestion, the Commission has removed the condition of no default, as advance payment will not only provide low cost working capital to Distribution Licensee but also help reduce instances of default by consumer. Hence, the Commission is modifying the condition of advance payment and any consumer (including defaulting consumer) can avail such option of advance payment.

## **2.12 NEW CATEGORY UNDER LT CATEGORY**

Eugenie Co-operative Housing Society Ltd. submitted that a new sub-category within the LT Category is necessary to accommodate Co-operative Housing Societies. They highlighted the existence of Group Housing Society category within HT Category and proposed a parallel sub-category for co-operative housing societies within LT Category to facilitate the application of preferential, lower tariff rates. They emphasized the Central Government's strong promotion of the Cooperative movement and asserted that the Commission should contribute to this objective by extending preferential lower Tariff for such consumers. LT Category for Cooperative Housing Societies would cover all the common uses of the Cooperative Housing Societies, including pumps, lifts, and common area lighting, etc.

### ***AEML-D's Response***

AEML-D submitted that, as per the present tariff schedule, LT-Residential tariff is applicable to Co-operative Housing Colonies/complexes (where electricity is used exclusively for domestic purposes) for common facilities such as Water Pumping / Street and other common area Lighting / Lifts /Parking Lots/ Fire-fighting Pumps and other equipment, etc. Having been classified under the LT-Residential category, the slab benefit is available to the Society, which would not be the case in case separate categorization is made as requested by the objector. Further, separate categorisation could also bring in the levy of Demand Charges, as there is motive power involved in the common connections such as water pump, elevators, etc. Also, HT Group Housing category not just covers the common facilities, but it also includes the consumption of residential units within the CHS. However, it is submitted that tariff categorization / re-categorization is the prerogative of the Commission.

***Commission's Ruling***

The Commission has not introduced separate new category for LT Cooperative Housing Societies for the Control Period.

**2.13 DISTRICT COOLING SOLUTIONS UNDER INDUSTRIAL TARIFF CATEGORY**

Adani Cooling Solutions Limited requested the Commission to classify District Cooling Solutions (DCS) under LT/HT/ EHT - 'Industrial' tariff category. This shall not only give certainty qua the largest input cost for operations of a DCS, but also avoid any potential disputes in the future, which may have a significant financial impact on DCS operators such as ACSL, who have invested mammoth sums in setting up the District Cooling plants along with necessary underground distribution network and ancillary monitoring equipment (SCADA etc.).

***AEML-D's Response***

AEML-D submitted that it has already proposed the applicability of EHT/HT/LT 'Industrial Tariff' to DCS. In the MYT Petition, as part of the proposed tariff schedule, AEML-D has mentioned the applicability of Industrial tariff to DCS under EHT/HT/LT category as follows:

*“District Cooling Solution (DCS) for providing air conditioning services to a cluster of buildings in a centralised manner.”*

As the MYT Petition of AEML-D already incorporates the suggestion of ACSL, AEML-D has no further submission in this matter and requested the Commission to consider the same.

***Commission's Ruling***

District Cooling Solution (DCS) provide air conditioning services to a cluster of buildings in a centralised manner which are centralised cooling systems.

The Commission is of the view that it is essential to encourage such energy efficient applications, consideration the energy conservation goals. As electricity costs shall affect the viability of such units, the Commission has decided to categorise such DCS under the respective Industry category, i.e., HT I Industry and LT III Industry, as applicable depending on the size of the plant.

**2.14 LENGTH AND STRUCTURE OF EXECUTIVE SUMMARY DOCUMENT**

Mr. Manoj Nirgudkar submitted that the Executive Summary should be a concise, well-structured 2–3-page document tailored for executives who lack the time to read an extensive

22-page summary. The longer document could be referred to as the 'Summary,' while the 'Executive Summary' should provide a high-level overview with clear flow and coherence. Simply copying and pasting sections from the original document results in a disjointed and ineffective summary. More effort is needed to craft a well-organized, readable document. Additionally, the absence of an abbreviation section makes it difficult to understand key terms. Overall, significant improvements are required to enhance clarity and effectiveness.

### ***AEML-D's Response***

AEML-D submitted that the Executive Summary attempts to present a concise picture of an otherwise almost 400 page-long Petition, containing details of eight financial years. Each section / year of the Executive Summary can be read in isolation to arrive at the complete picture. A significantly shorter version is the Public Notice, which is the main document that any consumer can refer to, to understand the main features of the Petition, including the tariff proposal. It is also submitted that all the documents, i.e., the main Petition, the Executive Summary and the Public Notice undergo process of scrutiny and admittance from the Commission, only pursuant to which the petition is made public.

### ***Commission's Ruling***

The Commission approves the format of the Public Notice, which is duly filled up by the Petitioner and published in the newspapers for public dissemination. The Executive Summary is submitted by the Petitioners covering the gist of entire Petition for the interest of stakeholders. Hence, the Commission does not find any merit in stipulating another format for this purpose.

## **2.15 CATEGORY WISE TARIFF REVISION**

Mr. Manoj Nirgudkar submitted that for FY 2025-26, the Average Billing Rate (ABR) has significantly decreased, ranging from 10% to 37%. The document does not clearly explain why the ABR has been reduced or why there is a variation in the reduction percentage. This explanation should be easy to understand for everyone, even without a background in electrical engineering or accounting.

### ***AEML-D's Response***

AEML-D submitted that the primary reasons for the tariff reduction is the decrease in the cost of supply from what was approved by the Commission for FY 2024-25 and the fact that the current tariffs being charged are inclusive of the Fuel Adjustment Charge (FAC) and hence, current ABR builds in the impact of FAC as well. To understand the same in detail, a review of the main Petition will be necessary.

Nonetheless, the tariff proposal is from AEML-D side. The tariff approval is the prerogative of the Commission.

### ***Commission's Ruling***

The detailed analysis of the ARR, ACOS, and the resultant tariff increase/reduction have been elaborated in the respective Chapters of this Order.

## **2.16 APPOINTMENT OF CONSUMER REPRESENTATIVE**

Mr. Ponrathnam Nadarajan suggested that the Commission should appoint consumer representatives to present consumers' viewpoints before the Commission.

### ***AEML-D's Response***

AEML-D submitted that this aspect is for the consideration of the Commission and AEML-D has no comments to offer.

### ***Commission's Ruling***

The Commission provides the Public Hearing as a platform for any consumer to present issues and concerns freely in front of the Commission and the Commission does not feel it necessary to authorise identified Consumer Representatives for this purpose.

## **2.17 PUBLIC NOTICE TO BE CIRCULATED ALONG WITH BILLS**

Mr. N. Ponrathnam submitted that the Public Notice should be circulated along with the bills or sent by email and electronic media at least in the next Public Hearing, as consumers who are most affected are unaware of the Public Hearings.

### ***AEML-D's Response***

AEML-D submitted that as per the directions of the Commission in the admission letter for the MYT Petition, AEML-D has printed a message about the Tariff Petition in its electricity bills and has also sent out emails and sms about the same to all consumers whose email and SMS are updated with AEML-D. A compliance report in this regard has also been submitted to the Commission.

### ***Commission's Ruling***

The publication of the Public Notice has been done in accordance with the provisions of the MYT Regulations, 2024. The Commission notes the submission of AEML-D that consumers were informed via SMS and email as well as message in the monthly bill.

## **2.18 TARIFF TO REFLECT COST OF SUPPLY**

Mr. Ponrathnam Nadarajan submitted that the tariff should reflect actual cost of supply instead of Average Cost of Supply.

### ***AEML-D's Response***

AEML-D submitted that its tariff proposal is prepared based on Retail Average Cost of Supply as per the requirements of the MYT Regulations, 2024.

### ***Commission's Ruling***

The Commission has determined Tariffs based on Retail Average Cost of Supply, computed as the ratio of Aggregate Revenue Requirement of a Utility for the respective year, including the unrecovered Revenue Gap / (Surplus) of previous years, to the total sales of the utility for the respective year in accordance with the MYT Regulations, 2024 and the Tariff Policy notified by the Ministry of Power.

Furthermore, the Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order.

## **2.19 MEASUREMENT OF LOAD CURVE**

Mr. Ponrathnam Nadarajan requested clarification regarding the unit of demand measurement, specifically enquiring whether it is in kW or in kVA. Furthermore, the objector submitted that the appropriate unit for demand measurement should be kW, not kVA.

### ***AEML-D's Response***

AEML-D submitted that the demand is measured in kVA as it has to include both real power in kW and reactive power in kVAR. The sizing of electrical equipment is based on the total apparent power.

### ***Commission's Ruling***

It is clarified that the demand is measured in kVA, in accordance with the Commission's decisions in this regard.

## **2.20 UNITY POWER FACTOR**

The objector requested clarification regarding the need for Unity PF, when the Electricity Rule, 1956 mandates PF of 0.85. The objector submitted that if Distribution Company can maintain unity PF, then distribution company can install any equipment, and consumers are ready to pay.

***AEML-D's Response***

AEML-D submitted that Unity PF represents 100% efficient electrical equipment, which is never the case in reality. However, higher the Power Factor (PF), lower will be the draw of current to do the same amount of work. Consumers are responsible for maintaining PF of their installations and are provided with PF incentive or levied PF penalty in accordance with the approved Tariff Order.

***Commission's Ruling***

The objector's assertion that all Distribution Companies want consumers to maintain a Unity Power Factor is factually incorrect.

**2.21 BILLING DEMAND**

Mr. Ponrathnam Nadarajan submitted that the purpose of two-part tariff is not solely to increase revenue for the Petitioner, but rather to motivate the consumers to reduce their maximum demand during peak hours. By changing the definition of Billing demand, the consumer window of maintaining demand is reduced, subsequently leading to an increase in demand charges.

***AEML-D's Response***

AEML-D submitted that the Petitioner does not gain any additional revenue by two-part tariff. The approved tariff only fully recovers the approved ARR. Fixed/Demand charges exist because part of the cost of supply is made of fixed costs such as fixed cost of generation (capacity charges), fixed costs in retail, etc. The Commission's endeavour from the previous Tariff Orders has been to gradually increase fixed/demand charges so as to recover an increasing portion of fixed costs through the same.

***Commission's Ruling***

It is clarified that AEML-D has not sought any revision in the definition of Billing Demand and neither has the Commission approved any change in the definition of Billing Demand in this Order.

**2.22 STANDBY & GRID SUPPORT CHARGES**

The objector submitted that the concept of Standby and grid support charges are similar to two-part tariff. Concept of Standby tariff should be submitted in detail.

***AEML-D's Response***

AEML-D submitted that it has not proposed any Stand-by charges or grid support charges.



***Commission's Ruling***

AEML-D has not proposed Grid Support Charges or Standby charges.

**2.23 NO PENALTY FOR EXCEEDING THE CONTRACT DEMAND DURING NON-PEAK HOURS**

Mr. Ponrathnam Nadarajan submitted that, to flatten the load curve, penalty should not be levied to consumer exceeding the contract demand during non-peak hours, i.e., 22:00 hrs to 06:00 hrs.

***AEML-D's Response***

AEML-D submitted that, AEML-D levies penalty for exceeding Contract Demand as per the approved Tariff Order. Contract Demand is not supposed to be exceeded, regardless of the time of day. ToD tariff provides incentive for shifting the load to non-peak hours, but even then, CD is not supposed to be exceeded as that is the whole meaning of contract. Hence, CD penalty is levied regardless of when the demand is exceeded.

***Commission's Ruling***

It is clarified that actual Maximum Demand recorded in the month during 0600 hours to 2200 hours is only considered for the purpose of billing of Maximum Demand.

**2.24 UNINTERRUPTED POWER**

Mr. Ponrathnam Nadarajan submitted that load shedding / power cut is deficiency of distribution company and consumer has to be compensated.

***AEML-D's Response***

AEML-D submitted that as a distribution licensee it adheres to the various Regulations and Orders issued by the Commission from time to time. AEML-D does not resort to any load shedding, except for any outages taken for maintenance purposes, with appropriate advance notice.

***Commission's Ruling***

There is no load shedding as such in AEML-D's licence area. However, in case of interruptions, AEML-D should ensure that the compensation mechanism is set up as per Supply Code Regulations.

**2.25 CEILING TARIFF**

Prayas (Energy Group) submitted that, considering the unique context and history of parallel distribution licensees in Mumbai and the MYT Regulations, 2024, which specify a

methodology for implementation of a ceiling tariff for multiple licensees providing services in common area of supply, the introduction of ceiling tariffs would be beneficial to the consumers of Mumbai.

Prayas (Energy Group) requested the Commission to:

- Provide detailed operational guidelines on ceiling tariffs in Mumbai as part of the MYT Order for this Control Period
- Appoint a Working Group/Committee to monitor progress and highlight implementation aspects which need to be addressed in a timely manner
- Not introduce ceiling tariff in any other area of supply in Maharashtra unless the approach has been implemented and operating in a smooth manner in Mumbai
- Address implementation challenges to increasing access to open access, captive and grid interactive RE and tracking number of applications, consumers and sales migration.

### ***AEML-D's Response***

AEML-D submitted that the concept of Ceiling Tariff was deliberated in detail, through the consultative process, during the proceedings for issuance of MYT Regulations, 2024. The Commission has clearly held that the Ceiling Tariff regime may be introduced after careful consideration of various factors, which are not just limited to the difference between Retail ACoS of the competing Licensees, but also on various other conditions and a separate consultative process shall be required for the same, as well. While AEML-D does not wish to reiterate its various comments on the issue of Ceiling Tariff, which were offered at the time of issuance of consultations for MYT Regulations, some of the important factors that would naturally need consideration include financial viability of the Companies under ceiling, the determination of ceiling itself, the treatment and extent of revenue gaps being carried by the businesses at the time of introduction of ceiling, the issue of cross-subsidies and how balancing will be done and finally, which consumers could be exposed to tariff de-regulation, which comes along with Ceiling, and which categories will continue to remain under regulated tariff mechanism.

Further, issue of introduction of Ceiling Tariff within Mumbai licence area of AEML-D is closely tied with the issue of structural and cost differences between the two licensees. While from an external standpoint, all that is visible is the ACoS or RCoS, in reality, there is a significant disparity in the cost of supply between slum and non-slum areas of AEML-D. AEML-D serves approximately 10 lakh slum consumers, while the parallel Licensee – TPC-D – serves none. As a result, AEML D's consumer mix and per capita consumption is significantly poorer than TPC-D, while its network and retail costs to serve consumers in slum areas is much higher than average. Any debate on Ceiling Tariffs requires a careful

consideration of these structural differences between the licensees and non-existence of level playing field. All of these factors and many more will be required to be deliberated in detail and across all stakeholders in Maharashtra as there could be parallel licensees elsewhere in Maharashtra too, in future.

### ***Commission's Ruling***

The MYT Regulations, 2024 has indicated that "Ceiling Tariff" needs to be determined upon careful consideration of various factors as mentioned therein. At this point of time, the Commission is of the opinion that circumstances are not conducive for introduction of ceiling tariff in Mumbai.

## **2.26 PRIVATIZATION OF ELECTRICITY**

Mr. Subhash Gopal Devkar submitted that electricity falls under the Concurrent List (Entry 38, List III, Schedule VII), granting authority to both the Central and State Governments. Instead of privatizing electricity solely in the Mumbai Suburban Region, the Commission should restore electricity distribution to BEST, as it was in the past. Additionally, in other districts of Maharashtra, electricity remains under public corporations rather than private companies.

### ***AEML-D's Response***

AEML- D did not respond to this objection.

### ***Commission's Ruling***

This issue does not pertain to the subject true-up and MYT Petition filed by AEML-D.

## **2.27 GENERAL OBJECTIONS**

Mr. Subhash Gopal Devkar submitted that frequent power outages, voltage fluctuations and unsatisfactory customer service indicate that AEML-D must first focus on improving service quality rather than burdening consumers with higher tariffs. The Commission should conduct an independent audit of AEML-D's financials and ensure that any increase is justified, reasonable and in the public interest. Instead of raising tariffs, AEML-D should prioritize investment in renewable energy sources and energy efficient infrastructure to reduce long-term costs.

### ***AEML-D's Response***

Regarding the issue of frequent power outages, voltage fluctuations and unsatisfactory customer service, AEML-D submitted that it is a customer-centric organization. All customer complaints are promptly investigated and addressed and therefore, the objector is advised to register their complaint.

Further, AEML-D submitted that Section 7.3 of AEML-D's MYT Petition describes individual power purchase sources, from where AEML-D is intending to procure power for the next Control Period. Perusal of the same clearly demonstrates the importance of Renewable Energy and the efforts being made by AEML-D to source power from RE sources.

Regarding energy-efficient infrastructure, AEML-D has submitted that it has incurred capex in the past on the network front, which has aided in building an efficient infrastructure. This can be seen from the distribution loss for FY 2022-23 which is at 5.89% vs. the target of 7.05% and also for FY 23-24 which is at 5.45% vs. the target of 6.80%.

### ***Commission's Ruling***

The Commission has conducted thorough prudence check of financial numbers as per audited accounts submitted by AEML-D. Also, the tariff is determined by analysis of each component of ARR including Capex, depreciation, RoE, Power purchase cost, etc as per MYT Regulations, 2019 and 2024. Further, the share of RE power in the power purchase mix has been steadily increasing in line with the RPO Regulations and AEML-D's desire to reduce its costs and remain competitive.

## **2.28 SALES MIX AND TARIFF PARITY**

TPC-D requested the Commission to strive for a reasonable alignment of category-wise tariffs across different licensees to the extent possible. Further, it is submitted that the Commission has tweaked the tariff to enable movement or migration of consumers from AEML to TPC-D. Such movement has resulted in balancing of consumer mix to a large extent, particularly in the Residential category (0-100 kWh and 100-300 kWh). Therefore, it may not be difficult to have the category-wise tariff on par for HT Categories.

### ***AEML-D's Response***

AEML-D submitted that tariff parity is not independent, but a function of cost parity. Cost structure of a distribution licensee is dependent on the nature and type of consumers it serves, the geographical spread of its network, the type of network, per capita consumption, etc. AEML-D highlighted that its network serves a higher proportion of LT consumers and slum areas, leading to higher fixed costs and distribution losses. Whereas, in case of TPC-D, its own network is largely HT and it serves 1/3<sup>rd</sup> of its total consumers on its own network, which are having very high specific consumption. Further, TPC-D has significantly low distribution losses because of high proportion of HT network as well as the absence of consumers where most theft resides.

AEML-D has a poor per capita consumption, it serves around 40% of its consumers in the consumption bracket of 300 units or less and for whom it has also built its distribution network.

It has very few HT consumers and, due to the network expanse and deep-seated LT network, it has a much higher distribution loss. Further, even for change-over consumers, AEML-D continues to incur customer-related costs such as meter reading, energy audit, etc., and other customer-related costs such as collection and customer care, complaint handling, etc. also continue to be required, because these resources / activities continue to cater to AEML-D's own supply consumers. The fixed costs are consequently much higher coupled with poor per capita consumption, leading to higher per unit fixed costs.

Network development by either licensee is now governed by the principles of economics set out through Case 182 Order. Hence, these cost differences between the two licensees arising out of legacy issues can, therefore, only be corrected now by tariff design, which should be done in such a manner so as to lead to correction in network consumer mix and make it gradually more balanced between the two licensees in terms of per capita consumption, so that cost structures of the two Licensees attain parity. When the same happens, tariffs would automatically converge.

Further, AEML-D submitted that, it appears that TPC-D is advocating tariff parity in case of EHT / HT categories only. However, this will have impact not only on the cross-subsidy trajectory for subsidising consumers, which is supposed to reduce and approach 100% cost of supply but will also have impact on the tariffs of low-end consumers. Any tariff design ought to ensure that consumer mix balancing is continued, so that a parity in cost of supply is achieved.

Furthermore, AEML-D submitted that there is a significant disparity in its cost of supply between its low-income, densely populated slum areas and other service areas. A significant portion – 1/3<sup>rd</sup> of AEML-D's consumer base, is located within these slum areas, where network is dense, losses are much higher due to theft, network is loaded because of lack of space for additional infrastructure, etc., and a very poor per capita consumption. Consequently, the combined effect of these factors results in a significantly higher per-unit network cost for slum areas compared to other service areas.

AEML-D submitted that it has developed network infrastructure in all slum areas within its area of supply, while TPC-D has not, and is relying on AEML-D's network for supply to change-over consumers in these locations, creating an uneven playing field. One of the ways this situation could be corrected is by implementation of a premium on wheeling charges for TPC-D's supply in slum areas. This premium would serve as compensation for TPC-D's lack of network development in these areas, while they continue development elsewhere. Such compensation would reduce AEML-D's overall cost of supply, thereby mitigating cost structure disparities and promoting tariff parity between the two licensees.

***Commission's Ruling***

The EA, 2003 enjoins the Commission to maintain a healthy balance between the interest of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also kept in view the principles of tariff determination set out in Sections 61 and Section 62 of the EA, 2003, the Tariff Policy, 2016 and the MYT Regulations, 2024 and also taken into consideration AEML-D's submissions as well as the public responses in these MYT proceedings, while determining the category-wise tariffs for AEML-D.

**2.29 PF & LF CONSIDERATION**

TPC-D submitted that various Distribution Licensees have adopted different assumptions regarding key parameters such as power factor, load factor, and ToD contributions, which significantly impact revenue projections and tariff design. These differences in assumptions understate or overstate the contribution of "Other Charges" like Demand Charge and ToD Charge, leading to distortion in the proposed Energy Charge in Tariff.

Further, TPC-D submitted that such parameters like power factor, load factor, and ToD response are exhibited by the consumer behaviour and consumer discipline and are not likely to be different for the various Distribution Licensees, particularly in Mumbai.

Therefore, TPC-D requested the Commission to consider the same parameters across Mumbai for the purpose of projection of Revenue and design and fixation of Tariff.

***AEML-D's Response***

AEML-D submitted that PF and LF are estimated based on the historical trends observed and there are no assumptions involved, except to the extent of considering that historical trends would continue. It is incorrect to state that the consumer behaviour and consumer discipline are not likely to be different for various Distribution Licensees, particularly in Mumbai.

With demand over-estimation, the revenue from demand charges increases artificially, which suppresses the energy charges and since, the Commission keeps uniform Demand Charges between AEML-D and TPC-D, the competition is limited to Energy Charges. Therefore, to have fair competition, Billed Demand forecast needs to be fair, representative and reflecting the past actuals. Therefore, the Commission is requested to ensure that, in the revenue model of the tariff, billed demand of different categories for both licensees is considered fairly.

***Commission's Ruling***

The Commission has considered the PF and LF as submitted by the Licensees duly modified, after due prudence check of the assumptions, for the purposes of revenue computation.

### **2.30 TARIFF PROPOSAL FOR HT AND LT**

TPC-D submitted that AEML-D's proposed tariff structure favours HT consumers by reducing their tariffs at the cost of higher tariffs for LT consumers, especially in the residential category. TPC-D further requested the Commission to ensure a just and equitable tariff structure that does not disproportionately benefit one consumer segment at the expense of others.

#### ***AEML-D's Response***

AEML-D submitted that its tariff proposal aligns with the MYT Regulations, 2024 and are designed to gradually reduce cross-subsidies. The tariff design considers multiple parameters, including voltage-wise guidelines for determination of wheeling charges, expected fixed cost recovery, CSS, RCoS and cross-subsidy trajectory.

The intent is to bring all consumer categories closer to 100% cost of supply (Retail ACoS) over time, as mandated by the Electricity Act. AEML-D justified its proposed tariff trajectory by presenting cross-subsidy percentages for different consumer categories, demonstrating that all categories are moving toward cost reflectivity.

#### ***Commission's Ruling***

The Commission is of the view that the tariff structures differ among licensees due to differences in cost structures, consumer mix, and operational efficiencies. Accordingly, while uniformity in tariffs may not be entirely achievable, the Commission has considered the concerns raised and has adopted a tariff determination approach in accordance with the provisions of the Act and the MYT Regulations to ensure fair cost recovery and appropriate consumption signals. Accordingly, the detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order which covers the issues raised by the Stakeholders.

### **2.31 FAC RECOVERY PROJECTIONS**

TPC-D submitted that AEML-D has estimated FAC revenue of Rs. 1,215.45 Crore for FY 2024-25. The Commission has passed Orders in FY 2024-25 allowing AEML-D to recover FAC from consumers till March 2025. Therefore, the Commission should consider the actual/estimated FAC recovery for FY 2024-25 based on the billing carried till February 2025 and accordingly work out the Gap / (Surplus).

#### ***AEML-D's Response***

AEML-D submitted that its FAC projections adhere to MYT Regulations, 2024 and align with methodologies employed by other licensees, including TPC-D, which has also submitted the provisional actuals for FY 2024-25, considering H1 actuals and estimates for H2.

The approved FAC rates for recovery till March 2025 are available from the Commission's FAC approval Orders. These approved rates can be applied on the estimated Sales till March 2025 to compute the FAC revenue for the purpose of provisional true-up for FY 2025-26.

### ***Commission's Ruling***

The Commission has considered the provisional actuals for FY 2024-25, considering H1 actuals and estimates for H2. The Commission has considered approved FAC rates for recovery till March 2025 and estimated sales of H2 of FY 2024-25, as elaborated in Chapter 4 of this Order.

## **2.32 TARIFF TRAJECTORY DIFFERENCES**

TPC-D submitted that AEML-D has proposed an initial reduction in tariff followed by an increase. Further, BEST has projected a continuous increase in tariffs. TPC-D requested the Commission to implement a more uniform tariff trajectory to provide predictability for consumers.

### ***AEML-D's Response***

AEML-D submitted that variations in tariff trajectories arise due to differences in revenue recovery periods and truing-up requirements. While TPC-D has a truing-up period covering only FY 2023-24, AEML-D's MYT Petition includes adjustments for both FY 2022-23 and FY 2023-24, leading to different revenue recovery patterns. Further, it is submitted that BEST has also proposed a similar trajectory, with an initial tariff reduction followed by a gradual increase. Finally, AEML-D submitted that the Commission's approach in the past Tariff Orders has been to maintain a fairly constant average tariffs for each year, to ensure tariff stability and predictability to the consumers. The same approach will be followed this time as well.

### ***Commission's Ruling***

The Commission is of the view that the tariff structures differ among licensees due to differences in cost structures, consumer mix, and operational efficiencies. Accordingly, while uniformity in tariffs may not be entirely achievable, the Commission has considered the concerns raised and has adopted a tariff determination approach in accordance with the provisions of the Act and the MYT Regulations to ensure fair cost recovery and appropriate consumption signals. Accordingly, the detailed Tariff Philosophy adopted by the Commission for determining the tariff has been detailed in Section 6 of this Order which covers the issues raised by the Stakeholders.



### **2.33 REFUND OF CONSUMER SECURITY DEPOSIT AND THEFT OF ELECTRICITY METER BY AEML-D**

Mr. Sanjay Kotwani submitted that AEML-D consistently fails to refund the security deposit amounts upon the sale of a customer's property. Furthermore, the objector alleged that AEML-D confiscated his electricity meter during the lockdown period and did not return it.

#### ***AEML-D's Response***

AEML-D submitted that the present Petition pertains to the tariff determination process as per the provisions of the MYT Regulations, 2024 and the issues raised by the objector are not germane to the present proceedings. However, concerned team will coordinate with the objector for investigation of the issue and further necessary action, as may be required.

#### ***Commission's Ruling***

The issue does not pertain to the subject matter of the truing up and MYT Petition submitted by AEML-D.

### **2.34 DELAY IN BILL GENERATION**

Mr. Mahaveer Kumar Jain submitted AEML-D has not provided information detailing a summary of category-wise billing days, suggesting that this omission is intentional to conceal delays. Therefore, requested the Commission to issue directions to AEML-D to provide summary information pertaining to bill generation, including consumer category-wise bill amount and average billing days, for the period from FY 2015-16 to FY 2023-24 to understand AEML-D's progress in this matter.

#### ***AEML-D's Response***

AEML-D submitted that electricity bills are generated within two days of meter reading and these bills are delivered via SMS, email, or hard copy on the same day of generation. Furthermore, it is submitted that the time taken for bill generation subsequent to availability of meter reading does not depend upon consumer category.

Additionally, AEML-D submitted that the data presented in its MYT Petition conforms to the data requirement formats stipulated by the Commission.

#### ***Commission's Ruling***

The Commission has noted the objection raised and the reply submitted by AEML-D.

### **2.35 USE OF PROPERTY / RESOURCES BY OTHER DIVISIONS AND GROUP COMPANIES**

Mr. Mahaveer Kumar Jain submitted that assets of AEML-D are being used by other Group Companies, which are not directly related to AEML-D's business. He submitted that fixed assets purchased and added to the asset base are eligible for return on equity. However, if these assets are not being primarily utilized since the date of purchase, then it is necessary that the interest, dividend, and return on equity previously allowed should be disallowed. Additionally, he submitted that the revenue expenses allowed thus far should also be disallowed, to prevent the DISCOM from operating at the expense of the public when the asset is primarily used by other divisions and/or group companies. To identify such instances, the objector submitted that it is essential to provide details of all transactions between other Group Companies and AEML-D. He stated that this information would enable a correct and true understanding of whether AEML-D has created assets at the public's cost for the benefit of ineligible parties.

Further, the objector submitted that, the Commission in its Order in Case No. 69 of 2018 has directed AEML-D to disclose details pertaining to the use of AEML-D property by other divisions and Group companies, if any. The Commission has also directed AEML-D to submit the details such as the type of arrangement, sharing of expense, and rental income. However, AEML-D has not provided the details sought by the Commission, which constitutes a violation of the Commission's directives. Furthermore, the objector submitted that AEML-D should disclose the details of the properties to ensure that AEML-D properties are not being used by anyone else.

#### ***AEML-D's Response***

AEML-D submitted that AEML currently holds only the regulated businesses of Mumbai Transmission and Mumbai Distribution. For the true-up years in question, however, AEML also had its generation function – ADTPS – within it. There are no other companies / businesses within AEML. Further, AEML-D provides annual audited accounting statement formats, certified by the Statutory Auditor showing its expenses, assets and liabilities, duly segregated between its Generation, Transmission and Distribution businesses and its reconciliation with the financial accounts of the Company. It is categorically submitted that none of the assets created within AEML-D and claimed in ARR are being used by any Group Company / related parties.

Further, AEML-D submitted that in future, if AEML-D intends to utilise its properties to make more optimal use of it, it shall be within the framework of optimum utilisation of assets as allowed under Section 51 of the Electricity Act and any income from the same shall be passed on to the consumers in the proportion as prescribed by the Commission in the Tariff Regulations.

Additionally, AEML-D submitted that the Order referred by the objector, i.e., Case No. 69 of 2018 pertains to TPC-D and not AEML-D, as stated by the objector. Therefore, there is no compliance required on behalf of AEML-D. In any case, AEML-D has submitted that none of AEML-D properties, resources, facilities or assets are used by group company and all financial details as required by the MYT process and also as may be separately required by the Commission are provided by AEML-D.

### ***Commission's Ruling***

The Commission has considered Income from Other Business, based on the revenue earned by AEML-D against utilisation of AEML-D's assets by other entities. Such Income from Other Business is duly deducted, while determining the ARR of AEML-D.

## **2.36 USE OF SOLAR POWER GENERATION FOR ALL OFFICES OF AEML-D AND REDUCE THE COST OF OPERATION**

Mr. Mahaveer Kumar Jain requested the Commission to issue directions to AEML-D to implement solar power generation for each of their offices. The objector submitted that this measure would lead to significant long-term cost reductions, thereby serving the greater public interest.

### ***AEML-D's Response***

AEML-D submitted that energy audits of AEML premises are carried out on a regular basis, and energy efficient measures are being implemented.

Further, AEML-D submitted that currently, seven offices of AEML-D, including its main office in Borivali (W) have installed rooftop solar panels with a total capacity of 167 kWp. The number of installations will be increased in the future, subject to feasibility.

### ***Commission's Ruling***

The Commission has noted AEML-D's submission. The Commission has issued directives to AEML-D to reduce its self-consumption.

## **2.37 AVERAGE BALANCE IN CURRENT BANK ACCOUNT**

Mr. Mahaveer Kumar Jain requested the Commission to direct AEML-D to provide CA Certificate for each of the financial years under review to show average current account balance as this information is necessary to assess the quality of AEML-D's financial management.

### ***AEML-D's Response***

AEML-D has submitted that the Company invests the money collected in its current account

on a daily basis. However, different investment instruments have cut off-times – 1 PM for Mutual Funds, 3 PM for FD, etc. Any money collected after the said time, is invested the next day in the investment instruments. Further, payments are made by consumers through different online avenues – Paytm, GPAY, etc. which have their different settlement times and hence by the time these payments are settled by the payment gateways, cut off times for investment gets over, thereby leaving the balance in the Current Account. Therefore, the daily balance of current account will always have some balance, uninvested amount, due to the above reasons.

### ***Commission's Ruling***

The Commission is of the view that the issue raised amounts to micro-management, and as the Accounts are duly audited by the Chartered Accountant as well as the Cost Auditor, this issue can be considered as duly addressed.

## **2.38 REDUCTION IN TIME FOR PROCESSING OF ONLINE REQUEST**

Mr. Mahaveer Jain submitted that that the option to submit online should be optional and if someone is not able to submit data online, hardcopy should also be processed within such reduced time.

### ***AEML-D's Response***

AEML-D submitted that, in accordance with the Supply Code Regulations, 2021, all applications in the urban areas are required to be submitted through online portal only. AEML-D has made necessary arrangements for adhering to the afore-said Regulation. All applications are submitted online, and no grievances have been received from customers regarding this process. Further, AEML-D, in the present MYT Petition, has also proposed a nominal charge, as part of 'Schedule of charges', to assist consumers who lack online access in filing their applications.

### ***Commission's Ruling***

The Commission notes AEML-D submission.

## **2.39 PAST UNITS AND BILL AMOUNT DETAILS**

Mr. Mahaveer Kumar Jain submitted that the Forum of Regulators mandated in July 2015 that past consumption / payment details for the last 6 months be provided. TPC-D provides details of past 15 bills, which helps in understanding consumption trends. Similarly, the objector submitted that MSEDCL provides past 12-month units, Billing Demand, Bill amount, and BEST provides units and charges.

Therefore, the objector requested the Commission to direct AEML-D to provide past 12 months units, MD, PF, and monthly bills.

***AEML-D's Response***

AEML-D has submitted that it has been providing the requisite information in the bill, as required by the provisions of the Supply Code Regulations, 2021. Furthermore, it is submitted that the consumption trend for the past 12 months is already included as part of the bill.

***Commission's Ruling***

The Commission notes that AEML-D is complying with the provisions of the Supply Code Regulations, 2021 in this regard.

**2.40 FAILURE TO SHOW kVAh IN THE BILLS**

Mr. Mahaveer Kumar Jain requested the Commission to direct AEML-D to include kVAh data in the bills so that it would enable consumers to understand the impact of lagging and leading kVArh.

***AEML-D's Response***

AEML-D submitted that, for consumers under kVAh billing, kVAh consumption details are provided in the bill, including the past 12-month consumption trend. However, for consumers under kWh billing, consumption in kWh only is presently displayed in the bills. Going forward, AEML-D has proposed to introduce kVAh billing for LT consumers also, with load greater than 20 kW. Hence, all such consumers' bills also will include energy consumption data in kVAh.

***Commission's Ruling***

The Commission has noted the suggestion and the response of AEML-D. Furthermore, the Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order, wherein kVAh tariffs have been introduced for all LT categories having Sanctioned Load above 20 kW, and the consumption will be recorded in the bill of such consumers.

**2.41 PROMPT PAYMENT DISCOUNT ON POWER PURCHASE**

Mr. Mahaveer Kumar Jain submitted that AEML-D should provide the details of prompt payment discount on power purchase.

***AEML-D's Response***

AEML-D submitted that, if the Financial Model provided as part of the MYT Petition is

perused, it can be seen that the prompt payment rebate on power purchase is 100% passed on to the consumers in the ARR as part of Non-Tariff income. The details thereof are available in Form F9 of the Financial Model.

### ***Commission's Ruling***

The Commission has noted the Objection and the response of AEML-D.

## **2.42 STATUS OF CGRF & OMBUDSMAN ORDER COMPLIANCE**

Mr. Mahaveer Jain submitted that AEML-D should submit the details of compliance with CGRF & Ombudsman Orders within the due date for FY 2022-23, FY 2023-24, and FY 2024-25.

### ***AEML-D's Response***

AEML-D submitted that the present Petition pertains to the Tariff determination process as per the provisions of the MYT Regulations, 2024, and the status sought by the objector are not germane to the present proceedings.

However, AEML-D submitted that the objector could access the following website <https://www.adanielectricity.com/cgrf> of AEML to obtain the requisite information on the Orders pertaining to CGRF.

Furthermore, AEML-D submitted that the objector could access the following website <http://www.mercombudsman.org.in/> to obtain requisite information on the Orders pertaining to Ombudsman.

### ***Commission's Ruling***

The issue raised by the objector does not pertain to the scope of the true-up and MYT Petition filed by AEML-D.

## **2.43 STATUS OF COMPLIANCE WITH SUPPLY CODE REGULATIONS, 2021 IN RESPECT OF POWER QUALITY**

Mr. Mahaveer Kumar Jain submitted that AEML-D should submit the details of compliance with MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, regarding Power Quality Meters.

### ***AEML-D's Response***

AEML-D submitted that it has initiated the installation of the PQ meters, and the entire process will be completed in the ensuing 4 to 5 months.

***Commission's Ruling***

The Commission has taken a serious view on this and has given certain directives in this regard, as elaborated in Chapter 8 of this Order.

**2.44 GRID SUPPORT CHARGES ON SOLAR CONSUMPTION**

Mr. Mahaveer Kumar Jain submitted that MSEDCL has proposed to levy Grid Support Charges on consumers who have installed solar panels, based on the units generated from rooftop solar. The objector asserted that parity must be maintained by AEML-D as well, in compliance with MERC Grid Interactive Rooftop Renewable Energy Generating System Regulations, 2019 and amendments thereon.

***AEML-D's Response***

AEML-D submitted that it has not proposed any Grid Support Charges.

***Commission's Ruling***

The Commission has not considered any Grid Support Charges for AEML-D, as the same is optional, and has to be proposed by the Licensee, with necessary justification.

**2.45 RECOVERY OF DEMAND CHARGES INSTEAD OF FIXED CHARGES FOR SERVICE CATEGORY**

Mr. Mahaveer Kumar Jain submitted that AEML-D's proposal of fixed charges for Public Service category, as opposed to MSEDCL's demand charges for similar consumers with loads above 20 kW, results in loss of revenue and discriminatory power usage. The objector questioned the disparity, especially considering the Commission's implementation of ToD charges to manage consumption. The objector submitted that demand charges should be considered so that all the establishments are bound to follow the load control as well.

***AEML-D's Response***

AEML-D submitted that it is a tariff design issue and tariff approval is the prerogative of the Commission.

***Commission's Ruling***

The Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order.

## **2.46 TARIFF CHARGED TO PUBLIC TOILET BLOCKS**

Shri Dattaguru Mahila Mandal, Chembur Saksham Mahila Foundation, Blue Moon Eleven Mahila Mandal, Ektha Sahayogitha Mahila Mandal, Padma Nagar Social Workers Group, Awami Educational Welfare Association, Santh Niramkari Ektha Vikas Society, Vasti Vikas Welfare Society, Aman Welfare Society, Alkar Foundation, King's Welfare Association, Surbhi Seva Samstha, Nav Jagriti Samajik Seva Prathisthan, and Janaseva Mitra Mandal submitted that public toilets in the slum areas are being charged at commercial rates, despite being essential services. Therefore, they requested the Commission to re-categorize the tariff applied to public toilets to align with the residential category.

Right to Pee Campaign Mumbai and Transforming M Ward Project (a field action project of TISS) submitted that public toilets in the slum areas and other locations are being charged at commercial rates, despite being categorised under essential services.

It is submitted that the high cost of electricity bills, approximately Rs. 5000 – 6000 per month per toilet, has led to disconnections, making these toilets unsafe.

Transforming M Ward Project submitted that these public toilets provide daily service to slum dwellers who are deprived of private toilets due to small houses and lack of financial resources. If these families could afford to have their own toilets in their houses, then they would not be charged commercial tariffs. In this regard, the public toilets should be considered as an extension of the household services and hence, should not be charged electricity tariff based on commercial basis.

Furthermore, it is submitted that the Madhya Pradesh Electricity Regulatory Commission (MPERC) has set an important precedent by classifying public toilets under the “Public utility” category (LV-3) alongside public water works, sewage treatment plants, street lighting and electric crematoriums. This ensures that public toilets are not charged under commercial tariffs but instead benefit from lower electricity rates, similar to essential civic infrastructure. The tariff structure for Municipal Corporations, Nagar Panchayats, and Gram Panchayats under this category applies a significantly reduced energy charge of Rs. 555–583 paise per unit, alongside lower fixed charges.

This approach recognizes public toilets as essential public services rather than revenue-generating entities, a principle that should be adopted in other states, including Maharashtra. If implemented in Mumbai, this model would relieve Community-Based Organizations (CBOs) from high commercial electricity tariffs, ensuring that public sanitation remains accessible, well-maintained, and financially viable. By reducing the cost burden, CBOs could reinvest



savings into improving hygiene standards, repairing facilities, and expanding services, ultimately benefiting millions of urban poor who rely on these facilities.

Therefore, the Right to Pee Campaign Mumbai and Transforming M Ward Project (a field action project of TISS) have requested the Commission to develop a mechanism that will provide a substantial reduction in the tariff for the public toilets in slums of Mumbai, developed by MCGM and operated by Community based Organisations (CBOs) by:

- a. Applying a tariff similar to MSEDCL's Public Water Works (PWW)(A) (0-20 kW) category, which offers a 51% reduction compared to commercial tariffs.
- b. Applying AEML-D's residential tariff, but only after allowing bifurcation or splitting of meters in the public toilet blocks to enable benefits of the lower block (0-100 units) in the increasing block tariff of residential category. This will ensure that the slum dwellers using the common toilet block are charged similarly to how they would be charged if the toilet was in their own home.
- c. Applying public service tariff as proposed by AEML-D, but with additional benefits like rebates or discounts, to match the benefits accorded to MSEDCL's public service category, where the difference between commercial and public service tariffs is about 62%. As the public toilets in slums are government owned, this proposal will align with the benefits given to government public services elsewhere in Maharashtra.

#### ***AEML-D's Response***

AEML-D submitted that it charges the tariff as per the approved tariff schedule. AEML-D clarified that public toilets are currently categorized under the 'Public Service' category and are charged accordingly. Furthermore, AEML-D submitted that Consumer Categorization / Re-Categorization and tariff approval is the prerogative of the Commission.

#### ***Commission's Ruling***

It is clarified that public toilets are currently categorised under the 'Public Service' category under the heading 'Public Sanitary Conveniences' and are not categorised under Commercial category, as contended by the stakeholders. The energy charges of the Public Service category is higher than the tariff for industrial category and lower than the tariff of the commercial category, while the Fixed Charges are recovered on per connection basis rather than on the basis of Sanctioned Load, thereby reducing the burden of fixed charges on the consumers of the Public Service category.

## **2.47 REGULATIONS FOR MANDATORY SALE AND USE OF ENERGY EFFICIENT APPLIANCES**

Mr. Ulhas Chaudhari submitted that to conserve electricity and promote its efficient use by consumers, the Commission has not developed and implemented stringent Regulations for the

mandatory use and sale of energy-efficient appliances. Consequently, this lack of Regulations is resulting in the loss of approximately 70% in potential electricity savings. Therefore, the Commission should not finalize any tariff without establishing the Regulations and addressing difficulties and objections.

### ***AEML-D's Response***

AEML-D submitted that the Commission has notified the Demand Side Management Implementation Framework Regulations in 2010 and has amended the said Regulation subsequently in 2024. Under the said Regulation, AEML-D has undertaken DSM Programs such as:

- a. Program on 5 Star Refrigerator (Pilot)
- b. Large Scale Program on 5 Star Ceiling Fans
- c. Program on 5 Star Split AC for Commercial & Industrial consumers (Pilot)
- d. Program on 5 Star Split AC for Residential (Pilot)
- e. Program on distribution of 7W LED bulb under DELP
- f. Program on distribution of 9W LED bulb & 20W Tube light under UJALA
- g. Energy Audits scheme by in house teams
- h. Energy Conservation Awareness Program under Urja Samvardhan

### ***Commission's Ruling***

The Commission has recently issued "MERC - (Demand Flexibility and Demand Side Management – Implementation Framework, Cost-effectiveness Assessment; and Evaluation, Measurement and Verification) Regulations, 2024" pertaining to conserve electricity and promote its efficient use by consumers, for the mandatory use and sale of energy-efficient appliances.

## **2.48 THIRTY UNITS OF FREE ELECTRICITY TO ALL CONSUMERS IN BPL CATEGORY**

Mr. Ulhas Chaudhari submitted that thirty units of free electricity should be provided to all electricity consumers under BPL category. The objector submitted that, similar to other essential services like roads, health, and education being accessible, this provision is necessary to alleviate the burden of inflation.

To implement this, it should be mandatory for these consumers to add their and their family's PAN Card to the electricity bill, and that their data should be maintained on web portal. This would enable utilities to directly verify their income and enforce compliance.

### ***AEML-D's Response***

AEML-D submitted that the tariff for BPL category under LT-Residential is decided based on

the consumption recorded in the meter as per the applicability provided in the approved Tariff Schedule and no income criteria is applied.

Further, AEML-D submitted that it collects the documents as are required and mandated under the Supply Code Regulations.

### ***Commission's Ruling***

The Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order.

## **2.49 ADOPTION OF NON-TELESCOPIC TARIFF**

Mr. Ulhas Chaudhari submitted that BPL tariff should remain for the initial 100 units, with the subsequent tariff slab applied at 150 units. Consumption exceeding this limit should incur the next tariff slab, rather than the discounted 100-unit tariff.

### ***AEML-D's Response***

AEML-D submitted that consumption of a consumer varies and is dependent on various factors such as holidays, festivals, seasonal changes, usage of power for non-routine activity, etc. Denying consumers the benefits of lower slabs would lead to increased electricity bills. Consumers whose consumption marginally exceeds a lower slab will get hit by significantly higher tariffs for their total consumption.

### ***Commission's Ruling***

The Tariff Philosophy adopted by the Commission and the category-wise and slab-wise Tariffs approved by the Commission for FY 2025-26 to FY 2029-30 are elaborated in Chapter 6 of this Order.

## **2.50 ISSUES RELATED TO AGRICULTURE CATEGORY**

Mr. Ulhas Chaudhari submitted that, since the Commission has not provided specific directives for agricultural electricity consumption, the resulting high demand, consumption, and bill arrears should be noted. Further, solar pump installations (up to 7.5 horsepower) should be mandatory where ponds and networks exist, allowing farmers to generate and export solar electricity for additional income. Smart Meters should be mandatory for these installations, but not for other agricultural electricity pumps. To prevent misuse, all solar-connected pumps should be visible on a mapping web through the Digital India scheme.

Mr. Ulhas Chaudhari submitted that utilities should be mandated to purchase solar power from solar farms where farming is done under the panels, provided the panel height is at least three feet. It is submitted that power purchase agreements from outside States should be allowed for a five-year extension and be convertible to intra-State agreements when power production begins within the State, aligning with Renewable Purchase Obligation (RPO). Additionally, Mr. Ulhas Chaudhari submitted that battery-stored electricity should not be brought from outside through the transmission system but should be embedded in the distribution system, mandating all 2 MW solar plants in the Kusum scheme by distribution companies. He also submitted that all electricity, including that based on hydrogen, gas, or other sources, should be distributed through the distribution network, and rules should be formulated to ensure immediate connection availability. To legally promote these matters, the Commission should take the initiative to promptly prepare a draft and make it mandatory with stakeholder consent.

Mr. Ulhas Chaudhari submitted that, when purchasing electricity from sugar factories, only those factories that have implemented drip irrigation schemes in their sugarcane-producing farms and have paid their electricity bills should be eligible. He stated that while the State Government intended to implement this Regulation for purchasing electricity from sugar factories, it is not being enforced or given sufficient attention, and this matter is being overlooked and should be incorporated into mandatory Regulation.

#### ***AEML-D's Response***

AEML-D submitted that it does not have many agricultural consumers connected to its network also do not include any farming land or sugar cane farming.

#### ***Commission's Ruling***

The suggestion is not relevant to AEML-D, as there is very miniscule agricultural consumption in AEML-D licence area.

### **2.51 AMENDMENTS TO ELECTRICITY SUPPLY CODE REGULATIONS**

Mr. Ulhas Chaudhari submitted that by amending Electricity Supply Code Regulations, rooftop solar use should be restricted for domestic AC units and limited to 10% of load capacity in commercial settings and audits required for industrial use. The objector advocated for maximizing rooftop solar in societies, including battery backups for elevators, and ensuring green compliance for new buildings.

Further, the objector raised concerns about the impact of DCR-4 FSI on building density and energy usage, urging amendments to Regulation. The objector called for an integrated program, public awareness campaigns, and a shift away from direct rate-setting and political promises.

Finally, the objector requested the Commission to issue directives to utilities to promote eco-friendly economy.

### ***AEML-D's Response***

AEML-D submitted that it is promoting energy efficiency in its area of supply. The consumers using Air Conditioners pay as per the consumption recorded in the meter and the applicability of the tariff and tariff slab as per the approved tariff schedule. All the solar installations are allowed to be commissioned only after testing and obtaining the certificates as specified under the technical documents. AEML-D is also promoting installation of rooftop solar by visiting the Co-operative Housing Societies.

### ***Commission's Ruling***

The issue raised by the objector does not pertain to the current proceedings on the true-up and MYT Petition filed by AEML-D.

## **2.52 Error in Public Notice published by AEML-D**

Mr. Subash Gopal Devkar submitted that Public Notice issued by AEML-D incorrectly states the energy charges for FY 2024-25 as ₹6.50 per unit for residential single-phase LT-1 (101-300 units), while proposing revised rates for the following years:

- ₹5.95 per unit for FY 2025-2026 (decrease of 8%)
- ₹6.55 per unit for FY 2026-2027 (increase of 10%)
- ₹7.00 per unit for FY 2027-2028 (increase of 7%)
- ₹6.85 per unit for FY 2028-2029 (decrease)
- ₹7.10 per unit for FY 2029-2030 (increase of 4%)

However, as per the Commission's Order in Case No. 231 of 2022 dated 31.03.2023, the approved energy charges for FY 2024-2025 were fixed at ₹5.40 per unit. The same rate is reflected in the current electricity bills issued by AEML-D. This misrepresentation creates a false impression of a reduction in energy charges for FY 2025-26, when in fact, the actual rate for FY 2024-2025 is lower than what has been published.

### ***AEML-D's Response***

AEML-D has not submitted any response.

### ***Commission's Ruling***

The Commission clarifies that there is no error in the Public Notice, as the energy charges mentioned as existing Energy Charges are including the FAC applicable for FY 2024-25.

### 3 TRUING UP FOR FY 2022-23 and FY 2023-24

AEML-D submitted that it has filed the Petition for final truing up of expenditure and revenue for FY 2022-23 and FY 2023-24 based on actual and audited costs and revenue, vis-à-vis the amounts approved by the Commission in the MTR Order dated 31 March 2023 in Case No. 231 of 2022 and provided the justification for the deviations.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of AEML-D for FY 2022-23 and FY 2023-24 and has approved the truing up of expenses and revenue after prudence check and based on the provided audited statements/documents.

#### 3.1 SALES FOR FY 2022-23 and FY 2023-24

##### *AEML-D's Submission*

AEML-D has submitted the category-wise breakup of actual sales in FY 2022-23 and FY 2023-24 in its Petition. It has submitted the sales of HT category in kVAh also from FY 2022-23 onwards as the Commission in last MYT Order has allowed levy of kVAh based tariff to HT consumers.

AEML-D submitted the category-wise comparison of own and change-over sales with that approved in the MTR Order as shown in the Table below:

**Table 3-1: Own sales and Change-over sales for FY 2022-23 as submitted by AEML-D (MU)**

Particulars	Own Sales		Changeover Sales	
	MTR Order	Actual	MTR Order	Actual
<b>LT Category</b>				
LT I - Below Poverty Line	0.01	0.003		
<b>LT -I Residential (Single Phase)</b>				
0-100	1,828.38	1,666.03		574.98
101-300	1,262.91	1,135.93		543.84
301-500	202.49	203.01		128.04
500 and above	65.53	73.49		74.19
<b>LT -I Residential (Three Phase)</b>				
0-100	317.21	306.02		
101-300	461.85	449.71		
301-500	230.15	232.58		
500 and above	429.58	475.70		
LT II (a) - 0-20 kW	2,057.93	1,727.88		67.77
LT II (b) - 20-50 kW	248.39	213.69		11.56

Particulars	Own Sales		Changeover Sales	
	MTR Order	Actual	MTR Order	Actual
LT II (c) - above 50 kW	614.68	585.00		14.08
LT III (a) - LT Industrial up to 20 kW	331.79	320.00		13.55
LT III (b) - LT Industrial above 20 kW	394.98	369.40		6.45
LT IV (A): Public Services - Govt. EI & Hospitals	39.67	27.78		2.23
LT IV (B): Public Services - Others	191.98	178.64		2.38
LT V: EV Charging Stations	1.31	0.66		-
LT VI (A): Agriculture - Pumpsets	0.05	0.09		-
LT VI (B): Agriculture - Others	0.39	0.35		
<b>Total LT</b>	<b>8,679.27</b>	<b>7,965.97</b>	<b>1,463.32</b>	<b>1,439.07</b>
<b>11 kV Category</b>				
HT I: HT-Industry	515.26	358.60	-	-
HTII: HT- Commercial	406.46	434.20	-	0.21
HT III: HT-Group Housing Society	11.16	12.36	-	-
HT IV: Railways, Metro and Monorail	11.76	12.88	-	-
HT V (a): Public Services - Govt. EI & Hospitals	6.23	6.31	-	-
HT V (b): Public Service - Others	245.79	240.60	-	-
HT VI: EV Charging Stations	70.00	-	-	-
<b>Total HT</b>	<b>1,266.66</b>	<b>1,064.96</b>	<b>0.23</b>	<b>0.21</b>
<b>EHT Category</b>				
EHT IV: Railways, Metro and Monorail	30.00	26.87		
<b>Total</b>	<b>9,975.93</b>	<b>9,057.80</b>	<b>1,463.55</b>	<b>1,439.29</b>

**Table 3-2 : Own sales and Change-over sales for FY 2023-24 as submitted by AEML-D (MU)**

Particulars	Own Sales		Changeover Sales	
	MTR Order	Actual	MTR Order	Actual
<b>LT Category</b>				
LT I - Below Poverty Line	0.01	0.003		
<b>LT -I Residential (Single Phase)</b>				
0-100	1,935.04	1,724.97	451.98	486.67
101-300	1,258.49	1,256.80	425.96	432.80
301-500	209.65	239.97	82.69	79.00
500 and above	67.43	85.92	22.47	21.04
<b>LT -I Residential (Three Phase)</b>				
0-100	321.85	324.17	87.84	85.06
101-300	464.95	485.92	133.38	125.95
301-500	232.20	259.49	66.93	59.35
500 and above	407.38	542.79	71.62	57.88
LT II (a) - 0-20 kW	2,273.60	1,847.17	71.68	66.68
LT II (b) - 20-50 kW	277.95	234.65	12.86	9.75

Particulars	Own Sales		Changeover Sales	
	MTR Order	Actual	MTR Order	Actual
LT II (c) - above 50 kW	693.85	658.11	16.44	11.81
LT III (a) - LT Industrial up to 20 kW	391.95	329.78	14.65	12.48
LT III (b) - LT Industrial above 20 kW	446.52	368.68	7.83	4.48
LT IV (A): Public Services - Govt. EI & Hospitals	44.66	29.71	1.51	1.78
LT IV (B): Public Services - Others	215.84	203.16	1.48	3.04
LT V: EV Charging Stations	3.73	5.70	-	-
LT VI (A): Agriculture - Pumpsets	0.05	0.09	-	-
LT VI (B): Agriculture - Others	0.39	0.26		
<b>Total LT</b>	<b>9,245.56</b>	<b>8,597.34</b>	<b>1,469.34</b>	<b>1,457.76</b>
<b>11 kV Category</b>				
HT I: HT-Industry	614.12	456.67	-	-
HTII: HT- Commercial	426.79	482.33	0.23	0.24
HT III: HT-Group Housing Society	10.96	14.01	-	-
HT IV: Railways, Metro and Monorail		2.70	-	-
HT V (a): Public Services - Govt. EI & Hospitals	11.46	5.50	-	-
HT V (b): Public Service - Others	306.62	254.78	-	1.49
HT VI: EV Charging Stations	70.00	-	-	-
<b>Total HT</b>	<b>1,439.95</b>	<b>1,215.98</b>	<b>0.23</b>	<b>1.74</b>
<b>EHT Category</b>				
EHT I: Industry	180.00	-		
EHT IV: Railways, Metro and Monorail	120.00	49.86		
<b>Sub-total</b>	<b>300.00</b>	<b>49.86</b>		
<b>Total</b>	<b>10,985.51</b>	<b>9,863.18</b>	<b>1,469.56</b>	<b>1,459.49</b>

AEML-D submitted that there has been a significant reduction in actual own sales vs. MTR Order approved sales due to the fact that the growth rates considered by AEML-D in its Petition and by the Commission in the MTR Order anticipated a significant bounce-back in energy consumption following the end of COVID but the same has not materialised as envisaged.

The energy assessed during FY 2022-23 and FY 2023-24 in cases of theft and pilferage, for AEML-D's own consumers, is 25.19 MU and 9.96 MU, respectively. In accordance with the Judgment of the Hon'ble APTEL in Appeal No. 85 of 2012, AEML-D has included the assessed sales in the actual sales to own consumers in respective years. However, revenue from such assessment is included in Non-Tariff Income, instead of sales revenue in accordance with the direction of the Commission in its Order in Case No. 126 of 2011. AEML-D requested the Commission to approve the actual sales for FY 2022-23 and FY 2023-24 as presented above.

### ***Commission's Analysis and Ruling***

The Commission has compared the change-over sales data for FY 2022-23 and FY 2023-24 submitted by AEML-D and the Tata Power Company Ltd. - Distribution Business (TPC-D).



TPC-D's change-over sales figures does not tally with AEML-D's sale figures for FY 2022-23 and FY 2023-24. The Commission had sought clarification from both AEML-D and TPC-D in this regard.

In its reply, AEML-D submitted that it does not have the category-wise change-over sales reported by TPC-D. However, as a general practice, TPC-D always submits the grossed-up changeover sales in its Petitions because TPC-D bills change-over consumers on grossed up units (energy recorded in meter, grossed up applicable wheeling losses) and not metered units, whereas AEML-D reports change-over sales as per metered units. Further, AEML-D has submitted in its reply the changeover sales, grossed up by approved wheeling losses for FY 2022-23 as 1538.18 MU and 1559.70 MU for FY 2023-24.

TPC-D has submitted that the changeover sales are yet to be reconciled with AEML-D. The Commission has approved the actual sales to own consumers and Changeover Sales for FY 2022-23 and FY 2023-24 as submitted by AEML-D. However, AEML-D and TPC-D should reconcile the values of changeover sales at the earliest. The Commission notes that sales as envisaged in the MTR Order has not been achieved. The sales approved by the Commission after truing up for FY 2022-23 and FY 2023-24 is summarised in the Table below:

**Table 3-3: Own Sales and Change-over Sales for FY 2022-23 as approved by the Commission (MU)**

Particulars	Own Sales			Changeover Sales		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Total LT	8,679.27	7,965.97	7,965.97	1,463.32	1,439.07	1,439.07
Total HT	1,266.66	1,064.96	1,064.96	0.23	0.21	0.21
Total EHT	30.00	26.87	26.87			
<b>Total</b>	<b>9,975.93</b>	<b>9,057.80</b>	<b>9,057.80</b>	<b>1,463.55</b>	<b>1,439.29</b>	<b>1,439.29</b>

**Table 3-4: Own Sales and Change-over Sales for FY 2023-24 as approved by the Commission (MU)**

Particulars	Own Sales			Changeover Sales		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Total LT	9,245.56	8,597.34	8,597.34	1,469.34	1,457.76	1,457.76
Total HT	1,439.95	1,215.98	1,215.98	0.23	1.74	1.74
Total EHT	300.00	49.86	49.86			
<b>Total</b>	<b>10,985.51</b>	<b>9,863.18</b>	<b>9,863.18</b>	<b>1,469.56</b>	<b>1,459.49</b>	<b>1,459.49</b>

### 3.2 OPEN ACCESS CONSUMPTION

#### *AEML-D's Submission*

AEML-D submitted the Open Access (OA) consumption in its licence area for FY 2022-23 and FY 2023-24, as shown in the Table below:

**Table 3-5: OA Consumption for FY 2022-23 and FY 2023-24 as submitted by AEML-D (MU)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	True-up Petition	MTR Order	True-up Petition
OA Consumption	292.80	320.74	272.93	288.37

#### *Commission's Analysis and Ruling*

The Commission notes that actual Open Access sales during FY 2022-23 and FY 2023-24 are higher than that approved in MTR Order. The Commission has approved the actual OA consumption in AEML-D's licence area for FY 2022-23 and FY 2023-24 as submitted by AEML-D in the Petition, as shown in the Table below:

**Table 3-6: Open Access Consumption for FY 2022-23 in AEML-D licence area as approved by the Commission (MU)**

Particulars	MTR Order	True-up Petition	Approved after truing up
OA Consumption	292.80	320.74	320.74

**Table 3-7: Open Access Consumption for FY 2023-24 in AEML-D licence area as approved by the Commission (MU)**

Particulars	MTR Order	True-up Petition	Approved after truing up
OA Consumption	272.93	288.37	288.37

### 3.3 CHANGEOVER SALES ON TPC-D NETWORK

#### *AEML-D's Submission*

AEML-D submitted that from October 2020 onwards, certain consumers have chosen to avail supply from AEML-D on TPC-D's network. For FY 2022-23 and FY 2023-24, such energy sales amounts to 1.90 MU and 3.41 MU, respectively, which is included in the actual energy sales shown above. However, the same is to be excluded from the own sales provided above for the purpose of AEML-D's network distribution loss. The break-up is shown in the Table below:

**Table 3-8: Changeover sales on TPC-D's network for FY 2022-23 and FY 2023-24 as submitted by AEML-D(MU)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	True-up Petition	MTR Order	True-up Petition
<b>LT Category</b>				
<b>LT I: Residential (Single Phase)</b>				
0-100		0.02		0.04
101-300		0.04		0.08
301-500		0.04		0.07
> 500		1.70		3.08
<b>LT II (A): Non-Residential or Commercial - 0-20 kW</b>		0.09		0.13
<b>Total</b>	<b>1.68</b>	<b>1.90</b>	<b>1.72</b>	<b>3.41</b>

***Commission's Analysis and Ruling***

The Commission notes that actual changeover sales by AEML-D on TPC-D's network during FY 2022-23 and FY 2023-24 is higher than that approved in MTR Order. The Commission has approved the actual changeover sales on TPC-D's network for FY 2022-23 and FY 2023-24, which is included in its own sales as submitted by AEML-D in the Petition. However, the same is excluded from the own sales provided above for the purpose of AEML-D's network distribution loss. The break-up of actual changeover sales on TPC-D's network is shown in the Table below:

**Table 3-9: Changeover sales on TPC-D's network for FY 2022-23 and FY 2023-24 as approved by the Commission (MU)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
<b>LT Category</b>						
<b>LT I: Residential (Single Phase)</b>						
0-100		0.02	0.02		0.04	0.04
101-300		0.04	0.04		0.08	0.08
301-500		0.04	0.04		0.07	0.07
> 500		1.70	1.70		3.08	3.08
<b>LT II (A): Non-Residential or Commercial - 0-20 kW</b>		0.09	0.09		0.13	0.13
<b>*Total</b>	<b>1.68</b>	<b>1.90</b>	<b>1.90</b>	<b>1.72</b>	<b>3.41</b>	<b>3.41</b>

*\*The quantum is already included in Own Sales; the above table is for representation purpose.*

### 3.4 DEMAND-SIDE MANAGEMENT (DSM) MEASURES

#### *AEML-D's Submission*

AEML-D submitted that it undertakes various DSM schemes for reduction of system demand and energy consumption after obtaining the Commission's approval. As to the estimated reduction in sales due to these schemes in FY 2022-23 and FY 2023-24, AEML-D clarified that the figures for own sales in MU are net of reduction through DSM measures. The total energy savings in FY 2022-23 and FY 2023-24 from DSM activities as shown in the Table below:

**Table 3-10: Energy Saving due to DSM Programmes as submitted by AEML-D (MU)**

Programme	Approval	Installed quantity in FY 2022-23	Installed quantity in FY 2023-24	Savings (MU) in FY 2022-23	Savings (MU) in FY 2023-24
Large Scale Refrigerator Program	MERC/tech-VI/DSM R Infra-D/00469 dated 5 August 2015	556	439	0.980	1.000
Large Scale Ceiling Fan Program	MERC/RE/DSM/R Infra D/2016-17/01839 dated 12 April 2017	203	341	0.230	0.280
Installation of Electric Vehicle AC Slow Chargers in Consumer Premises (electricity consumption shifted from peak to off-peak is considered for Energy Saved)	MERC/DSM/2022-23/0250	-	107	-	0.015
<b>Total</b>				<b>1.210</b>	<b>1.295</b>

#### *Commission's Analysis and Ruling*

The Commission has noted the efforts of AEML-D for saving of electricity consumption through Demand Side Management schemes. The sales quantum submitted by AEML-D and approved by the Commission for FY 2022-23 and FY 2023-24 in earlier part of this Order are inclusive of reduction in sales due to DSM activities.

### 3.5 DISTRIBUTION LOSSES AND ENERGY BALANCE

#### *AEML-D's Submission*

AEML-D's Distribution Loss in FY 2022-23 and FY 2023-24 was 5.89% and 5.45%, respectively, as against 6.44% provisionally approved by the Commission for FY 2022-23 and

6.80% for FY 2023-24 approved in the MTR Order in Case No. 231 of 2022. AEML-D submitted that it has thus, achieved a loss reduction of 1.16% and 1.35% in FY 2022-23 and FY 2023-24, respectively, over and above the target for the respective year, and is hence, entitled to claim efficiency gains for its efforts.

AEML-D submitted that the T<>D interface energy shown in the SLDC certificate is inclusive of the EHT sales. For the purpose of distribution loss as shown above, the energy input considered is excluding the EHT sales. Hence, the energy input as shown above and that provided in the certificate will be different to that extent.

The Energy Balance for FY 2022-23 and FY 2023-24 is shown in the Tables below, along with the Distribution Loss approved by the Commission in the MTR Order:

**Table 3-11: Distribution Loss for FY 2022-23 as submitted by AEML-D**

Particulars	MTR Order	Actuals
Own Sales (MU)		9,057.80
Less: EHT sales excluded for distribution loss		26.87
Less: AEML CO sales excluded for distribution loss		1.90
Net Own Sales (MU) for distribution loss		9,029.03
Changeover Sales (MU)		1,439.29
OA Consumption (MU)		320.74
Total Sales (MU)		10,789.05
<b>Distribution Loss (%)</b>		<b>5.89%</b>
Energy input at T-D excluding EHT (MU)	12,468.98	11,464.65

**Table 3-12: Distribution Loss for FY 2023-24 as submitted by AEML-D**

Particulars	MTR Order	Actuals
Own Sales (MU)		9,863.18
Less: EHT sales excluded for distribution loss		49.86
Less: AEML CO sales excluded for distribution loss		3.41
Net Own Sales (MU) for distribution loss		9,809.92
Changeover Sales (MU)		1,459.49
OA Consumption (MU)		288.37
Total Sales (MU)		11,557.78
<b>Distribution Loss (%)</b>		<b>5.45%</b>
Energy input at T-D excluding EHT (MU)	13,681.04	12,224.55

The energy requirement of AEML-D for its own consumers has been submitted by AEML-D from the Energy Balance of FY 2022-23 and FY 2023-24, as shown in the Tables below:

**Table 3-13: Energy Balance for FY 2022-23 as submitted by AEML-D**

Particulars	MTR Order	Actuals
Migrated HT Sales + OA consumption (MU)	265.88	320.95

Particulars	MTR Order	Actuals
HT Loss (%)	1.59%	1.59%
HT grossed up energy at T<>D (MU)	270.18	326.14
Migrated LT Sale (MU)	1,463.32	1,439.07
LT Loss (%)	6.43%	6.43%
LT grossed up energy at T<>D (MU)	1,563.88	1,537.96
Total T<>D energy attributable to Changeover sale & OA consumption (MU)	1,834.05	1,864.10
Total energy input at T<>D interface	12,468.98	11,464.65
Net T<>D energy attributable to AEML-D sale (MU) - A	10,634.93	9,600.55
T-D energy attributable to AEML-D C/O sale (metered sales grossed up approved TPC-D wheeling losses) - B	1.68	1.91
EHT Sales - C	30.00	26.87
Total T<>D energy attributable to AEML-D sale (MU) – (A+B+C)	10,666.60	9,629.32
InSTS Loss (%) (considering monthly loss available on STU website)	3.18%	3.26%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>11,016.94</b>	<b>9,953.80</b>

**Table 3-14: Energy Balance for FY 2023-24 as submitted by AEML-D**

Particulars	MTR Order	Actuals
Migrated HT Sales + OA consumption (MU)	273.16	290.10
HT Loss (%)	1.59%	1.59%
HT grossed up energy at T<>D (MU)	277.57	294.79
Migrated LT Sale (MU)	1,469.34	1,457.76
LT Loss (%)	6.43%	6.43%
LT grossed up energy at T<>D (MU)	1,570.31	1,557.93
Total T<>D energy attributable to Changeover sale & OA consumption (MU)	1,847.88	1,852.72
Total energy input at T<>D Interface	13,681.04	12,224.55
Net T<>D energy attributable to AEML-D sale (MU) - A	11,833.16	10,371.82
T-D energy attributable to AEML-D C/O sale (metered sales grossed up approved TPC-D wheeling losses) - B	1.72	3.42
EHT Sales - C	300.00	49.86
Total T<>D energy attributable to AEML-D sale (MU) – (A+B+C)	12,134.88	10,425.10
InSTS Loss (%) (considering monthly loss available on STU website)	3.18%	3.29%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>12,533.45</b>	<b>10,779.37</b>

**Commission's Analysis and Ruling**

The Commission has considered the actual Transmission Losses of 3.26% for FY 2022-23 and 3.29% for FY 2023-24 based on inputs from the Maharashtra State Load Despatch Centre (MSLDC). The change-over sales have been considered as approved earlier in this Chapter. The Commission has considered the HT and LT losses as 1.59% and 6.43% respectively for FY 2022-23 and FY 2023-24, as approved by the Commission in the MTR Order. The Commission has considered the energy drawn by AEML-D at T<>D interface as 11,464.65

MU for FY 2022-23 and 12,224.55 MU for FY 2023-24, based on State-wide DISCOM-wise energy drawal data provided by MSLDC, as per usual practice. Accordingly, the Distribution Losses and Energy Balance approved by the Commission after final true-up for FY 2022-23 and FY 2023-24, are shown in the Tables below:

**Table 3-15: Energy Balance approved by the Commission for FY 2022-23**

Particulars	UoM	MTR Order	True-up Petition	Approved after truing up
Sales (Own)	MU	9975.93	9057.80	9057.80
Sales (change-over)	MU	1,463.55	1,439.29	1,439.29
Consumption by OA Consumers	MU	292.80	320.74	20.74
Total	MU	11,732.28	10,817.83	10,817.83
Distribution Loss	%	6.44%	5.89%	5.89%
<b>Energy input to Distribution System</b>	<b>MU</b>	<b>12468.98</b>	<b>11,464.65</b>	<b>11,464.65</b>

**Table 3-16: Energy Balance approved by the Commission for FY 2023-24**

Particulars	UoM	MTR Order	True-up Petition	Approved after truing up
Sales (Own)	MU	10,985.51	9863.18	9863.18
Sales (change-over)	MU	1,469.56	1,459.49	1,459.49
Consumption by OA Consumers	MU	272.93	288.37	288.37
Total	MU	12,728.00	11,611.04	11,611.04
Distribution Loss	%	6.80%	5.45%	5.45%
<b>Energy input to Distribution System</b>	<b>MU</b>	<b>13,681.04</b>	<b>12,224.55</b>	<b>12,224.55</b>

The Distribution Loss approved by the Commission by considering the energy drawn by AEML-D at T<>D interface based on MSLDC data, works out to 5.89% for FY 2022-23, and 5.45% for FY 2023-24, which is same as that submitted by AEML-D in the True-up Petition. The approved loss trajectory for AEML-D for FY 2022-23 and FY 2023-24 was 7.05%, and 6.80%, respectively. The efficiency gain on account of Distribution Losses being lower than target loss levels for FY 2022-23 and FY 2023-24, has been computed subsequently in this Chapter.

The Commission has accepted AEML-D's submission regarding the method to arrive at the G<>T requirement of AEML-D, as the same approach has been followed for approving energy balance since the approval of change-over mechanism, in all Orders prior to the last MYT Order. The Energy Requirement approved by the Commission after truing up for FY 2022-23, and FY 2023-24 is given in the Tables below:



**Table 3-17: Energy Requirement approved by the Commission for FY 2022-23**

Particulars	UoM	Legend	MTR Order	True-up Petition	Approved after truing up
Migrated HT Sales + OA consumption (MU)	MU	A	265.88	320.95	320.95
HT Loss (%)	%	B	1.59%	1.59%	1.59%
HT grossed up energy at T<D (MU)	MU	$C = A/(1-B)$	270.18	326.14	326.14
Migrated LT Sale (MU)	MU	D	1463.32	1439.07	1,439.07
LT Loss (%)	%	E	6.43%	6.43%	6.43%
LT grossed up energy at T<D (MU)	MU	$F = D/(1-E)$	1563.88	1537.96	1537.96
Total T<D energy attributable to TPC-D sale & OA consumption (MU)	MU	$G = C + F$	1834.05	1864.10	1864.10
Net T<D energy attributable to AEML-D sale (MU)	MU	H	10634.93	9600.55	9600.55
T<D energy attributable to AEML-D c/o sale	MU	I	1.68	1.91	1.91
EHT Sales		J	30	26.87	26.87
Total T<D energy attributable to AEML-D sale (MU)		$K = H + I + J$	10666.6	9629.32	9,629.32
InSTS Loss (%)	%	L	3.18%	3.26%	3.26%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>MU</b>	<b><math>M = K/(1-L)</math></b>	<b>11016.94</b>	<b>9953.80</b>	<b>9953.84</b>

**Table 3-18: Energy Requirement approved by the Commission for FY 2023-24**

Particulars	UoM	Legend	MTR Order	True-up Petition	Approved after truing up
Migrated HT Sales + OA consumption (MU)	MU	A	273.16	290.10	290.10
HT Loss (%)	%	B	1.59%	1.59%	1.59%
HT grossed up energy at T<D (MU)	MU	$C = A/(1-B)$	277.57	294.79	294.79
Migrated LT Sale (MU)	MU	D	1,469.34	1,457.76	1,457.76
LT Loss (%)	%	E	6.43%	6.43%	6.43%
LT grossed up energy at T<D (MU)	MU	$F = D/(1-E)$	1570.31	1,557.93	1557.93
Total T<D energy attributable to TPC-D sale & OA consumption (MU)	MU	$G = C + F$	1847.88	1,852.72	1852.72
Net T<D energy attributable to AEML-D sale (MU)	MU	H	11833.16	10,371.82	10371.82
T<D energy attributable to AEML-D c/o sale	MU	I	1.72	3.42	3.42
EHT Sales		J	300	49.86	49.86



Particulars	UoM	Legend	MTR Order	True-up Petition	Approved after truing up
Total T<D energy attributable to AEML-D sale (MU)		$K=H+I+J$	12134.88	10,425.10	10425.10
InSTS Loss (%)	%	L	3.18%	3.29%	3.29%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>MU</b>	<b><math>M = K/(1-L)</math></b>	<b>12533.45</b>	<b>10779.37</b>	<b>10779.60</b>

### 3.6 POWER PROCUREMENT

#### *AEML-D's Submission*

During FY 2022-23 and FY 2023-24, AEML-D has procured power under its long-term Power Purchase Arrangement (PPA) as well as medium-term arrangement. After accounting for the availability from these sources, the shortfall in power requirement was met by purchase from contracted short-term sources and from the Power Exchanges. Further, there was offtake (decrement) from the Imbalance Pool as per real time deviation.

#### 3.6.1 AEML-G (ADTPS)

AEML-D submitted that the Commission in its Order dated 01-11-2022 in Case No. 32 of 2022 had approved the extension of the power purchase arrangement between AEML-D and AEML-G (ADTPS) till 15-10-2024. For FY 2022-23 and FY 2023-24, AEML-D has procured power from AEML-G under the said arrangement.

For FY 2022-23, AEML-D has considered the Fixed Charge payable to AEML-G at Rs. 337.11 Crore, as approved by the Commission in AEML-G MYT Order dated 30-03-2020 in Case No. 298 of 2019. The actual variable cost of generation works out to Rs. 4.644/kWh (Rs. 1,466.54 Crore). Further, AEML-G is entitled to PLF incentive of Rs. 2.33 Crore as per the provisions of the MYT Regulations, 2019.

For FY 2023-24, AEML-D has considered fixed charges payable to AEML-G at Rs. 365.35 Crore, as approved by the Commission in AEML-G MTR Order dated 31-03-2023 in Case No. 229 of 2022. The actual variable cost of generation works out to Rs. 3.874/kWh (Rs. 1,088.80 Crore).

The summary of power purchase from ADTPS in FY 2022-23 and FY 2023-24 is summarized in the Tables below:

**Table 3-19: Power Purchase Cost from ADTPS for FY 2022-23 as submitted by AEML-D**

Source - DTPS	Purchase (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. Crore)	Incentive (Rs. Crore)	Total Cost (Rs. Crore)	Rate (Rs. /kWh)
MTR Order	3,026.79	337.11	1,348.41	-	1,685.52	5.57
Actual	3,157.79	337.11	1,466.54	2.33	1,805.98	5.72

**Table 3-20: Power Purchase Cost from ADTPS for FY 2023-24 as submitted by AEML-D**

Source - DTPS	Purchase (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. Crore)	Incentive (Rs. Crore)	Total Cost (Rs. Crore)	Rate (Rs. /kWh)
MTR Order	3684.24	365.35	1,479.96	-	1,845.31	5.01
Actual	2,810.43	365.35	1,088.80	-	1,454.15	5.17

**Commission's Analysis and Ruling**

The cost of power purchase from ADTPS claimed by AEML-D is in line with the Fixed Charges and Variable Charges approved by the Commission for AEML-G for FY 2022-23 and FY 2023-24, as well as the revenue considered by ADTPS from sale of power in FY 2022-23 and FY 2023-24. Hence, the Commission has approved the actual quantum and cost of power purchase from ADTPS for FY 2022-23 and FY 2023-24, as follows:

**Table 3-21: Power Purchase from ADTPS approved by Commission after truing up for FY 2022-23 and FY 2023-24**

FY	MTR Order			True-up Petition			Approved after truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2022-23	3,026.79	1,685.52	5.57	3,157.79	1,805.98	5.72	3,157.79	1,805.97	5.72
FY 2023-24	3684.24	1,845.31	5.01	2,810.43	1,454.15	5.17	2,810.43	1,454.15	5.17

**3.6.2 Medium Term Power Purchase (MTPP)**

AEML-D submitted that the Commission vide Order dated 29-08-2022 in Case No. 149 of 2022, approved adoption of 500 MW medium term power purchase (MTPP) for the period 1-9-2022 to 14-10-2024 at Rs. 5.98/kWh. In accordance with the above, AEML-D has sourced power from 01-09-2022 onwards under the said PPA.

Further, AEML-D submitted that though the adopted rate is Rs. 5.98/kWh, as per the PPA,

Fixed Charges of Rs. 2.62/kWh are leviable up to 85% of the generation, while Variable Cost of Rs. 2.62/kWh plus Rs. 0.21/kWh towards transmission loss and Rs. 0.53/kWh towards ISTS transmission charges is leviable for the generation. Incentive at 50% of Rs. 2.62/kWh is payable on the generation beyond 85% up to 100%.

AEML-D submitted that details of the procurement from MTPP have been provided as part of the monthly FAC submission made for FY 2022-23 and FY 2023-24.

**Table 3-22: Power Purchase Cost from MTPP for FY 2022-23 as submitted by AEML-D**

Particulars	Purchase (MU)	Fixed Cost (Rs. Cr)	Variable Cost (Rs. Cr)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
MTR Order	2,534.89			1,331.56	5.25
Actuals	2,370.16	566.55	700.20	1,266.74	5.34

**Table 3-23: Power Purchase Cost from MTPP for FY 2023-24 as submitted by AEML-D**

Particulars	Purchase (MU)	Fixed Cost (Rs. Cr)	Variable Cost (Rs. Cr)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
MTR Order	4,392.00			2,307.34	5.25
Actuals	4,124.97	987.47	1,259.71	2,247.17	5.45

### ***Commission's Analysis and Ruling***

The Commission, vide Order dated 29-08-2022 in Case No. 149 of 2022 has approved adoption of 500 MW MTPP for the period 1-9-2022 to 14-10-2024 at Rs. 5.98/kWh. Therefore, the Commission approves the total power purchase cost considering the fixed charge, variable charge, and incentive.

Hence, the Commission has approved the actual quantum and cost of power purchase from MTPP for FY 2022-23 and FY 2023-24, as follows:

**Table 3-24: Power Purchase from MTPP approved by Commission after truing up for FY 2022-23 and FY 2023-24**

FY	MTR Order			True-up Petition			Approved after truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2022-23	2,534.89	1,331.56	5.25	2,370.16	1,266.74	5.34	2,370.16	1,266.74	5.34
FY 2023-24	4,392.00	2,307.34	5.25	4,124.97	2,247.17	5.45	4,124.97	2,247.17	5.45

### 3.6.3 Renewable Energy Procurement

#### 3.6.3.1 Hybrid RE Power

##### *AEML-D's Submission*

The Commission vide Order dated 8 January, 2020 in Case No. 281 of 2019 has accorded approval of power purchase from Wind Solar Hybrid source. As part of the RFS, the SCOD is 18 months from signing of the PPA. The PPA was signed on 11 February, 2020, accordingly, the SCOD was 11 August, 2021.

In this regard, AEML-D submitted as below:

- The Commission sought response from AEML-D on the status of 700 MW RE Hybrid project vide e-mails dated 21-05-21, 26-06-21, 04-08-21 and 25-11-21.
- AEML-D, as part of the response, has submitted that the Hybrid Generator has commissioned part capacity of 99.84 MW and 50.08 MW Solar on 27-11-21 and 03-12-21, respectively.
- The Hybrid plan capacity has gradually come on-stream and 100% capacity is commissioned by October 2022.
- The Commission has acknowledged the 100% commissioning of the plant in October 2022 based on monthly FAC submission by AEML-D.
- AEML-D had filed Case No. 33 of 2023 before the Commission praying for taking on record the documents for extension of SCoD and also for carrying forward of RPO targets.
- The Commission issued Order dated 22-05-2024 in the said Case and extended the date of SCoD to the date of actual commissioning of the project, i.e., 01-10-2022.

**Table 3-25: Power Purchase Cost from RE Hybrid for FY 2022-23 as submitted by AEML-D**

Particulars	Purchase (MU)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
AEML-D MTR Order	2,433.67	788.51	3.24
Actuals	2,228.40	722.00	3.24

**Table 3-26: Power Purchase Cost from RE Hybrid for FY 2023-24 as submitted by AEML-D**

Particulars	Purchase (MU)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
AEML-D MTR Order	3,430.19	1,111.38	3.24
Actuals	2,933.86	950.57	3.24

##### *Commission's Analysis and Ruling*

The Commission has accorded approval for the power purchase from Wind Solar Hybrid Source vide Order dated 8 January 2020 (Case No. 281 of 2019) and has approved the Tariff

of Rs. 3.24 per unit. The Commission notes that the Hybrid Generator has been fully commissioned on 01-10-2022. The following Table shows the cost and quantum approved for purchase from Hybrid Power Source after truing up for FY 2022-23 and FY 2023-24:

**Table 3-27: Power Purchase from RE Hybrid for FY 2022-23 and FY 2023-24 approved by Commission**

FY	MTR Order			True-up Petition			Approved after truing up		
	MU	Rs. crore	Rate (Rs./ kWh)	MU	Rs. crore	Rate (Rs./ kWh)	MU	Rs. crore	Rate (Rs./ kWh)
FY 2022-23	2,433.67	788.51	3.24	2,228.40	722.00	3.24	2,228.40	722.00	3.24
FY 2023-24	3,430.19	1,111.38	3.24	2,933.86	950.57	3.24	2,933.86	950.57	3.24

### 3.6.3.2 Solar Power Purchase and Solar RPO

#### *AEML-D's Submission*

##### **Purchase from DSPPL**

AEML-D signed an Energy Purchase Agreement (EPA) dated 28 March, 2011, for purchase of energy generated from the 40 MW Solar PV plant of Dhursar Solar Power Pvt. Ltd. (DSPPL) with effect from 2 September, 2013. AEML-D has considered the cost of power purchase from DSPPL at Rs.10.30 per unit, in accordance with the rate approved by the Commission in Case No. 325 of 2019, without prejudice to its contentions in Appeal No. 12 of 2017.

The cost of purchase from Roof Top Solar generators in AEML-D licence area in FY 2022-23 (2.55 MU at consumer end) of Rs. 0.91 Crore is accounted for in power purchase cost of FY 2022-23. Similarly, the cost of purchase from Roof Top Solar generators in AEML-D licence area in FY 2023-24 (1.33 MU at consumer end) of Rs. 0.46 Crore is accounted in the power purchase cost of FY 2023-24.

**Table 3-28: Cost of Solar Power Purchase in FY 2022-23 and FY 2023-24, as submitted by AEML-D**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
<b>DSPPL MTR Order</b>	<b>51.91</b>	<b>53.47</b>	<b>10.30</b>	<b>52.20</b>	<b>53.77</b>	<b>10.30</b>
DSPPL	53.97	55.59	10.30	57.01	58.72	10.30
Purchase from RTS Generators	2.55	0.91	3.57	1.33	0.46	3.46
<b>Total</b>	<b>56.52</b>	<b>56.5</b>		<b>58.34</b>	<b>59.18</b>	

## Purchase of Solar from Other Sources

### FY 2022-23

1. AEML-D has purchased 2,228.40 MU from Hybrid RE, out of which 1,276.49 MU is from Solar, which is also considered part of the Solar RPO.
2. The total RE purchase through short-term/Exchange for FY 2022-23 is 102.08 MU, out of which 49.30 MU is from solar and 52.78 MU is from non-solar.
3. AEML-D has considered 27.88 MU of Roof Top Solar generation in AEML-D's licence area for meeting a part of Solar RPO in accordance with MERC (Net Metering for Roof Top Solar PV System) Regulations, 2015.
4. AEML-D has also purchased 0.95 MU of solar power from Open Access consumers in FY 2022-23.

Thus, the total solar quantum that can be considered for meeting the Solar RPO in FY 2022-23 is 1,408.60 MU.

### FY 2023-24

1. AEML-D has purchased 2,933.86 MU from Hybrid RE, out of which 1,767.42 MU is from Solar, which is also considered as part of the Solar RPO.
2. The total RE purchase through short-term/Exchange for FY 2023-24 is 19.39 MU, out of which 3.50 MU is from solar and 15.89 MU is from non-solar.
3. AEML-D has considered 36.31 MU of Roof Top Solar generation in AEML-D's licence area for meeting a part of Solar RPO.
4. AEML-D has also purchased 0.92 MU of solar power from Open Access consumers in FY 2023-24.

Thus, the total solar quantum that can be considered for meeting the Solar RPO in FY 2023-24 is 1,865.16 MU.

AEML-D submitted that the Commission in Tables 3-34 and 3-35 of the MTR Order in Case No. 231 of 2022 has inadvertently mentioned the approved RE purchase as 57.24 MU for FY 2019-20 and 76.29 MU for FY 2020-21 for arriving at the solar shortfall for each of these Financial Years. However, AEML-D has modified and reproduced the correct solar shortfall till FY 2021-22 as 858.48 MU as against shortfall of 870.26 MU as per Table 3-36 of the MTR Order in Case No. 231 of 2022. AEML-D requested the Commission to consider the total shortfall of 858.48 MU till FY 2021-22.

Based on the procurement of solar power in FY 2022-23 and FY 2023-24, the cumulative shortfall in Solar RPO till FY 2022-23 and FY 2023-24 is shown in the Table below:

**Table 3-29: Cumulative Shortfall in Solar RPO Target till FY 2022-23 as submitted by AEML-D**

Particulars	Approved till FY 2021-22	FY 2022-23		Cumulative till FY 2022-23
	MU	%	MU	MU
Gross Energy Consumption			9,953.80	
RPO Target		8.00%	796.30	
Achievement			1,408.60	
<b>Shortfall / (Surplus)</b>	858.48		(612.29)	246.18

**Table 3-30: Cumulative Shortfall in Solar RPO Target till FY 2023-24 as submitted by AEML-D**

Particulars	Cumulative till FY 2022-23	FY 2023-24		Cumulative till FY 2023-24
	MU	%	MU	MU
Gross Energy Consumption			10,779.37	
RPO Target		10.50%	1,131.83	
Achievement			1,865.16	
<b>Shortfall / (Surplus)</b>	246.18		(733.32)	(487.14)

***Commission's Analysis and Ruling***

The Commission has considered the Solar RPO requirement of AEML-D for FY 2022-23 and FY 2023-24 at 8%, and 10.5%, respectively, of the Gross Energy Requirement approved in this Order, in accordance with Solar RPO target for FY 2022-23 and FY 2023-24, respectively, as specified in the MERC RPO-REC Regulations, 2019.

The Commission has approved the Solar power purchase cost as submitted by AEML-D for FY 2022-23 and FY 2023-24 to meet the RPO requirement as per the methodology followed by it in the MTR Order, as shown in the Table below:

**Table 3-31: Solar Power Procurement Cost for FY 2022-23 and FY 2023-24 approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
<b>MTR Order DSPPL</b>	51.91	53.47	10.30	52.20	53.77	10.30
Actual DSPPL	53.97	55.59	10.30	57.01	58.72	10.30
Purchase from RTS Generators	2.55	0.91	3.57	1.33	0.46	3.46
<b>Total</b>	<b>56.52</b>	<b>56.5</b>		<b>58.34</b>	<b>59.18</b>	
<b>Approved after truing up</b>	<b>56.52</b>	<b>56.5</b>		<b>58.34</b>	<b>59.17</b>	

Further, the rate for purchase from DSPPL has been considered as approved in the MTR Order.

AEML-D has considered 1276.49 MU and 1767.42 MU from Hybrid RE power for FY 2022-23 and FY 2023-24, respectively.

AEML-D has considered 27.88 MU and 36.31 MU of Roof Top Solar generation in its licence area for meeting a part of Solar RPO for FY 2022-23 and FY 2023-24, respectively. AEML-D has further considered 0.95 MU and 0.92 MU solar power from Open Access consumers in FY 2022-23 and FY 2023-24, respectively. AEML-D has also purchased Solar power through short-term Power purchase of 49.30 MU and 3.50 MU in FY 2022-23 and FY 2023-24, respectively.

Therefore, the Commission, considers the total solar quantum of 1408.60 MU and 1,865.16 MU for meeting Solar RPO for FY 2022-23 and FY 2023-24, respectively, as per MERC RPO-REC Regulations, 2019. The total solar quantum procured by AEML-D in FY 2022-23 and FY 2023-24 is provided as below:

**Table 3-32: Solar Power Procurement quantum for FY 2022-23 and FY 2023-24 as approved by the Commission (MU)**

Sources	AEML-D Petition		Approved in this Order	
	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24
DSPPL	53.97	57.01	53.97	57.01
RoofTop Solar	27.88	36.31	27.88	36.31
OA Consumer	0.95	0.92	0.69	0.92
STPP	49.30	3.50	49.30	3.50
Hybrid	1276.49	1767.42	1276.49	1767.42
<b>Total</b>	<b>1408.60</b>	<b>1865.16</b>	<b>1408.60</b>	<b>1865.16</b>

Accordingly, the Commission has considered the revised Cumulative Shortfall in Solar RPO after final truing up for FY 2022-23 and FY 2023-24, as shown in the Tables below:

**Table 3-33: Cumulative Shortfall in Solar RPO for FY 2022-23 as approved by Commission**

Particulars	AEML-D	Approved
Energy Input at G<>T	9953.80	9953.80
% Obligation Solar	8.00%	8.00%
Requirement	796.30	796.30
Previous year Shortfall/(Surplus)	858.48	858.48
RE Purchase for RPO	1408.60	1408.59
<b>Solar Shortfall/(Surplus)</b>	<b>246.18</b>	<b>246.19</b>



**Table 3-34: Cumulative Shortfall in Solar RPO for FY 2023-24 as approved by Commission**

Particulars	AEML-D	Approved
Energy Input at G<>T	10779.37	10779.37
% Obligation Solar	10.50%	10.50%
Requirement	1131.83	1131.83
Previous year Shortfall/(Surplus)	246.18	246.19
RE Purchase for RPO	1865.16	1865.16
<b>Solar Shortfall/(Surplus)</b>	<b>(487.14)</b>	<b>(487.13)</b>

For the purpose of arriving at cost implications, the Commission has considered that AEML-D shall meet the cumulative shortfall of Solar RPO up to FY 2023-24 during FY 2024-25 in the ratio of the contracted power of Wind-Solar Hybrid RE and Short-term power purchase.

### 3.6.4 Non-Solar RPO

#### *AEML-D's Submission*

AEML-D has procured Non-Solar RE power from its contracted sources for meeting its Non-Solar RPO in FY 2022-23 and FY 2023-24, as shown in the Table below:

**Table 3-35: Power Purchase Cost from Non-Solar Sources for FY 2022-23 and FY 2023-24 as submitted by AEML-D**

Source	FY 2022-23			FY 2023-24		
	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs. /kWh)	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs. /kWh)
<b>MTR Order</b>	<b>129.06</b>	<b>51.72</b>	<b>4.01</b>	<b>87.63</b>	<b>49.00</b>	<b>5.59</b>
<b>AEML-D Petition</b>						
Reliance Innoventures	65.78	17.23	2.62	-	-	-
AAA Sons Enterprise	0.02	0.01	5.30	-	-	-
Vector Green Energy	9.93	5.03	5.07	0.54	0.27	5.07
Tembhu Power Pvt. Ltd.	0.47	0.20	4.26	1.58	0.67	4.26
Reliance Clean Power Pvt. Ltd.	46.42	26.97	5.81	49.01	28.47	5.81
<b>Total</b>	<b>122.62</b>	<b>49.45</b>	<b>4.03</b>	<b>51.13</b>	<b>29.41</b>	<b>5.75</b>

AEML-D submitted that the EPA between AEML-D and Reliance Innoventures Ltd. generator expired on 31-03-2022. However, AEML-D negotiated with the generator and extended the PPA initially for a period of six months and subsequently for a period of another 6 months till 31-03-2023 at an agreed rate, which has been linked with Competitive Day Ahead Market (DAM) of IEX subject to ceiling rate of Rs. 2.62/kWh.

**Non-solar Power (Wind energy) under Short-term contracts (FY 2023-24)**

AEML-D submitted that it has contracted Non-Firm Wind capacity on short-term basis. AEML-D has claimed the cost based on the payment made with respect to the bills received and inclusive of the estimated cost for March 2024, which amounts to Rs. 103.57 Crore.

**Table 3-36: Power Purchase Cost of Non-Solar under Short-term contracts for FY 2023-24 as submitted by AEML-D**

Particulars	Purchase (MU)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
AEML-D MTR Order	525.60	257.54	4.90
Actuals	416.64	103.57	-

*\* Actual rate has not been estimated because there is no one-to-one correlation between the purchase quantum and cost*

**Purchase of Non-Solar power from other sources****FY 2022-23**

1. AEML-D has purchased 2,228.40 MU from Hybrid RE, out of which 951.91 MU is from Wind source, which is considered as part of the Non-Solar RPO.
2. AEML-D has purchased 52.78 MU of Non-Solar power from short-term/Exchange and the same is considered for meeting the RPO obligation.
3. AEML-D has purchased Intra-State Short-Term RE power, amounting to 29.39 MU, out of which the 'Green' attribute is 16.80 MU based on the GCN received. This is considered for meeting the RPO obligation.
4. AEML-D has purchased 5.75 MU Non-Solar power from Open Access consumers.
5. AEML-D has considered quantum pertaining to Banking fee (0.67 MU), Banking purchase (0.22 MU), Firm lapsed energy (0.09 MU), and Non-firm lapsed energy (7.41 MU) as part of RPO obligation.

Thus, AEML-D has considered the total Non-Solar quantum for meeting the non-solar RPO in FY 2022-23 as 1,158.24 MU.

**FY 2023-24**

1. AEML-D has purchased 2,933.86 MU from Hybrid RE, out of which 1166.44 MU is from Wind source, which is considered as part of the Non-Solar RPO.
2. AEML-D has purchased 15.89 MU of Non-Solar power from short-term/Exchange and the same is considered for meeting the RPO obligation.
3. AEML-D has considered 202.99 MU from short-term RE purchase to meet RPO. However, out of 416.64 MU of short-term RE, around 213.64 MU is attributable to 'Brown' energy. Around 97.05 MU is attributable to 'Green' energy, based on the

GCNs received. For the balance 105.95 MU, since the GCN is not received, whether the power is attributable to 'Green' or 'Brown' cannot be foretold, however, for the purpose of this Petition, AEML-D has considered the entire 105.95 MU as 'Green' power for the purpose of RPO.

4. AEML-D has purchased 4 MU Non-Solar power from Open Access consumers.
5. AEML-D has considered quantum pertaining to Banking fee (1.24 MU) and Non-firm lapsed energy (11.07 MU) as part of RPO obligation.

Thus, AEML-D has considered the total Non-Solar quantum for meeting the Non-Solar RPO in FY 2023-24 as 1,452.76 MU.

The cumulative shortfall in Non-Solar RPO till FY 2022-23 and FY 2023-24 is shown in the Tables below:

**Table 3-37: Cumulative Shortfall in Non-Solar RPO Target till FY 2022-23**

Particulars	Approved Till FY 2021-22	FY 2022-23		Cumulative Till FY 2022-23
	MU	%	MU	MU
Gross Energy Consumption			9,953.80	
Target		11.50%	1,144.69	
Achievement			1158.24	
Shortfall / (Surplus)	4126.70		(13.55)	4,113.15

**Table 3-38: Cumulative Shortfall in Non-Solar RPO Target till FY 2023-24**

Particulars	Till FY 2022-23	FY 2023-24		Till FY 2023-24
	MU	%	MU	MU
Gross Energy Consumption			10,779.37	
Target		11.50%	1239.63	
Achievement			1452.76	
Shortfall / (Surplus)	4,113.15		(213.13)	3,900.02

AEML-D submitted that it had filed Case No. 4 of 2022 before the Commission seeking review of the Order dated 07-09-2021 in Case No. 51 of 2021. The review was related to the granting of extension of carry forward of shortfall in RPO compliance of FY 2019-20 to a future date after 31-03-2023. However, the Commission has issued Order that 28-10-2022 in Case No. 4 of 2022 stating that allowing such request at this stage would be premature and hence, cannot be considered.

AEML-D further submitted that the accumulated deficit, which was continuously rising till FY 2021-22 has started declining from FY 2022-23 onwards due to stand-alone surpluses as

Hybrid RE plant was commissioned in October 2022. Going forward also, this surplus will continue to eat away the accumulated deficit as AEML-D will be elaborating on the further steps being taken by it to tie up RE sources, which will help in the meeting the RPO obligations.

AEML-D requested the Commission to invoke Regulation 16 'Power to Relax' and Regulation 19 'Power to Remove Difficulties' of the RPO-REC Regulations, 2019 to permit AEML-D to carry forward the shortfall in RPO compliance to ensuing years, where this shall be wiped off gradually.

### ***Commission's Analysis and Ruling***

The Commission has computed the quantum of Non-Solar RPO for FY 2022-23 and FY 2023-24 at 11.50% of the Gross Energy Requirement approved in this Order, in accordance with Non-Solar RPO target for FY 2022-23 and FY 2023-24 specified in the MERC RPO-REC Regulations, 2019. The following Table shows the summary of Non-Solar RE purchase approved by the Commission in the truing up for FY 2022-23 and FY 2023-24:

**Table 3-39: Non-Solar RE Purchase for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
<b>MTR Order</b>	<b>129.06</b>	<b>51.72</b>	<b>4.01</b>	<b>87.62</b>	<b>49.00</b>	<b>5.59</b>
Reliance Innoventures	65.78	17.23	2.62	-	-	-
AAA Sons Enterprise	0.02	0.01	5.30	-	-	-
Vector Green Energy	9.93	5.03	5.07	0.54	0.27	5.07
Tembhu Power Pvt. Limited	0.47	0.20	4.26	1.58	0.67	4.26
Reliance Clean Power Pvt. Ltd.	46.42	26.97	5.81	49.01	28.47	5.81
<b>Total</b>	<b>122.62</b>	<b>49.45</b>	<b>4.03</b>	<b>51.13</b>	<b>29.41</b>	<b>5.75</b>
<b>Approved after truing up</b>	<b>122.62</b>	<b>49.45</b>	<b>4.03</b>	<b>51.13</b>	<b>29.41</b>	<b>5.75</b>

### **Non-Solar Power (Wind energy) under Short-term contracts (FY 2023-24)**

AEML-D has submitted in its Petition that it has contracted Non-Firm Wind capacity on short-term basis. For the month of March 2024 FAC submission, AEML-D had estimated the quantum as well as the cost as directed by the Commission. The FAC approval for March 2024 was received on 30-08-2024 and the recovery was allowed in the months of September 2024 to November 2024. AEML-D has considered Rs. 9.34 Crore for the month of March. The

Commission approves the total cost of Rs. 103.57 Crore for FY 2023-24 with the caveat that the estimated cost of Rs. 9.34 Crore for the month of March 2024 will be reconciled as per actuals and will be adjusted at the time of true-up of FY 2024-25.

The Commission has noted the submission of AEML-D regarding consideration of certain quantum to fulfil RPO out of total short-term RE purchase by AEML-D. In the present Order, the Commission has considered the 202.99 MU from short-term RE purchase to meet RPO. However, at the time of next MTR, AEML-D should come up with actual quantum to be considered for meeting RPO as per actual GCNs received by AEML-D.

**Table 3-40: Power Purchase Cost of Non-Solar under Short-term contracts for FY 2023-24 as approved by the Commission**

Particulars	Purchase (MU)	Total Cost (Rs. Cr)	Rate (Rs./kWh)
AEML-D MTR Order	525.60	257.54	4.90
AEML-D	416.64	103.57	-
<b>Approved</b>	<b>416.64</b>	<b>103.57</b>	

The total approved Non-Solar quantum procurement by AEML-D in FY 2022-23 and FY 2023-24 is given below:

**Table 3-41: Non-Solar RPO Procurement quantum for FY 2022-23 and FY 2023-24 as approved by the Commission (MU)**

Sources	AEML-D Petition		Approved in this Order	
	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24
Non-Solar purchase	122.62	51.13	122.62	51.13
Short term contracts	-	202.99	-	202.99
OA Purchase	5.75	4	5.75	4
Banking Fee	0.67	1.24	0.67	1.24
Banking Purchase	0.22	-	0.22	-
Firm Lapsed Energy	0.09	-	0.09	-
Non-Firm Lapsed Energy	7.41	11.07	7.41	11.07
STPP	52.78	15.89	52.78	15.89
Wind solar hybrid	951.91	1166.44	951.91	1166.44
Intra State Short term	16.80	-	16.80	-
<b>Total</b>	<b>1158.24</b>	<b>1452.76</b>	<b>1158.24</b>	<b>1452.76</b>

The Commission has computed the revised Cumulative Shortfall in Non-Solar RPO till FY 2022-23 and FY 2023-24, as shown in the Tables below:

**Table 3-42: Cumulative Shortfall in Non-Solar RPO for FY 2022-23 as approved by Commission**

Particulars	AEML-D	Approved
Energy Input at G<>T	9953.80	9953.80
% Obligation Non-Solar	11.50%	11.50%
Non-Solar Obligation/Requirement	1144.69	1144.69
Previous year Shortfall/(Surplus)	4126.70	4126.70
RE Purchase for RPO	1158.24	1158.24
<b>Non-Solar Shortfall/(Surplus)</b>	<b>4113.15</b>	<b>4113.15</b>

**Table 3-43: Cumulative Shortfall in Non-Solar RPO for FY 2023-24 as approved by Commission.**

Particulars	AEML-D	Approved
Energy Input at G<>T	10779.37	10779.37
% Obligation Non-Solar	11.50%	11.50%
Non-Solar Obligation/Requirement	1239.63	1239.63
Previous year Shortfall/(Surplus)	4113.15	4113.15
RE Purchase for RPO	1452.76	1452.76
<b>Non-Solar Shortfall/(Surplus)</b>	<b>3900.02</b>	<b>3900.02</b>

**Total RPO Shortfall Cumulative (Solar + Non-Solar)**

Category	At the end of FY 2023-24
Solar Surplus (MU)	(487.13)
Non-Solar Shortfall (MU)	3900.02
<b>Total RPO Shortfall (MU)</b>	<b>3412.89</b>

The Commission has calculated the total cumulative shortfall including Solar and Non-Solar at the end of FY 2023-24 as 3412.89 MU. The Commission has notified the MERC Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024 (hereinafter referred to as RPO Regulations, 2024) on 23<sup>rd</sup> Feb 2024.

The Commission has considered to carry forward the above mentioned total RPO shortfall in FY 2024-25 and adjust this shortfall under 'Other RPO' basket as per Regulation 2.1.(j)(a) of RPO Regulations, 2024. The details regarding this are discussed in the subsequent section.

**3.6.5 Short-Term Power Purchase*****AEML-D's Submission***

After considering procurement from long-term sources, medium-term sources and renewable sources, AEML-D has purchased its balance power requirement through purchase of power

from short-term sources. AEML-D has procured power from Power Exchanges on day-ahead basis as well as from firm short-term sources at Exchange-linked prices.

### **FY 2022-23**

AEML-D had submitted that it has entered into Inter Discom Trade (IDT) Agreement with BEST as per the guiding principles provided in MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 and more specifically w.r.t. para 6.3 of 'Statement of Reasons' of the said Regulations. The IDT Agreement is already provided as part of the June 2022 FAC application. The quantum as well as cost is also considered as part of bilateral purchase cost. Further, AEML-D has claimed STOA application processing fees and MSDLC, scheduling and rescheduling charges as part of power purchase cost. Also, Exchanges annual subscription fees has been claimed as part of power purchase cost.

**Table 3-44: Short-term power purchase in FY 2022-23**

Particulars	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
Bilateral power purchase	2,369.44	1,769.37	7.47
Exchange membership fees		0.09	
Scheduling and rescheduling charges – MSETCL (STU)		2.32	
Application processing fees – MSLDC		0.01	
<b>Total</b>	<b>2,369.44</b>	<b>1,771.79</b>	<b>7.48</b>
<b>MTR approved</b>	<b>2,798.28</b>	<b>1,955.46</b>	<b>6.99</b>

AEML-D further stated that the increase in short-term rate is on account of increase in the prices discovered on the Exchange.

### **FY 2023-24**

AEML-D has entered into IDT Agreement with BEST and similarly, it has entered into IDT Agreement with AEML SEEPZ Limited (ASL). The IDT Agreement is already provided as part of the November 2023 FAC application. The quantum as well as cost for purchase from IDT as well as the quantum and revenue for sale under IDT is considered by AEML-D as part of Bilateral purchase cost, as shown in the Table below:

**Table 3-45: Short-term power purchase in FY 2023-24**

Particulars	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
Bilateral power purchase	848.01	643.22	7.59
Exchange membership fees		0.12	
Scheduling and rescheduling charges – MSETCL (STU)		0.74	
Application processing fees – MSLDC		0.01	
<b>Total</b>	<b>848.01</b>	<b>644.09</b>	<b>7.60</b>

Particulars	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
MTR approved	730.54	374.77	5.13

### ***Commission's Analysis and Ruling***

The details of actual short-term power purchase in FY 2022-23 and FY 2023-24 submitted by AEML-D have been analysed. The Commission has noticed that the average rate of short term power supply is higher by ~ 50 paise/unit for FY 2022-23 and for FY 2023-24, it is significantly higher by Rs. 2.47/unit as compared to MTR approved rate. However, AEML-D has submitted the justification in its Petition that it is due to higher prices discovered in the Exchange.

The Commission has verified during FAC approval that during the months of February 2023, July 2023, August 2023, September 2023 and October 2023, the prices were higher compared to other periods.

The Commission approves the quantum and cost of short-term power supply for FY 2022-23 and FY 2023-24 as shown in the Table below:

**Table 3-46: Short-Term Power Purchase for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
MTR approved	2,798.28	1,955.46	6.99	730.54	374.77	5.13
Bilateral power purchase	2,369.44	1,769.37	7.47	848.01	643.22	7.59
Exchange membership fees		0.09			0.12	
Scheduling and rescheduling charges – MSETCL (STU)		2.32			0.74	
Application processing fees – MSLDC		0.01			0.01	
<b>Total</b>	<b>2,369.44</b>	<b>1,771.79</b>	<b>7.48</b>	<b>848.01</b>	<b>644.09</b>	<b>7.60</b>
<b>Approved after truing up</b>	<b>2,369.44</b>	<b>1,771.79</b>	<b>7.48</b>	<b>848.01</b>	<b>644.09</b>	<b>7.60</b>

### **3.6.6 Bilateral Sale**

#### ***AEML-D's Submission***

AEML-D submitted that it has sold about 633.18 MU on bilateral basis and has earned a revenue of Rs. 312.74 Crore. Similarly, for FY 2023-24, it has sold 829.38 MU and has earned a revenue of Rs. 325.39 Crore.



AEML-D has submitted detailed analysis regarding decision on sale of surplus power. AEML-D submitted that during day ahead planning, availability from all the contracted sources (LT/MT/ST) is first mapped against the forecast demand and, if there is Surplus/shortfall, then only day ahead power Sale/Purchase is undertaken through Power Exchange or through bilateral contracts, if any. During Intra-day operations, based on variation in demand and REMC schedule, real time surplus/shortfall is bid on Realtime Market (RTM) to minimize deviation in pool under MERC DSM Regulations.

Further, AEML-D submitted that surplus sale rate needs to be decided based on the variable cost only. If sale realization rate is lower than the variable cost, AEML undertakes backing down upto technical minimum for all contracts wherever possible. Generally, AEML-D undertakes sale only if the sale realization rate is higher than the Variable Cost of marginal Generator. AEML-D has optimized the overall cost by undertaking sale transaction. Sale realization rate is higher than variable cost of marginal generation, except in case of must absorb sale time blocks. Average sale realization rate for the month and variable cost of generation is as shown in the Tables below:

**Table 3-47: Sale Rate Vs Variable Cost in FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs./kWh)**

Particulars	FY 2022-23	FY 2023-24
ADTPS	4.64	3.87
MTPP	2.95	3.06
Bilateral sale	4.94	3.92

The actual quantum and cost vis-à-vis that approved in the MTR Order in Case No. 231 of 2022 is shown in the Table below:

**Table 3-48: Sale of Surplus Power in FY 2022-23 and FY 2023-24 as submitted by AEML-D**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Revenue (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Revenue (Rs. Crore)	Rate (Rs./ kWh)
MTR Order	260.41	123.93	4.76	1214.96	623.27	5.13
Actuals	633.18	312.74	4.94	829.38	325.39	3.92

### ***Commission's Analysis and Ruling***

The Commission has analysed the submission of surplus sale quantum and cost for FY 2022-23 and FY 2023-24. The Commission has noted that AEML-D has sold surplus power at considerably lower rate in FY 2023-24 than that approved by the Commission in the MTR

Order. However, at the same time Commission appreciates that, if the surplus is arising from the technical minimum/ must absorb quantum/ SLDC instructions, then it has to be sold at the available market rate else it goes into DSM pool at zero rate as it cannot be backed down.

Hence, the Commission has approved the actual revenue earned by AEML-D from sale of surplus power in the truing up for FY 2022-23 and FY 2023-24 as shown in the Table below:

**Table 3-49: Sale of Surplus Power for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	Quantum (MU)	Revenue (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Revenue (Rs. Crore)	Rate (Rs./ kWh)
MTR approved	260.41	123.93	4.76	1214.96	623.27	5.13
Actuals	633.18	312.74	4.94	829.38	325.39	3.92
<b>Approved</b>	<b>633.18</b>	<b>312.74</b>	<b>4.94</b>	<b>829.38</b>	<b>325.39</b>	<b>3.92</b>

### 3.6.7 Open Access (OA) Purchase

#### *AEML-D's Submission*

##### **FY 2022-23**

AEML-D submitted that the surplus energy of Roof-Top Solar and Open Access consumers (Firm and Non-Firm) is also available to it, amounting to 6.70 MU at a cost of Rs. 3.01 Crore, which is considered as part of power purchase cost.

AEML-D has already submitted earlier that 0.67 MU of banking fee for non-firm OA consumers, 0.22 MU of banking OA purchase, 0.09 MU of lapsed energy from firm OA consumers and 7.41 MU of lapsed energy from non-firm OA consumers are included in the power purchase quantum. The cost of purchase of power related to banking OA fee is Rs. 0.40 Crore and has been claimed in FY 2022-23.

##### **FY 2023-24**

AEML-D submitted that the surplus energy of Roof-Top Solar and Open Access consumers (Firm and Non-Firm) amounting to 4.92 MU at a cost of Rs. 1.91 Crore is considered as part of power purchase cost. AEML-D has already submitted in the Non-solar RPO section that 1.24 MU of banking fee and 11.07 MU of lapsed energy from non-firm OA consumers are included in the power purchase quantum.

### ***Commission's Analysis and Ruling***

The Commission notes that AEML-D has purchased surplus energy of Roof-Top Solar and Open Access consumers (Firm and Non-Firm), amounting to 6.70 MU at a cost of Rs. 3.01 Crore for FY 2022-23 and 4.92 MU at a cost of Rs. 1.91 Crore for FY 2023-24 and it is considered as part of power purchase cost.

The Commission has already approved the quantum and cost related banking fee for non-firm OA consumers, banking OA purchase, lapsed energy from firm OA consumers and lapsed energy from non-firm OA consumers and the cost of purchase of power related to banking OA fee in the above Non-Solar RPO section.

### **3.6.8 Banking**

#### ***AEML-D's Submission***

#### **FY 2022-23**

AEML-D submitted that it has entered into banking transaction for the period Feb-22 to Apr-22, under which it has received 251.28 MU in Feb-22 and Mar-22 (FY 2021-22) and 134.95 MU in Apr-22 (FY 2022-23).

AEML-D submitted that the power was to be returned from July 2022 to September 2022. However, at the end of the September month, the generating plant from whom the power was to be returned got tripped. Hence, all power could not be returned in September 2022 and some portion of the power was returned in October 2022. AEML-D further submitted that there is no adverse or additional financial impact on account of extending power return from September 2022 to October 2022. This submission has also been made as part of response to the data gaps in September 2022 month FAC.

AEML-D further stated that since, the generating plant was not available towards the end of September 2022, AEML-D had to make arrangements to ensure that the power was returned as per the Banking arrangement. The return of power was made in September end and October beginning from power available from the existing portfolio of AEML-D. To off-set the quantum included in the existing portfolio, quantum of 5.51 MU in September and 5.08 MU in October is shown separately as banking return.

**Table 3-50: Banking for FY 2022-23 as submitted by AEML-D**

<b>Particulars</b>	<b>MTR Order</b>	<b>Actuals</b>
Banking MU	134.95	134.95
Cost Rs. Cr.	167.14	167.14
Banking return MU		(10.59)

The banking return cost of Rs. 167.14 Crore is being claimed as part of power purchase cost for FY 2022-23.

### **FY 2023-24**

AEML-D has entered into following Banking transactions in FY 2023-24:

1. AEML-D has executed a banking transaction for the period from 24<sup>th</sup> July 2023 to 30<sup>th</sup> September 2023 with M/s Manikaran Power Limited (MPL) - PSPCL for supply of up to 75 MW power. The return of banked power by MPL-PSPCL shall be from 21<sup>st</sup> October 2023 to 31<sup>st</sup> December 2023 and from 1<sup>st</sup> March 2024 to 15<sup>th</sup> April 2024 with the return percentage at 105% of banked energy at delivery point, i.e., regional periphery.
2. AEML-D has entered into banking arrangement for up to 200 MW wherein MPL (source - BYPL and PSPCL) will be banking power with AEML-D from October 2023 to December 2023 and 1<sup>st</sup> March 2024 to 15<sup>th</sup> April 2024. The return of banked power at 105% by AEML-D will be from 20<sup>th</sup> June 2024 to 30<sup>th</sup> September 2024.
3. AEML-D has entered into banking arrangement with APPCPL (source - PSPCL) for the month of November 2023. The return of banked power at 105% by AEML-D will be from July 2024 to September 2024.
4. AEML-D has entered into a banking arrangement wherein AEML-D will bank 200 MW power during 06:00 to 18:00 hours with MPL-RUVNL over the period 1<sup>st</sup> November 2023 to 29<sup>th</sup> February 2024. Under the arrangement, the return of banked power by MPL-RUVNL shall be from 15<sup>th</sup> March 2024 to 30<sup>th</sup> June 2024 with the return percentage at 102% of banked energy at delivery point, i.e., Regional Periphery.
5. AEML has banked with AEML SEEPZ Limited (ASL) in the month of March 2024 from the power available through purchases from its existing contracts, which shall be returned by ASL from 1<sup>st</sup> July-24 to 30<sup>th</sup> Sept-24.

AEML-D submitted that as per above banking transactions, the net Banking quantum for FY 2023-24 is 162.73 MU as against 846 MU approved by the Commission in the MTR Order in Case No. 231 of 2022. Further, for the purpose of banking, open access charges as well as trading margin have been incurred under the banking contract amounting to Rs. 9.95 crore, which is claimed as part of power purchase cost.

### ***Commission's Analysis and Ruling***

The Commission notes that AEML-D has procured power through Banking transactions in FY 2022-23 and FY 2023-24 for 134.95 MU and 162.73 MU, which cost Rs. 167.14 Crore and Rs. 9.95 Crore.

The banking return cost of Rs. 167.14 Crore is being approved as part of power purchase cost for FY 2022-23.

The Commission notes that AEML-D has entered into a number of banking transactions in FY 2023-24 and considering all, the net Banking quantum for FY 2023-24 is 162.73 MU as against 846 MU approved by the Commission in the MTR Order in Case No. 231 of 2022. During these transactions open access charges as well as trading margin have been incurred under the banking contract amounting to Rs. 9.95 Crore, which is approved as part of power purchase cost.

AEML-D has also provided the computations for justifying that there have been net savings in power purchase through these Banking Transactions.

**Table 3-51: Banking for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	AEML-D	Approved	MTR Order	AEML-D	Approved
Banking MU	134.95	134.95	134.95	846	162.73	162.73
Cost Rs. Cr.	167.14	167.14	167.14		9.95	9.95
Banking return MU		(10.59)	(10.59)			

### 3.6.9 DSM/Imbalance Pool

#### *AEML-D's Submission*

AEML-D submitted that the balance quantum to meet the G<>T requirement after considering all sourcing from the afore-mentioned sources is considered met from the Imbalance pool by way of month-wise decrement/ increment and the same amounts to 145.15 MU for FY 2022-23 and 186.76 MU for FY 2023-24. The amount as per the DSM bills issued during FY 2022-23 and FY 2023-24 is Rs. 13.95 Crore and Rs. 42.20 Crore, respectively, and the same is claimed as part of power purchase cost.

Further, AEML-D submitted that the cost of this purchase is considered as per the DSM bills raised by SLDC under the MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 and there is no one-to-one correlation between the imbalance pool quantum as provided above and the amount being claimed. AEML-D submitted that in future as and when the bills are received from SLDC, the cost will be considered in the Financial Year in which the bills are received. Also, it may happen that the bills issued earlier are revised by SLDC subsequently, and as and when the revised bills are received, the impact of the same will be considered in the Financial Year in which the bills are received.

***Commission's Analysis and Ruling***

The Commission approves the quantum of Imbalance Pool by way of month-wise decrement/increment as 145.15 MU and 186.76 MU for FY 2022-23 and FY 2023-24, respectively. Further, the Commission approves the amount of Rs. 13.95 Crore and Rs. 42.20 Crore for FY 2022-23 and FY 2023-24, respectively.

**3.6.10 Other Payments*****AEML-D's Submission***

AEML-D submitted that STU in accordance with the Commission's Order dated 18-10-2020 in Case No. 52 of 2020, has levied Rs. 18,87,323 as additional transmission charges and the same are being considered as part of power purchase cost in FY 2022-23 and Rs. 2.91 Crore for FY 2023-24.

Further, AEML-D has paid Rs. 5,000 in April 2022 to POSOCO towards Registration fees for Open Access and the same are being considered as part of power purchase cost in FY 2022-23.

***Commission's Analysis and Ruling***

The Commission notes that AEML-D has paid additional transmission charges of Rs. 18,87,323 for FY 2022-23 and Rs. 2.91 Crore for FY 2023-24. Also, AEML-D has paid Rs. 5000 to POSOCO in FY 2022-23 as Registration fees for Open Access and accordingly approves this cost as part of power purchase cost in the respective Financial Year.

**3.6.11 Transmission Charges*****AEML-D's Submission***

AEML-D submitted that it has paid Rs. 482.12 Crore and Rs. 490.65 Crore for FY 2022-23 and FY 2023-24, respectively, as Transmission Charges based on the actual amounts paid to STU, which has raised monthly bills as per InSTS Order dated 31-03-2023 in Case No. 239 of 2022.

***Commission's Analysis and Ruling***

The Commission has approved the actual Transmission Charges paid by AEML-D for FY 2022-23 and FY 2023-24, which are as per InSTS Order dated 31-03-2023 in Case No. 239 of 2022 issued by the Commission, as shown in the Table below:

**Table 3-52: Transmission Charges for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	AEML-D	Approved	MTR Order	AEML-D	Approved
Transmission Charges	482.12	482.12	482.12	490.65	490.65	490.65

**3.6.12 SLDC Charges*****AEML-D's Submission***

AEML-D submitted that it has claimed SLDC Charges for FY 2022-23 and FY 2023-24 as Rs. 2.39 Crore and Rs. 1.82 Crore, respectively, as approved in the SLDC Order dated 31-03-2023 in Case No. 233 of 2022.

***Commission's Analysis and Ruling***

The Commission has approved the actual MSLDC Charges paid by AEML-D in the truing up for FY 2022-23 and FY 2023-24, as the same are in accordance with the MSLDC Charges approved by the Commission, as shown in the Table below:

**Table 3-53: MSLDC Charges for FY 2022-23 and FY 2023-24 as approved by the Commission**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	AEML-D	Approved	MTR Order	AEML-D	Approved
MSLDC Charges	2.39	2.39	2.39	1.82	1.82	1.82

**3.6.13 Charges to CTU and MSLDC*****AEML-D's Submission***

AEML-D submitted that Central Transmission Utility (CTU) has, from October 2023 onwards, raised bill for Regional Transmission Account as per the CERC (Sharing of Inter-State Transmission Charges and Losses), Regulations, 2020. Accordingly, the GNA charges have been claimed for FY 2023-24 amounting to Rs. 74.49 Crore.

Similarly, MSLDC has raised the bill for Short Term State Transmission and Operating Charges for GNA Transactions as per the Commission's Order in Case No. 233 of 2022 and Case No. 239 of 2022 dated 31-03-2023 and CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022, amounting to Rs. 3,03,750 (Rs. 65,250 for the month of Oct-23; Rs. 1,46,250 for the month of Nov-23 and Rs. 92,250 for the month of Dec-23).

Therefore AEML-D has claimed total cost amounting to Rs. 74.52 Crore as part of power purchase cost.

### ***Commission's Analysis and Ruling***

The Commission notes that AEML-D has paid the GNA charges to CTU of Rs. 74.49 Crore and to MSLDC of Rs. 3,03,750 towards Short Term State Transmission and Operating Charges for GNA Transactions. Accordingly, the Commission has approved Rs. 74.52 Crore as a part of power purchase cost for FY 2023-24.

### **3.6.13 Standby Charges**

#### ***AEML-D's Submission***

AEML-D submitted that in the MTR Petition in Case No. 231 of 2022 it had submitted that it has stopped availing the Standby facility from MSEDCL since October 2021. Hence, for FY 2022-23 and FY 2023-24, AEML-D in the MTR Petition had not considered the Standby Charges as part of the ARR. However, the Commission in the MTR Order did not accept the submission of AEML-D and considered AEML-D's share of Standby Charges for FY 2022-23 at Rs. 185.04 Crore and for FY 2023-24 as Rs. 184.89 Crore.

AEML-D filed Appeal before the Hon'ble APTEL numbered as IA No. 844 of 2023 in Appeal No. 516 of 2023 against the MTR Order seeking stay of the MTR Order to the extent that AEML-D was directed to make payment of Standby Charges to MSEDCL. The Hon'ble APTEL issued Order dated 26-09-2023 setting aside the direction to AEML-D to make the payment of Standby Charges.

Further, AEML-D highlighted that the Commission in the Tariff Order dated 06-03-2024 for TPC-D in Case No. 237 of 2023 has also not considered the Standby Charges from November 2023 onwards, since TPC-D had paid Standby Charges till October 2023.

Since, AEML-D has not made payment of Standby Charges to MSEDCL in FY 2022-23 and FY 2023-24, no cost is being claimed by AEML-D towards the same in FY 2022-23 and FY 2023-24.

AEML-D further submitted the rationale on the matter pertaining to Standby Charges as follows:

- It has been a consistent stand of AEML-D that since October 2021, the Standby arrangement has been terminated and thus, there is no requirement for making payment of any Standby Charges. AEML-D has stopped making any requisitions for Stand-by



support and is hence not obtaining any services from MSEDCL under the erstwhile Stand-by arrangement.

- The Standby arrangement was in the nature of an ad-hoc arrangement or a stop-gap arrangement between AEML-D and MSEDCL, and no formal/ written contract was ever entered into or executed between the said Parties including the term or period of such contract, which has been approved or went through the process of regulatory approval under the provisions of the EA, 2003. As such, AEML-D was always at the liberty to exit from such arrangement, particularly when there exists no formal contract between AEML-D and MSEDCL.
- Since, the Stand-by arrangement of AEML-D with MSEDCL was always an ad-hoc arrangement and was valid only for the period for which the distribution licensee (such as AEML-D) sought for such an arrangement, the Standby arrangement stood revoked/terminated with effect from October, 2021 at the instance of AEML-D.
- AEML-D has given the reference of Judgement by Hon'ble Supreme Court in the Tata Power Company Limited v. Reliance Energy Limited & Ors., reported in (2009) 16 SCC 659 [Para 107]. It becomes relevant herein to refer to a settled legal position that no directions can be issued for allocation of power to a distribution licensee in the absence of a power purchase agreement.
- In terms of the aforesaid principle of law, AEML-D has no obligation under law to continue with the Stand-by arrangement, particularly when there is no contract having a regulatory seal of approval under Section 86(1)(b) of the EA 2003. Further, in case of any power requirement, a distribution licensee, such as AEML-D is free to procure such power from any source either under Section 62 route or Section 63 route, and that an arrangement such as a Standby arrangement cannot be forced upon the distribution licensee.
- Accordingly, AEML-D in Case No. 231 of 2022 (MTR Petition of AEML-D) disputed the levy of Standby Charges since October 2021 as the Standby arrangement was only an ad-hoc/ temporary arrangement and also sought a refund of Rs. 173.40 Crore plus interest up to October 2022, amounting to Rs. 217.37 Crores which were already paid to MSEDCL qua the aforesaid arrangement, when admittedly, MSEDCL failed to provide the Standby power when requisitioned by AEML-D and consequent termination of the Standby arrangement by AEML-D.
- However, the Commission while passing the Order dated 31.03.2023 in the aforesaid MTR Petition denied the said relief and inter-alia held that AEML-D is liable to make the payment towards such Standby Charges.
- As such, being aggrieved by the findings of the Commission, AEML-D preferred Appeal No. 516 of 2023, before the Hon'ble APTEL, wherein it challenged the issue of Standby arrangement, amongst other disallowed tariff components. Along with the

said Appeal, AEML-D also preferred an Interlocutory Application, being I.A. No. 844 of 2023, inter-alia seeking stay of the aforesaid findings in relation to the subject issue of the Commission. After hearing the said application, the Hon'ble APTEL passed an Order dated 26-09-2023, whereby it was pleased to set-aside the findings of the Commission on the issue of Standby Charges/ arrangement, thereby holding as under: “... ..*This issue of the Appellant's liability to pay standby charges to MSEDCL cannot be adjudicated independently, in a separate petition, after the tariff order has been passed, and ought to have been considered as part of the Appellant's tariff determination exercise. We see no reason, in such circumstances, to examine the rival submissions on merits, and are of the view that the MERC should be directed to consider this issue, relating to payment of stand by charges by the Appellant to MSEDCL, in this petition itself after giving the parties involved an opportunity of being heard. We make it clear that the order now passed by us shall not disable MERC, if it so chooses, to hear the other Distribution Licensees in the city of Mumbai; and to then pass a detailed order assigning reasons on the issue of the Appellant's liability to pay standby charges.*”

*The directions issued to the Appellant in the impugned order, to the extent it related to payment of stand by charges, is set aside. We make it clear that we have not expressed any opinion on the merits of the rival contentions; and it is open to the parties involved to raise all such contentions, as are available to them in law, before the MERC. The IA stands disposed of.*”

AEML-D stated that it can be seen from the aforesaid Order that the Hon'ble APTEL categorically held that the directions of the Commission upon AEML-D to make payment towards Standby Charges is set-aside. This in effect means that AEML-D is not liable to make any payment towards Standby Charges for the period commencing from October 2021.

AEML-D submitted that in view of the aforesaid directions of the Hon'ble APTEL, AEML-D filed a Petition being Case No. 01/MP/2024 before the Commission inter-alia seeking as follows:

“

- a) Allow the present Petition;
- b) Declare that MSEDCL refusal to give standby supply to AEML-D is violation of MERC Order;
- c) declare that the standby arrangement stood validly and legally terminated/ discontinued with effect from October 2021 by the Petitioner, AEML-D, in terms as stated, in the present Petition;

- d) *declare the invoices for standby arrangement raised by MSEDCL for the period from October 2021 onwards, as non-est and not binding on AEML-D, in view of the termination of the standby arrangement w.e.f. October 2021;*
- e) *restrain MSEDCL from raising any invoice(s) upon AEML-D, qua the standby arrangement in future;*
- f) *direct MSEDCL to refund an amount of Rs. 173.40 Crore to AEML-D on account of violation of MERC Order which was paid for the period commencing from April, 2018 to September, 2021 towards standby charges, along with the interest / carrying cost thereon from the date of payments by AEML-D till the date of refund from MSEDCL.; and*

Further, AEML-D submitted that the proceedings initiated under Section 111 of the EA 2003 (i.e., appeal proceedings) are a continuation of the original proceedings before the Regulatory Commission. This means that the issue of payment of Standby Charges is sub-judice and has not attained finality.

AEML-D further submitted that the aforesaid Petition is currently pending adjudication. In fact, the Commission vide an Order dated 19-11-2024 passed in the said Petition, directed that AEML-D shall implead all the Distribution Licensees and that the Commission shall hear all the interested parties on the issue of Standby arrangement.

In view of the aforesaid submissions, it is submitted that the issue of Standby arrangement is to be adjudicated separately by the Commission in Case No. 01/MP/2024 and accordingly, the same is not being factored in by AEML-D in the present MYT Petition.

### ***Commission's Analysis and Ruling***

As the matter of payment of Standby Charges is being decided by the Commission separately, in accordance with the directions of the Hon'ble APTEL, the Commission has not considered any cost related to Standby Charges in the truing up for AEML-D for FY 2022-23 and FY 2023-24. However, this is subject to the final decision of the Commission in Case No. 01/MP/2024 after due regulatory proceedings and after hearing all the Parties concerned.

### **3.6.14 Summary of Power Purchase Cost for FY 2022-23 and FY 2023-24**

#### ***AEML-D's Submission***

The actual power purchase quantum and cost for FY 2022-23 and FY 2023-24, as against that approved in the MTR Order, is summarised in the Table below:

**Table 3-54 : Power Purchase Quantum and Cost for FY 2022-23 as submitted by AEML-D**

Particulars	MTR Order			True-up Petition		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
ADTPS	3,026.79	1,685.52	5.57	3,157.79	1,805.98	5.72
Renewable Solar	51.91	53.47	10.30	53.97	55.59	10.30
RTS generators					0.91	
Renewable non-solar	129.06	51.72	4.01	122.62	49.45	4.03
Wind-Solar Hybrid	2,433.67	788.51	3.24	2,228.40	722.00	3.24
Medium Term PP	2,534.89	1,331.56	5.25	2,370.16	1,266.74	5.34
Short term sources	2,798.28	1,955.46	6.99	2,369.44	1,771.79	7.48
OA purchase	6.83	2.11	3.08	6.70	3.01	4.49
OA (Banking fee, lapsed, etc.)		0.42		8.38	0.40	
Bilateral sale	(260.41)	(123.93)	4.76	(633.18)	(312.74)	4.94
Banking	134.95	167.14		134.95	167.14	
Banking return				(10.59)		
DSM/ Imbalance pool	177.37	6.90		145.15	13.95	
Other payments (provided above)					0.19	
<b>Sub-Total</b>	<b>11,033.35</b>	<b>5,918.88</b>	<b>5.36</b>	<b>9,953.80</b>	<b>5,544.42</b>	<b>5.57</b>
Transmission charges		482.12			482.12	
SLDC Charges		2.39			2.39	
Standby Charges		185.04			-	
<b>Total</b>	<b>11,033.35</b>	<b>6,588.43</b>	<b>5.97</b>	<b>9,953.80</b>	<b>6,028.93</b>	<b>6.06</b>

**Table 3-55 : Power Purchase Quantum and Cost for FY 2023-24 as submitted by AEML-D**

Particulars	MTR Order			True-up Petition		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
ADTPS	3,684.24	1,845.31	5.01	2,810.43	1,454.15	5.17
Renewable Solar	52.20	53.77	10.30	57.01	58.72	10.30
RTS generators					0.46	
Renewable non-solar	87.63	49.00	5.59	51.13	29.41	5.75
Wind-Solar Hybrid	3,430.19	1,111.38	3.24	2,933.86	950.57	3.24
Medium Term PP	4,392.00	2,307.34	5.25	4,124.97	2,247.17	5.45
Short term sources	730.54	374.77	5.13	848.01	644.09	7.60
RE Short Term	525.60	257.54	4.90	416.64	103.57	2.49
OA purchase				4.92	1.91	3.89
OA (Banking fee, lapsed, etc.)				12.31		
Bilateral sale	(1,214.96)	(623.27)	5.13	(829.38)	(325.39)	3.92

Particulars	MTR Order			True-up Petition		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
Banking	846.00			162.73	9.95	
DSM/ Imbalance pool				186.76	42.20	
GNA – CTU / SLDC					74.52	
Other payments (provided above)					2.91	
<b>Sub-Total</b>	<b>12,533.45</b>	<b>5,375.84</b>	<b>4.29</b>	<b>10,779.37</b>	<b>5,294.25</b>	<b>4.91</b>
Transmission charges		490.65			490.65	
SLDC Charges		1.82			1.82	
Standby Charges		184.89			-	
<b>Total</b>	<b>12,533.45</b>	<b>6,053.21</b>	<b>4.83</b>	<b>10,779.37</b>	<b>5,786.73</b>	<b>5.37</b>

### Commission's Analysis and Ruling

Based on the source-wise approval of power purchase as discussed above, the power purchase quantum and cost approved after truing-up for FY 2022-23 and FY 2023-24 is shown in the following Tables:

**Table 3-56: Power Purchase approved by the Commission for FY 2022-23**

Particulars	MTR Order			True-up Petition			Approved after truing up		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)
ADTPS	3,026.79	1,685.52	5.57	3,157.79	1,805.98	5.72	3,157.79	1,805.97	5.72
Renewable Solar	51.91	53.47	10.30	53.97	55.59	10.30	53.97	55.59	10.30
RTS generators					0.91			0.91	
Renewable non-solar	129.06	51.72	4.01	122.62	49.45	4.03	122.62	49.45	4.03
Wind-Solar Hybrid	2,433.67	788.51	3.24	2,228.40	722.00	3.24	2,228.40	722.00	3.24
Medium Term PP	2,534.89	1,331.56	5.25	2,370.16	1,266.74	5.34	2,370.16	1,266.74	5.34
Short term sources	2,798.28	1,955.46	6.99	2,369.44	1,771.79	7.48	2,369.44	1,771.79	7.48
OA purchase	6.83	2.11	3.08	6.70	3.01	4.49	6.70	3.01	4.49
OA (Banking fee, lapsed, etc.)		0.42		8.38	0.40		8.38	0.40	
Bilateral sale	(260.41)	(123.93)	4.76	(633.18)	(312.74)	4.94	(633.18)	(312.74)	4.94
Banking	134.95	167.14		134.95	167.14		134.95	167.14	
Banking return				(10.59)			(10.59)		
DSM/ Imbalance pool	177.37	6.90		145.15	13.95		145.15	13.95	

Particulars	MTR Order			True-up Petition			Approved after truing up		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)
Other Payments (provided above)					0.19			0.19	
<b>Sub-Total</b>	<b>11,033.35</b>	<b>5,918.88</b>	<b>5.36</b>	<b>9,953.80</b>	<b>5,544.42</b>	<b>5.57</b>	<b>9,953.80</b>	<b>5,544.41</b>	<b>5.57</b>
Transmission charges		482.12			482.12			482.12	
SLDC Charges		2.39			2.39			2.39	
Standby Charges		185.04			-			-	
<b>Total</b>	<b>11,033.35</b>	<b>6,588.43</b>	<b>5.97</b>	<b>9,953.80</b>	<b>6,028.93</b>	<b>6.06</b>	<b>9,953.80</b>	<b>6,028.92</b>	<b>6.06</b>

**Table 3-57: Power Purchase approved by the Commission for FY 2023-24**

Particulars	MYT Order			True-up Petition			Approved after truing up		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)
ADTPS	3,684.24	1,845.31	5.01	2,810.43	1,454.15	5.17	2,810.43	1,454.15	5.17
Renewable Solar	52.20	53.77	10.30	57.01	58.72	10.30	57.01	58.72	10.30
RTS generators					0.46			0.46	
Renewable non-solar	87.63	49.00	5.59	51.13	29.41	5.75	51.13	29.41	5.75
Wind-Solar Hybrid	3,430.19	1,111.38	3.24	2,933.86	950.57	3.24	2,933.86	950.57	3.24
Medium Term PP	4,392.00	2,307.34	5.25	4,124.97	2,247.17	5.45	4,124.97	2,247.17	5.45
Short term sources	730.54	374.77	5.13	848.01	644.09	7.60	848.01	644.09	7.60
RE Short Term	525.60	257.54	4.90	416.64	103.57	2.49	416.64	103.57	2.49
OA purchase				4.92	1.91	3.89	4.92	1.91	3.89
OA (Banking fee, lapsed, etc.)				12.31			12.31		
Bilateral sale	(1,214.96)	(623.27)	5.13	(829.38)	(325.39)	3.92	(829.38)	(325.39)	3.92
Banking	846.00			162.73	9.95		162.73	9.95	
DSM/ Imbalance pool				186.76	42.20		186.76	42.20	
GNA – CTU / SLDC					74.52			74.52	

Particulars	MYT Order			True-up Petition			Approved after truing up		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)	(MU)	(Rs. Crore)	(Rs. /kWh)
Other payments (provided above)					2.91			2.91	
<b>Sub-Total</b>	<b>12,533.45</b>	<b>5,375.84</b>	<b>4.29</b>	<b>10,779.37</b>	<b>5,294.25</b>	<b>4.91</b>	<b>10,779.37</b>	<b>5,294.25</b>	<b>4.91</b>
Transmission charges		490.65			490.65			490.65	
SLDC Charges		1.82			1.82			1.82	
Standby Charges		184.89			-			-	
<b>Total</b>	<b>12,533.45</b>	<b>6,053.21</b>	<b>4.83</b>	<b>10,779.37</b>	<b>5,786.73</b>	<b>5.37</b>	<b>10,779.37</b>	<b>5,786.73</b>	<b>5.37</b>

### 3.7 OPERATION AND MAINTENANCE (O&M) EXPENSES

#### 3.7.1 Allowable O&M Expenses for FY 2022-23 and FY 2023-24

##### *AEML-D's Submission*

The Commission approved the following O&M expenses for FY 2022-23 and FY 2023-24 for AEML-D in the MTR Order (Case No. 231 of 2022):

**Table 3-58: O&M Expenses approved in MTR Order for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24
Wires Business	940.89	981.23
Supply Business	468.69	488.97
<b>Total</b>	<b>1409.58</b>	<b>1470.20</b>

#### **FY 2022-23**

AEML-D submitted that O&M expenses have been claimed in accordance with Regulations 75.2, 75.3, 84.2, and 84.3 of the MYT Regulations, 2019. The inflation factor based on 30% of WPI inflation and 70% of CPI inflation of past 5 years (including FY 2022-23), works out to 5.86%.

Regulation 75.3 and 84.3 of the MYT Regulations, 2019 provides for reduction of efficiency factor considering the increase in number of consumers including OA consumers connected to Distribution Wires of at least 2% annually over the last 3 years and efficiency factor shall be considered on pro-rata basis, if increase is lower than 2%.

The Commission in the MYT Order in Case No. 325 of 2019 has considered the reduction in efficiency factor by separately considering Wire consumers and Supply consumers. In accordance with the above Order, the growth in number of consumers and the proportionate reduction in efficiency factor is as follows:

**Table 3-59: Efficiency Factor for FY 2022-23**

	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>Average</b>	<b>Efficiency Factor</b>
Network Consumer No.	30,45,029	30,40,271	30,81,565	31,37,136		
<b>Growth</b>		<b>(0.16%)</b>	<b>1.36%</b>	<b>1.80%</b>	<b>1.00%</b>	<b>-0.50%</b>
Retail Consumer No.	24,75,498	24,98,074	25,15,746	25,75,920		
<b>Growth</b>		<b>0.91%</b>	<b>0.71%</b>	<b>2.39%</b>	<b>1.34%</b>	<b>-0.33%</b>

Thus, the net escalation rate considering the efficiency factor is as follows:

**Table 3-60: Escalation Factor for FY 2022-23**

<b>Year</b>	<b>Wires</b>	<b>Supply</b>
Escalation (%)	5.86%	5.86%
Efficiency factor (%)	(0.50%)	(0.33%)
Escalation (%) considered	5.37%	5.53%

AEML-D submitted that, in the MTR Petition in Case No. 231 of 2022, for the purpose of considering the normative expenses for FY 2022-23, it has elaborated on the need for restating the normative expenses for FY 2021-22, since wage revision had been effective from FY 2021-22 and hence, the revised level of wages needs to be reflected in the normative allowance. However, the Commission did not consider the above submission and arrived at the normative expenses for FY 2022-23 by applying the inflation indices on approved normative expenses for FY 2021-22. AEML-D has appealed against this matter before the Hon'ble APTEL in Appeal No. 516 of 2023 and the matter is sub-judice.

Without prejudice to the contentions in the abovementioned appeal, AEML-D has, in line with the approach adopted by the Commission, considered the normative expenses for FY 2021-22 as per the MTR Order and applied the inflation indices as provided above to arrive at the permissible normative O&M expenses for FY 2022-23, as shown in the Table below:



**Table 3-61: Normative O&M expenses for FY 2022-23 (Rs. Crore)**

Particulars	Normative O&M Expense for FY 2021-22	Escalation Rate	Revised Normative O&M Expense for FY 2022-23
Wires Business	902.22	5.37%	950.63
Supply Business	449.25	5.53%	474.11
<b>Total</b>	<b>1,351.46</b>		<b>1,424.73</b>

**Actual O&M Expenses for FY 2022-23**

The net actual O&M expenses for FY 2022-23 after reducing expenditure capitalised is shown in the Table below:

**Table 3-62: Actual O&M expenses for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	Wires	Supply	Total
Employee Expenses	378.26	294.31	672.57
A&G Expenses	202.33	172.14	374.47
R&M Expenses	373.50	10.27	383.77
<b>Total</b>	<b>954.09</b>	<b>476.72</b>	<b>1,430.81</b>

AEML-D submitted that the above O&M expense is inclusive of corporate expense of Rs. 86.06 Crore, which have been included in the A&G Expenses. In the MTR Petition in Case No. 231 of 2022, AEML-D had requested the Commission to consider and approve the total O&M expenses of AEML as a whole, instead of separately assessing corporate allocation. AEML-D had submitted that the corporate expenses allocated to AEML are against the services procured by AEML to run its businesses and they are no different from the other O&M expenses. Therefore, there is no reason to separately assess corporate expenses from the actual O&M expenses of AEML. However, the Commission did not consider the request of AEML-D and had approved the Corporate Expense separately by escalating the approved Corporate Expense of previous year with the escalation factor applicable for current year. AEML-D has raised this issue in the Appeal No. 516 of 2023 before the Hon'ble APTEL and the same is pending.

The Corporate Expense for FY 2022-23 segregated between generation, transmission and distribution business of AEML based on turnover of different businesses is as under:

**Table 3-63: Corporate expenses for FY 2022-23 (Rs. Crore)**

Particulars	AEML-G	AEML-T	AEML-D	Total
Corporate Expense	19.92	3.75	86.06	109.73

Further, AEML-D submitted that the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022 had recognized the impact of the Hon'ble Supreme Court Judgment dated 28-02-2019 with regard to the calculation of contribution to the Provident Fund (PF) accounts of the employees is due to a Change in Law event and allowed the same over and above the normative O&M expenses for FY 2019-20 to FY 2021-22. Accordingly, for FY 2022-23, the impact of the same amounting to Rs. 1.84 Crore has been claimed separately. The actual O&M expenses provided above is inclusive of the said amount and has been excluded for the purpose of computing efficiency gains/losses on O&M expenses.

AEML-D submitted that Regulations 75.6 and 84.6 of the MYT Regulations, 2019 specify as follows:

*“In case the expenditure on Repairs & Maintenance falls below 20% of total O&M expenses allowed under these Regulations, then such savings in Repairs & Maintenance shall not be set off against other heads of O&M expenses.”*

In this regard, AEML-D submitted that the actual R&M expenses have been more than 20% of the actual O&M expenses.

Thus, the net entitlement of O&M expenses as per the MYT Regulations, 2019 for FY 2022-23 are shown in the table below:

**Table 3-64: O&M Net entitlement for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	Notation	Wires Business	Supply Business	Total
Normative O&M Expense	a	950.63	474.11	1,424.73
Actual O&M Expense (excluding SC Judgment impact of PF)	b	952.30	476.67	1,428.97
Difference	c = a-b	(1.67)	(2.57)	(4.24)
Net Entitlement	d	951.18	474.96	1,426.15
Impact on PF due to SC Judgement	e	1.79	0.05	1.84
<b>O&amp;M Expense claimed in this Petition</b>	<b>f = d + e</b>	<b>952.97</b>	<b>475.01</b>	<b>1,427.98</b>

Furthermore, AEML-D submitted that the issue of allowing GST impact over and above normative O&M expenses is pending before Hon'ble APTEL in Appeal No. 276 of 2022, the impact of which, if allowed in favour of AEML, would be to revise the normative O&M allowance from FY 2020-21 onwards. Consequently, there shall be impact on net entitlement of O&M cost for each year from FY 2020-21 onwards.

**FY 2023-24**

The applicable escalation factor for FY 2023-24 based on 30% of WPI inflation and 70% of CPI inflation of past 5 years works out to 5.50%.

The reduction in efficiency factor due to the growth in number of consumers for FY 2023-24 is as follows:

**Table 3-65: Efficiency factor for FY 2023-24**

	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>Average</b>	<b>Efficiency Factor</b>
Network Consumer No.	30,40,271	30,81,565	31,37,136	31,89,747		
<b>Growth</b>		<b>1.36%</b>	<b>1.80%</b>	<b>1.68%</b>	<b>1.61%</b>	<b>(0.19%)</b>
Retail Consumer No.	24,98,074	25,15,746	25,75,920	26,47,880		
<b>Growth</b>		<b>0.71%</b>	<b>2.39%</b>	<b>2.79%</b>	<b>1.96%</b>	<b>(0.02%)</b>

The escalation rate considering reduction by the efficiency factor, is as follows:

**Table 3-66: Escalation factor for FY 2023-24**

<b>Year</b>	<b>Wires</b>	<b>Supply</b>
Escalation (%)	5.50%	5.50%
Efficiency factor (%)	(0.19%)	(0.02%)
Escalation (%) considered	5.31%	5.49%

Based on the above, the permissible normative O&M expense for FY 2023-24 have been worked out as shown in the table below:

**Table 3-67: Normative O&M expenses for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

<b>Particulars / (Rs. Crore)</b>	<b>Normative O&amp;M Expense for FY 2022-23</b>	<b>Escalation Rate</b>	<b>Revised Normative O&amp;M Expense for FY 2023-24</b>
Wires Business	950.63	5.31%	1,001.11
Supply Business	474.11	5.49%	500.12
<b>Total</b>	<b>1,424.73</b>		<b>1,501.23</b>

**Actual O&M Expense for FY 2023-24**

The actual O&M expenses for FY 2023-24 after reducing expenditure capitalised are as under:

**Table 3-68: Actual O&M expense for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

<b>Particulars</b>	<b>Wires</b>	<b>Supply</b>	<b>Total</b>
Employee Expenses	368.04	337.97	706.01
A&G Expenses	236.83	147.44	384.28
R&M Expenses	389.97	11.95	401.92
<b>Total</b>	<b>994.84</b>	<b>497.36</b>	<b>1,492.20</b>

AEML-D submitted that the above O&M expense is inclusive of corporate expense of Rs. 103.07 Crore, which has been included in the A&G Expenses. As stated earlier, the issue of separate treatment of corporate allocation has been raised in the Appeal No. 516 of 2023 before the Hon'ble APTEL and the same is pending.

The Corporate Expenses for FY 2023-24 segregated between generation, transmission and distribution business of AEML on the basis of turnover of different businesses is as under:

**Table 3-69: Corporate Expenses for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars/ (Rs. Crore)	AEML-G	AEML-T	AEML-D	Total
Corporate Expense	16.44	4.28	103.07	123.79

Further, AEML-D submitted that the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022 had recognized the impact of the Hon'ble Supreme Court Judgment considering PF as a Change in Law event and allowed the same over and above the normative O&M expenses for FY 2019-20 to FY 2021-22. Accordingly, for FY 2023-24, the impact of the same amounting to Rs. 1.28 Crore has been claimed separately. The actual O&M expenses provided above is inclusive of the said amount and has been excluded for the purpose of computing efficiency gains/ losses on O&M expenses.

AEML-D requested the Commission to assess and approve its total O&M expenses, including allocated corporate expenses as a whole as per the terms of the MYT Regulations, 2019. Furthermore, AEML-D submitted that the actual R&M expenses for FY 2023-24 has been more than 20% of the total actual O&M expenses for FY 2023-24.

Thus, the net entitlement of O&M expense as per the MYT Regulations, 2019 for FY 2023-24 is shown in the Table below:

**Table 3-70: O&M Net Entitlement for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	Notation	Wires Business	Supply Business	Total
Normative O&M Expense	a	1001.11	500.12	1,501.23
Actual O&M Expense (excluding SC Judgment impact of PF)	b	993.60	497.32	1,490.93
Difference	c = b-a	7.51	2.80	10.31
Net entitlement	d	996.11	498.25	1,494.36
Impact on PF due to SC Judgment	e	1.24	0.04	1.28

Particulars	Notation	Wires Business	Supply Business	Total
O&M Expense claimed in this Petition	$f = d + e$	997.34	498.29	1,495.64

### ***Commission's Analysis and Ruling***

Regulation 75 and Regulation 84 of the MERC MYT Regulations, 2019, as amended from time to time, provides for determination of O&M expenses for Wires Business and Supply Business, respectively, for each year of the Control Period. The relevant extracts for the Wires Business are as follows:

*“75.2 The Operation and Maintenance expenses shall be derived on the basis of the average of the average of the Trued-up Operation and Maintenance expenses after adding/deducting the share of efficiency gains/losses, for the three years ending March 31, 2019, excluding abnormal Operation and Maintenance expenses, if any, subject to prudence check by the Commission:*

*Provided that the average of such Operation and Maintenance expenses shall be considered as Operation and Maintenance expenses for the year ending March 31, 2018, and shall be escalated at the respective escalation rate for FY 2018-19 and FY 2019-20, to arrive at the Operation and Maintenance expenses for the base year ending March 31, 2020:*

....

*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 Operation and Maintenance 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*

.....”

Accordingly, the Commission has considered the Base O&M expenses for FY 2021-22 for the purpose of allowing the revised normative O&M expenses for FY 2022-23 in accordance with Regulations 75.2 and 84.2 of the MYT Regulations, 2019 for the Wires Business and Supply Business, respectively. Similarly, the revised normative O&M expenses for FY 2022-23 approved in this Order have been considered as the base for arriving at the revised normative O&M expenses for FY 2023-24.

### Escalation Factor

In accordance with Regulations 75.3 and 84.3 of the MYT Regulations, 2019, the Escalation Factor for O&M Expenses for FY 2022-23 and FY 2023-24 has been computed considering 30% and 70% weightage for average yearly inflation derived based on the monthly WPI and CPI, respectively, in the previous five years reduced by the Efficiency Factor.

The data on WPI and CPI for the last six years are shown in the Tables below:

**Table 3-71: WPI data for past six years**

Month	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Apr	117.3	121.1	119.20	132.00	152.30	151.10
May	118.3	121.6	117.50	132.70	155.00	149.40
Jun	119.1	121.5	119.30	133.70	155.40	148.90
Jul	119.9	121.2	121.00	135.00	154.00	152.10
Aug	120.1	121.50	122.00	136.20	153.20	152.50
Sep	120.9	121.30	122.90	137.40	152.10	151.80
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
<b>Average</b>	<b>119.79</b>	<b>121.79</b>	<b>123.38</b>	<b>139.39</b>	<b>152.51</b>	<b>151.38</b>
<b>YoY</b>	<b>4.28%</b>	<b>1.67%</b>	<b>1.30%</b>	<b>12.98%</b>	<b>9.41%</b>	<b>-0.74%</b>

**Table 3-72: CPI data for past six years**

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

Since, the increase in the number of consumers of the Wires Business and Supply Business is lower than 2 percent over the last three years, the Efficiency Factor has been proportionally reduced. The reduction in efficiency factor works out to 0.50% and 0.29% for the Wires Business and Supply Business, respectively, for FY 2022-23. Similarly, the reduction in efficiency factor works out to 0.19% and 0% for the Wires Business and Supply Business, respectively, for FY 2023-24. Accordingly, the effective escalation rate for the Wires Business and Supply Business works out to 5.36% and 5.58%, respectively, for FY 2022-23. For FY 2023-24, the effective escalation rate for the Wires Business and Supply Business works out to 5.33% and 5.53%, respectively.

The following Table shows the Escalation rates derived for Wires and Supply considering the Efficiency Factor based on the consumer growth of past 3 years.

**Table 3-73: Escalation rate for FY 2022-23 and FY 2023-24 approved by the Commission**

Particulars	FY 2022-23		FY 2023-24	
	Wire Business	Supply Business	Wire Business	Supply Business
Escalation (%)	5.86%	5.86%	5.53%	5.53%
Efficiency factor (%)	(0.50%)	(0.29%)	(0.19%)	0%
<b>Escalation (%) considered</b>	<b>5.36%</b>	<b>5.58%</b>	<b>5.33%</b>	<b>5.53%</b>

### Normative O&M Expenses

The Commission has escalated the normative O&M expenses approved in the truing up for FY 2021-22 with the escalation rate determined above to arrive at the revised normative O&M



expenses for FY 2022-23. Further, the revised normative O&M expenses for FY 2022-23 have been escalated at the rate determined above to arrive at the revised normative O&M expenses for FY 2023-24.

The computation of revised normative O&M expenses for FY 2022-23 and FY 2023-24 in accordance with the MYT Regulations, 2019 is shown in the Table below:

**Table 3-74: Revised Normative O&M Expenses approved by the Commission for FY 2022-23 and FY 2023-24**

Particulars	Wires Business	Supply Business	Total
Base Normative O&M Expense approved for FY 2021-22	902.22	449.25	
Escalation Rate	5.36%	5.58%	
<b>Normative O&amp;M Expense for FY 2022-23</b>	<b>950.62</b>	<b>474.30</b>	<b>1424.92</b>
Escalation Rate	5.33%	5.53%	
<b>Normative O&amp;M Expense for FY 2023-24</b>	<b>1001.31</b>	<b>500.51</b>	<b>1501.82</b>

As regards the other impacts considered by AEML-D as uncontrollable, the Commission is of the view as under:

**Impact on PF due to SC Judgment:** As submitted by AEML-D, the Hon'ble Supreme Court has ruled that computation of amount payable to Provident Fund should be based on all components of wages (basic, dearness allowance, house rent allowance, special allowance etc.) rather than only basic pay. Hence, the impact of the Supreme Court Judgment on O&M expenses from FY 2019-20 onwards has been claimed as an uncontrollable Change in Law event. AEML-D has submitted the detailed workings of the incremental payment in FY 2022-23 and FY 2023-24. The Commission has approved the incremental payment due to PF payment as claimed by AEML-D, as shown in following Table:

**Table 3-75: Impact on PF due to SC Judgment for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24
Wires Business	1.79	1.24
Retail Supply Business	0.05	0.04

### **Actual O&M Expenses**

The Commission has verified the actual O&M expenses submitted by AEML-D for FY 2022-23 and FY 2023-24 in line with the audited accounts for the respective year and reconciliation statement of regulated businesses submitted by AEML-D. The Commission has undertaken



prudence check of the actual O&M expenses claimed by AEML-D and disallowed certain O&M expenses in the truing up for FY 2022-23 and FY 2023-24, as discussed below:

The Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022, had allowed Other Expenses by escalating the actual expenses for FY 2018-19 with the applicable escalation for those respective years. The relevant extract of the MTR Order is as under:

*“The Commission is of the view that though Other Allowances are highest in FY 2020-21, they cannot be allowed at the levels claimed by AEML-D. Further, Other Allowances in FY 2019-20 and FY 2021-22 are also much higher than what was approved for FY 2018-19. The Commission is of the view that despite repeated queries, AEML-D has not been able to justify the steep increase in Other Allowances for FY 2019-20 to FY 2021-22. Therefore, the Commission has allowed Other Allowances by escalating the actual expenses of FY 2018-19 with the applicable escalation for these years.”*

The Other Allowances claimed by AEML-D is Rs. 300.79 Crore and Rs. 219.43 Crore for FY 2022-23 and FY 2023-24, respectively. These expenses are much higher than what is allowed for FY 2021-22. Therefore, in line with the methodology adopted by the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022, the Commission has allowed Other Allowances by escalating the expenses allowed for FY 2021-22 with the applicable escalation for these years.

The following Table shows the disallowed Other Allowances for FY 2022-23 and FY 2023-24:

**Table 3-76: Disallowed Other Allowances for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	Allowable Other Allowances for Wires	Allowable Other Allowances for Supply	Actual Other Allowances for Wires	Actual Other Allowances for Supply	Disallowed Other Allowances - Wires	Disallowed Other Allowances – Supply
FY 2021-22	87.30	38.83				
Escalation rate	5.36%	5.58%				
FY 2022-23	91.98	41.00	177.13	123.67	<b>85.15</b>	<b>82.67</b>
Escalation rate	5.33%	5.51%				
FY 2023-24	96.88	43.26	87.74	131.69	<b>0.00</b>	<b>88.43</b>

**Corporate Expenses:** Corporate Expenses of the Distribution Business (Wires and Supply combined) have increased from Rs. 80.48 Crore approved for FY 2021-22 to Rs. 86.06 Crore and Rs. 103.07 Crore in FY 2022-23 and FY 2023-24, respectively.

In this regard, in the MYT Order, the Commission has held as under:

*“The Commission is of the view that Corporate expenses allowed to Regulated Entities cannot be exorbitantly high even though the same is certified by the Statutory Auditor. There needs to be a cap on the expenses which are allowed under Corporate Allocation. The Commission is of the view that taking over of Business by AEML from RInfra should not result in increase in Corporate Expenses and Corporate Allocation for the Regulated entities. Moreover, RInfra and AEML, while seeking the Commission’s approval for the transfer of assets and licence from RInfra to AEML in Case No. 139 of 2017, confirmed that there would not be any tariff impact on the consumers on account of the Transaction. The relevant extracts of the Commission’s Order in Case No. 139 of 2017 are as follows.*

*“78 RInfra and ATL have confirmed that the transaction shall not have any adverse impact on tariff payable by the consumers, as the tariff shall continue to be determined on the basis of regulated books of accounts.”*

*The Commission also confirmed that there would not be any adverse impact of the Transaction on the consumers. The relevant extracts are as follows.*

***“79 The Commission confirms that the transaction shall not have any adverse impact on tariff payable by the consumers, as the tariff shall continue to be determined on the basis of regulated books of accounts.***

...

*80 The Commission is of the view that the **Petitioners’ proposals for assignment of licence and transfer of assets can be approved only if it is ensured that the same shall not have any adverse impact on the tariff payable by the consumers.** Hence, the Commission directs that REGSL/ATL shall not claim any amount from the consumers on account of the proposed transaction, including inter-alia, any interest/penalty payable by REGSL/ATL to RInfra as per the terms and conditions of the Scheme of Arrangement and the SPA. The Commission further directs that the approval to RInfra to assign the Transmission Licence to REGSL and transfer transmission assets to REGSL, and sale of 100% shareholding in REGSL to ATL, is conditional and subject to the above restriction....” (emphasis added)*

*However, as seen from the above submissions of AEML-D, the takeover of Distribution Business from RInfra to AEML-D has increased the Corporate Allocation expenses in FY 2018-19 and thereby the cost proposed to be passed on to the consumers. Thus, the Corporate expenses booked/claimed in FY 2018-19 is against the intent of the approval given for the transaction in Case No. 139 of 2017.*

*The Commission has therefore, considered the Corporate Expenses of FY 2017-18 and escalated the same by the inflation rate considered for escalation of normative O&M expenses in FY 2018-19, i.e., 3.07% and approved Corporate expenses for FY 2018-19.”*

The Commission has continued the same approach and escalated the Corporate Expenses allowed for FY 2021-22 with the escalation rate approved for escalation of revised normative O&M expenses for FY 2022-23 and FY 2023-24. The following Table shows the disallowed Corporate Expenses for AEML-D:

**Table 3-77: Disallowed Corporate Expenses for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	Allowable Corporate Expenses Allocation - Wires	Allowable Corporate Expenses Allocation - Supply	Actual Corporate Expenses - Wires	Actual Corporate Expenses - Supply	Disallowed Corporate Expenses - Wires	Disallowed Corporate Expenses - Supply
FY 2021-22	49.46	31.02				
Escalation rate	5.36%	5.58%				
FY 2022-23	52.11	32.75	51.64	34.42	<b>0.00</b>	<b>1.67</b>
Escalation rate	5.33%	5.53%				
FY 2023-24	54.89	34.56	61.85	41.22	<b>6.96</b>	<b>6.66</b>

**Table 3-78: O&M expenses Disallowed for FY 2022-23 and FY 2023-24 for Wires & Supply (Rs. Crore)**

Particulars	Actual Expense claimed by AEML-D			Approved in this Order			Disallowance		
	Wires	Supply	Total	Wires	Supply	Total	Wires	Supply	Total
<b>Other Allowance</b>									
FY 2022-23	177.13	123.67	300.79	91.98	41.00	132.98	85.15	82.67	167.82
FY 2023-24	87.74	131.69	219.43	96.88	43.26	140.15	0.00	88.43	88.43
<b>Corporate Expense Allocation</b>									
FY 2022-23	51.64	34.42	86.06	52.11	32.75	84.86	0.00	1.67	1.67
FY 2023-24	61.85	41.22	103.07	54.89	34.56	89.45	6.96	6.66	13.62

The Commission has also verified that the actual R&M expenses in FY 2022-23 and FY 2023-24 are more than 20% of the O&M expenses for the combined Wires Business and Supply Business in accordance with Regulation 75.6 of the MYT Regulations, 2019, though on a standalone basis, the R&M expenses of the Supply Business are lower than 20% of the respective O&M expenses.

The net entitlement of O&M Expenses, after sharing of efficiency gains and losses, approved by the Commission after true up for FY 2022-23 and FY 2023-24 are summarised in the Tables below:

**Table 3-79: O&M Expenses allowed by the Commission after truing up for FY 2022-23 and FY 2023-24 for Wires Business (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	AEML-D Petition	Approved after truing up	AEML-D Petition	Approved after truing up
Normative O&M Expense	950.63	950.62	1001.11	1001.31
Actual O&M Expense	954.09	954.09	994.84	994.84
Less: Disallowed Other Allowances		85.15		0.00
Less: Disallowed Corporate Expenses Allocation		-		6.96
Less: Impact on PF due to SC Judgment	1.79	1.79	1.24	1.24
Net actual O&M Expense	952.30	867.15	993.60	986.65
Gain/(Loss)		83.47		14.66
<b>Net Entitlement</b>	<b>951.18</b>	<b>894.97</b>	<b>996.11</b>	<b>991.53</b>
Add back PF amount	1.79	1.79	1.24	1.24
<b>O&amp;M Expense allowed in this Order</b>	<b>952.97</b>	<b>896.76</b>	<b>997.34</b>	<b>992.77</b>

**Table 3-80: O&M Expenses allowed by the Commission after truing up FY 2022-23 and FY 2023-24 for Supply Business (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	AEML-D Petition	Approved after truing up	AEML-D Petition	Approved after truing up
Normative O&M Expense	474.11	474.30	500.12	500.51
Actual O&M Expense	476.72	476.72	497.36	497.36
Less: Disallowed Other Allowances		82.67		88.43
Less: Disallowed Corporate Expenses Allocation		1.67		6.66
Less: Impact on PF due to SC Judgment	0.05	0.05	0.04	0.04
Net actual O&M Expense	476.67	392.33	497.32	402.23
Gain/(Loss)		81.97		98.28
<b>Net Entitlement</b>	<b>474.96</b>	<b>419.65</b>	<b>498.25</b>	<b>434.99</b>
Add back PF amount	0.05	0.05	0.04	0.04
<b>O&amp;M Expense allowed in this Order</b>	<b>475.01</b>	<b>419.70</b>	<b>498.29</b>	<b>435.03</b>

### 3.8 CAPITALISATION

#### ***AEML-D's Submission***

AEML-D submitted that the Commission in the MTR Order dated 31-03-2022 in Case No. 231 of 2022 had provisionally approved the capitalization for FY 2022-23, considering the approved DPR schemes only. Subsequent to the issue of the MTR Order, there have been several DPRs for which in-principle approval has been received. Further, the capitalization estimated and approved in FY 2022-23 was on provisional basis, whereas the expenditure now being claimed is on actuals as incurred. Thus, the actual capitalization in FY 2022-23 is more than that approved in the MTR Order.

AEML-D submitted that the Commission, in the MTR Order in Case No. 231 of 2022, had approved the capitalization for FY 2023-24 considering the approved DPR schemes and for the DPR schemes pending for approval, additional capitalization at 20% of approved DPR capitalization was allowed. Subsequent to the issuance of the MTR Order, there have been several DPRs for which in-principle approval has been received. Some of these works were initiated in FY 2022-23 while others in FY 2023-24 and there has been capitalisation against these schemes as well. Thus, the actual capitalization in FY 2023-24 is more than that approved in the MTR Order. AEML-D clarified that the DPR works carried out in FY 2023-24 is considering the schemes that have been approved in-principle by the Commission and are part of the Rolling capex plan submitted to the Commission. The Non-DPR (NDPR) works are based on the NDPR schemes that have been registered with the Commission as per the MERC (Approval of Capital Investment Schemes) Regulations, 2022.

AEML-D added that the below capitalization includes Interest During Construction (IDC). Asset-wise computation of IDC has been submitted along with the Petition. AEML-D submitted that IDC has been calculated for works capitalized in Wires Business only and not in Supply Business. Further, IDC has not been calculated on works, which were started and completed in the same year.

The summary of actual Capitalisation for the Wires Business and Supply Business as against the capitalization considered in AEML-D's MTR Order for FY 2022-23 and FY 2023-24 is shown in the Tables below:

**Table 3-81: Capitalisation for Wires Business and Supply Business as submitted by AEML-D for FY 2022-23 (Rs. Crore)**

Particulars	MTR Order			AEML-D Petition		
	Wires	Supply	Total	Wires	Supply	Total
DPR	730.87	93.48	824.35	748.03	266.12	1014.15

Particulars	MTR Order			AEML-D Petition		
	Wires	Supply	Total	Wires	Supply	Total
Non-DPR				45.81	11.71	57.52
<b>Total</b>	<b>730.87</b>	<b>93.48</b>	<b>824.35</b>	<b>793.84</b>	<b>277.83</b>	<b>1071.67</b>

**Table 3-82: Capitalisation for Wires Business and Supply Business as submitted by AEML-D for FY 2023-24 (Rs. Crore)**

Particulars	MTR Order			AEML-D Petition		
	Wires	Supply	Total	Wires	Supply	Total
DPR	691.65	84.39	776.04	852.10	128.83	980.93
Non-DPR				68.57	0.35	68.92
<b>Total</b>	<b>691.65</b>	<b>84.39</b>	<b>776.04</b>	<b>920.67</b>	<b>129.19</b>	<b>1,049.85</b>

AEML-D requested the Commission to approve the actual capitalization for FY 2022-23 and FY 2023-24, as claimed above.

**Brief description of Works carried out in FY 2022-23 and FY 2023-24**

- a. 33/11 kV Distribution Sub-Station (DSS)
- b. 11 kV Mains Network Strengthening
- c. Low Tension Mains
- d. Low Tension Services
- e. Street Lights
- f. Metering
- g. Security
- h. IT Infrastructure Revamping
- i. Information Technology (SAP Hana migration)
- j. Instruments (Non-DPR)
- k. Information Technology (IT) Infrastructure (Non-DPR)
- l. Others (Non-DPR)
- m. R&D, Safety and DSM (Non-DPR)
- n. Meter Cabin Improvement (Non-DPR)
- o. System Modernization (Non-DPR)
- p. Metering (Non-DPR)

Further, AEML-D submitted the justification for the following capex works for which capitalization was not considered by the Commission in the MTR Order in Case No. 231 of 2022:

**a. Metering (New and Replacement) scheme**

The Commission has not considered the scheme as the same was not approved at the time of issuance of the MTR Order. Aggrieved by the same, AEML-D had filed Appeal No. 516 of 2023 before the Hon'ble APTEL. Subsequently, the Commission granted in-principle approval to the said scheme for Rs. 38.14 crore.

The Commission in its reply to the Appeal No. 516 of 2023 in the matter of non-consideration of capitalization in Supply Business for FY 2021-22 stated as follows:

*“The Commission has not considered the capitalisation of Rs. 38.14 Crore, which has been claimed by the Appellant for FY 2021-22, as the DPR scheme has not been in-principally approved till the date of issuing the impugned Order. However, subsequently vide letter dated 2 June 2023, the Commission has accorded post-facto approval for the said metering scheme. Therefore, **now appellant may claim impact of the same in upcoming tariff Petition.**” (emphasis added)*

***Commission's Analysis and Ruling***

The Commission has undertaken scheme-wise prudence check, and has accordingly approved the capitalisation in the truing-up for FY 2022-23 and FY 2023-24, based on the in-principle approval for the schemes undertaken by AEML-D. It has approved capitalisation only for those schemes that have been completed and put to use, based on the addition to GFA reported in the Accounts, and the half-yearly Reports of progress and status of projects, and the Cost- Benefit- Analysis reports submitted by AEML-D. The Commission has primarily analysed the Schemes, which have incurred time overrun and cost overrun with respect to the approved DPR cost.

The Commission has observed cost overrun in the following Schemes:

**11 kV Network strengthening (15-16)**

The approved DPR cost is Rs. 167.51 Crore. AEML-D has claimed cumulative capitalization up to FY 2021-22 of Rs. 159.45 Crore. AEML-D has claimed Rs. 7.85 Crore of actual Capital Expenditure and IDC of Rs. 0.04 Crore against time overrun in FY 2022-23.

AEML-D, in its justification, has stated that IDC is due to delay in handing over of CSS plots/RoW and completion of legal formalities by Developers and delay in excavation permission from statutory authorities.

For FY 2022-23, the Commission has disallowed the IDC of Rs. 0.04 Cr. claimed by AEML-D, as the same is not entirely uncontrollable.

**Additional Receiving Station (15-16)**

The approved DPR cost is Rs. 82.94 Crore. The Commission in MTR Order in Case No. 231 of 2022 has approved cumulative capitalization of Rs 51.58 Crore up to FY 2021-22. AEML-D for FY 2022-23 and FY 2023-24 has claimed actual Capitalisation of Rs. 11.96 Crore and Rs. 11.24 Crore, respectively, in this Petition. Similarly, AEML-D has claimed IDC of Rs. 0.06 Crore and Rs. 0.65 Crore for FY 2022-23 and FY 2023-24, respectively, against time overrun in the Scheme.

AEML-D in its justification for time overrun has stated that the capitalisation was delayed due to delay in handing over of plot and completion of legal formalities by Developers, delay in IOD/CC permission from MCGM / Private agencies, legal issues with Developer/Society and delay in excavation permission for roads/lands from statutory body. AEML-D has requested to consider the actual capitalisation for FY 2022-23 and FY 2023-24.

The Commission notes that the IDC of Rs. 0.06 Crore and Rs. 0.65 Crore incurred in FY 2022-23 and FY 2023-24, respectively, are due to various delays in statutory clearances, etc. AEML-D has justified the delay by claiming the same is due to COVID-19 related issues. The Commission notes that the work of this Scheme should have been over before COVID-19. Considering the time overrun is not due to uncontrollable factors, the Commission disallows the IDC of Rs. 0.06 Crore and Rs. 0.65 Crore claimed by AEML-D for FY 2022-23 and FY 2023-24, respectively.

**11 kV network Strengthening (16-17) New Supply**

The approved DPR cost is Rs. 60.61 Crore. AEML-D has claimed cumulative capitalization of Rs. 54.11 Crore up to FY 2021-22.

AEML-D has claimed actual capitalisation of Rs 6.66 Crore and IDC of Rs. 0.42 Crore for FY 2022-23 in this Petition. AEML-D in its justification has stated that the completion of the scheme got delayed due to various reasons like non-availability of excavation permissions, private party objections, non-readiness of the site of Applicants/developers, etc. The scheme got completed at the end of FY 2022-23 and the actual capitalization post completion is Rs 61.03 Crore. AEML-D has requested to consider the actual capitalisation for FY 2022-23.

The Commission notes that the work of this Scheme should have been over long before. The Commission deems that the cause of delay is not uncontrollable. Considering the same, the Commission disallows Rs. 0.42 Crore of IDC claimed for FY 2022-23.



**Disaster Management Plan (17-18) Improvement**

The approved DPR cost is Rs. 62.09 Crore. The Commission notes that the approved cumulative capitalization against this Scheme up to FY 2021-22 is Rs. 44.79 Crore.

AEML-D has claimed actual capitalisation of Rs 6.77 Crore and IDC of Rs. 0.13 Crore for FY 2022-23 in this MYT Petition. AEML-D in its justification for time overrun has stated that the completion of the scheme got delayed due to various reasons like delay in IOD/CC permission, and objection from private properties/societies at some locations. AEML-D has requested to consider the actual capitalisation for FY 2022-23.

The Commission notes that the work of this Scheme should have been over long before. The Commission deems that the cause of delay is not uncontrollable. Considering the same, the Commission disallows Rs. 0.13 Crore of IDC claimed for FY 2022-23.

**33-22/11 kV Receiving Station (14-15)**

The approved DPR cost is Rs. 98.46 Crore. The Commission notes AEML-D has claimed cumulative capitalization of Rs. 44.79 Crore up to FY 2022-23.

AEML-D has claimed actual capitalisation of Rs 4.01 Crore and IDC of Rs. 0.13 Crore for FY 2022-23 and capitalisation of Rs. 7.38 Crore and IDC of Rs. 0.09 Crore for FY 2023-24 in this Petition. AEML-D in its justification for time overrun has stated that the completion of the scheme got delayed due to various reasons like delay in handing over of plot and completion of legal formalities by Developers, delay in IOD/CC permission from MCGM / Private agencies, legal issues with Developer/Society, and delay in excavation permission for roads/lands from statutory authorities. AEML-D has requested to consider the actual capitalisation for FY 2022-23 and FY 2023-24.

The Commission notes that the work of this Scheme should have been over long before. The Commission deems that the cause of delay is not uncontrollable. Considering the same, the Commission disallows Rs. 0.13 Crore and Rs. 0.09 Crore of IDC claimed for FY 2022-23 and FY 2023-24, respectively.

**Other Notable Schemes**

The Commission has also observed cost overrun in the following schemes. AEML-D has provided similar justification for the cost overrun of these schemes. Therefore, instead of providing separate write up for each scheme, the Commission has analysed in a consolidated

manner. Further, as AEML-D has claimed some amount of capitalisation against these Schemes of in FY 2022-23 and FY 2023-24, the Commission has scrutinised the schemes as follows:-

**Scheme Details: -**

a. **33-22/11 kV Receiving Stations (16-17)**

The approved DPR cost is Rs. 156.70 Crore. AEML-D has claimed cumulative capitalization of Rs.107.42 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 10.85 Crore and Rs. 8.26 Crore, and IDC of Rs. 0.44 Crore and Rs. 0.20 Crore, in FY 2022-23 and FY 2023-24, respectively.

b. **33-22/11 kV Receiving Stations (17-18)**

The approved DPR cost is Rs. 131.52 Crore. AEML-D has claimed cumulative capitalization of Rs. 116.43 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 14.85 Crore and IDC of Rs. 0.66 Crore. The cost overrun is 1% of the approved cost of DPR.

c. **11 kV network strengthening (17-18) New supply**

The approved DPR cost is Rs. 80.80 Crore. AEML-D has claimed cumulative capitalization of Rs. 55.16 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 6.00 Crore and Rs. 14.77 Crore, and IDC of Rs. 0.12 Crore and Rs. 0.37 Crore, in FY 2022-23 and FY 2023-24, respectively.

d. **33-22/11 kV Receiving Stations (18-19) Improvement**

The approved DPR cost is Rs. 104.03 Crore. AEML-D has claimed cumulative capitalization of Rs. 58.00 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 17.23 Crore and Rs. 12.41 Crore, and IDC of Rs. 0.95 Crore and Rs. 1.06 Crore, in FY 2022-23 and FY 2023-24, respectively.

e. **11 kV Network Strengthening (18-19) New Supply**

The approved DPR cost is Rs. 68.91 Crore. AEML-D has claimed cumulative capitalization of Rs. 25.25 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 0.71 Crore and Rs. 4.03 Crore, and IDC of Rs. 0.00 Crore and Rs. 0.07 Crore, in FY 2022-23 and FY 2023-24, respectively.

**f. 11 kV Network Strengthening (19-20) New Supply**

The approved DPR cost is Rs. 32.21 Crore. AEML-D has claimed cumulative capitalization of Rs. 30.37 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 1.83 Crore and IDC of Rs. 0.22 Crore in FY 2022-23.

**g. 11 kV Network strengthening (19-20) Improvement**

The approved DPR cost is Rs. 137.06 Crore. AEML-D has claimed cumulative capitalization of Rs.118.57 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 18.14 Crore and IDC of Rs. 0.90 Crore in FY 2022-23.

**h. Services (19-20) New Supply + extension DPR**

The approved DPR cost is Rs. 86.66 Crore. AEML-D has claimed cumulative capitalization of Rs.78.90 Crore up to FY 2021-22. AEML-D has claimed Capitalisation of Rs. 7.73 Crore and IDC of Rs. 0.52 Crore in FY 2022-23.

**Common Justification from AEML-D for all the above schemes (a to h):-**

The Commission in all these Schemes have observed minor time over-run. AEML-D has submitted that delay in these Schemes is due to delay in handing over of CSS plots/RoW and completion of legal formalities by Developers and delay in excavation permission for roads/lands from statutory authorities.

The Commission notes that the approved expenditure period coincided with COVID-19 period, which could have extended the execution of the Scheme, AEML-D has provided the reasons for time overrun of the Scheme. As the delay in the schemes were uncontrollable, the Commission approves the IDC claimed for these Schemes.

Hence, the Capitalisation approved by the Commission for FY 2022-23 and FY 2023-24 is given below:

**Table 3-83: Capitalisation for Wires Business and Supply Business approved after truing up for FY 2022-23 (Rs. Crore)**

Particulars	MTR Order			AEML-D Petition			Approved by Commission		
	Wires	Supply	Total	Wires	Supply	Total	Wires	Supply	Total
DPR	730.87	93.48	824.35	748.03	266.12	1014.15	747.24	266.12	1013.36
Non-DPR				45.81	11.71	57.52	45.81	11.71	57.52
<b>Total</b>	<b>730.87</b>	<b>93.48</b>	<b>824.35</b>	<b>793.84</b>	<b>277.83</b>	<b>1071.67</b>	<b>793.05</b>	<b>277.83</b>	<b>1070.88</b>

**Table 3-84: Capitalisation for Wires Business and Supply Business approved after truing up for FY 2023-24 (Rs. Crore)**

Particulars	MTR Order			AEML-D Petition			Approved by Commission		
	Wires	Supply	Total	Wires	Supply	Total	Wires	Supply	Total
DPR	691.65	84.39	776.04	852.10	128.83	980.93	851.36	128.83	980.20
Non-DPR				68.57	0.35	68.92	68.57	0.35	68.92
<b>Total</b>	<b>691.65</b>	<b>84.39</b>	<b>776.04</b>	<b>920.67</b>	<b>129.19</b>	<b>1,049.85</b>	<b>919.93</b>	<b>129.19</b>	<b>1,049.11</b>

### 3.9 Capitalization in FY 2021-22

#### *AEML-D's Submission*

AEML-D submitted that during the true up of FY 2021-22 in the MTR Order in Case No. 231 of 2022, the Commission did not consider Capitalisation of DPR amount of Rs. 38.14 Crore towards DPR. The DPR capitalization was towards the Metering (New and Replacement) scheme for FY 2021-22. Aggrieved by the same, AEML-D had filed Appeal No. 516 of 2023 before the Hon'ble APTEL.

Subsequently, the Commission granted in-principle approval to the said scheme for Rs. 38.14 crore.

The Commission in its reply to the Appeal No. 516 of 2023 in the matter of non-consideration of capitalization in Supply business for FY 2021-22 stated as follows:

*“The Commission has not considered the capitalisation of Rs. 38.14 Crore, which has been claimed by the Appellant for FY 2021-22, as the DPR scheme has not been in-principally approved till the date of issuing the impugned Order. However, subsequently vide letter dated 2 June 2023, the Commission has accorded post-facto approval for the said metering scheme. Therefore, now appellant may claim impact of the same in upcoming tariff Petition.”*

In accordance with the above, AEML-D has restated the Opening GFA, Opening Debt and Opening Equity for FY 2022-23 for Supply business, as follows:

- In Table 3-115 of the MTR Order in Case No. 231 of 2022, as per the true-up petition, the Closing GFA for FY 2021-22 claimed was Rs. 543.80 crore, which has now been considered as the Opening GFA for FY 2022-23.
- In Table 3-163 of the MTR Order in Case No. 231 of 2022, as per the true-up Petition, the closing debt balance for FY 2021-22 claimed was Rs. 9.08 crore, which has now been considered as the opening debt balance for FY 2022-23.

- In Table 3-208 of the MTR Order in Case No. 231 of 2022, as per the true-up Petition, the Closing equity balance for FY 2021-22 claimed was Rs. 167.12 crore, which has now been considered as the Opening equity balance for FY 2022-23.

AEML-D submitted that the rationale for the same being that the opening GFA, opening debt and opening equity for FY 2021-22 is the same as that has been approved by the Commission. Thus, the difference is entirely on account of the non-consideration of capitalization of Rs. 38.14 crore during FY 2021-22. Hence, the closing GFA, closing debt and closing equity for FY 2021-22 as per true-up values are considered as the opening values for FY 2022-23.

Further, the addition of Rs. 38.14 crore towards GFA of Supply Business during FY 2021-22 also results in incremental depreciation, interest and return on equity, which should have allowed during true-up of FY 2021-22. The same is being claimed now, as under:

**Table 3-85 : Additional claim for FY 2021-22 (Rs. Crore)**

<b>Particulars</b>	<b>True-up amount claimed</b>	<b>Approval amount</b>	<b>Difference (Impact)</b>
Depreciation	23.48	22.59	0.89
Interest on debt	0.55	0.17	0.38
Return on Equity	35.22	34.01	1.21
<b>Total</b>			<b>2.48</b>

Thus, AEML-D has considered total impact for FY 2021-22 as Rs. 2.48 crore. This amount along with the associated carrying cost has been considered as part of past Gap/(Surplus) in FY 2025-26.

### ***Commission's Analysis and Ruling***

The Commission has noted the submission of the Petitioner. The Commission had not considered DPR Capitalisation of Rs. 38.14 Crore for Supply Business in FY 2021-22 as the same was yet to be approved in-principle by the Commission. However, subsequently, the Commission has accorded post-facto approval for Capitalisation of this Scheme after due diligence. Hence, AEML-D's prayer seeking consequential impact of such subsequent approval is justified.

The Commission has, thus, restated the approved Depreciation, Interest on Loan and Return on Equity (RoE) for the True up of FY 2021-22 as shown below:

**Table 3-86 : Impact on Depreciation in FY 2021-22 (Rs. Crore)**

Particulars	MTR Order	Restated	Impact
Opening GFA	537.06	537.06	
Addition	2.78	40.92	
Retirement	34.20	34.20	
Closing GFA	502.86	543.80	
<b>Depreciation</b>	<b>22.59</b>	<b>23.48</b>	<b>0.89</b>
Depreciation (as % of GFA)	4.34%	4.34%	

**Table 3-87 : Impact on Interest on Loan in FY 2021-22 (Rs. Crore)**

Particulars	MTR Order	Restated	Impact
Opening Balance	4.01	4.01	
Less: Reduction of normative loan due to retirement of assets	0.10	0.10	
Addition of new loans	1.95	28.65	
Repayment	22.59	23.48	
Closing Balance	0.00	9.08	
Interest rate	8.35%	8.35%	
<b>Interest</b>	<b>0.17</b>	<b>0.55</b>	<b>0.38</b>

**Table 3-88 : Impact on Return on Equity in FY 2021-22 (Rs. Crore)**

Particulars	MTR Order	Restated	Impact
Opening Balance	165.10	165.10	
Closing Balance	155.68	167.12	
RoE rate (incl. of tax)	21.20%	21.20%	
<b>Return on Equity</b>	<b>34.01</b>	<b>35.22</b>	<b>1.21</b>

Hence, the Commission allows impact of Rs. 2.48 Crore (Rs. 0.89 Crore + Rs. 0.38 Crore + Rs. 1.21 Crore) on account of revision of True up of FY 2021-22 to be allowed in the FY 2025-26 with applicable Carrying cost.

### 3.10 OPENING GROSS BLOCK FOR FY 2022-23

#### *AEML-D's Submission*

AEML-D has considered the opening GFA as shown in the table below:

**Table 3-89 : Opening GFA for Wires and Supply Business for FY 2022-23 as submitted by AEML-D (Rs Crore)**

Particulars	MTR Order	True-up Petition
Wires Business	8142.07	8548.43
Supply Business	502.86	543.80

### ***Commission's Analysis and Ruling***

The Commission has considered the Opening Balance of GFA of AEML-D for FY 2022-23 equal to the Closing Balance of GFA for FY 2021-22, as approved in the MYT Order at the time of Truing-up. However, as the Commission has restated closing GFA of FY 2021-22 for Supply Business from Rs. 502.86 Crore to Rs. 543.80 Crore, the same has been considered as opening GFA of FY 2022-23. The Opening GFA considered by the Commission for FY 2022-23 for the Wires Business and Supply Business is shown in the Table below:

**Table 3-90 : Opening GFA for Wires and Supply Business for FY 2022-23 as approved by Commission (Rs Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
Wire Business	8142.07	8548.43	8142.07
Supply Business	502.86	543.80	543.80

*\*Opening GFA considered without considering Consumer Contribution as submitted by AEML-D, as discussed subsequently under 'Depreciation'*

### **3.11 DEPRECIATION**

#### ***AEML-D's Submission***

AEML-D submitted that it has calculated the Depreciation on assets for FY 2022-23 and FY 2023-24 in accordance with the rates specified in the MYT Regulations, 2019.

AEML-D submitted that the effect of retirement of assets and withdrawal of corresponding accumulated depreciation has been considered while computing depreciation for FY 2022-23 and FY 2023-24. The depreciation calculated by AEML-D for the Wires Business for FY 2022-23 and FY 2023-24 is shown in the Table below:

**Table 3-91 : Depreciation for Wires Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Opening GFA	8,142.07	8,548.43	8,863.24	9,289.83
Addition	730.87	793.84	691.65	920.67
Retirement	9.70	52.44	-	51.48
Closing GFA	8,863.24	9,289.83	9,554.89	10,159.02
<b>Depreciation</b>	<b>377.47</b>	<b>416.12</b>	<b>408.84</b>	<b>438.35</b>
Depreciation (% of Av. Balance)	4.44%	4.67%	4.44%	4.51%

AEML-D submitted that the actual depreciation provided above is inclusive of depreciation on consumer contribution, which is Rs. 11.86 Crore. After subtracting the same, the depreciation for Wires Business for FY 2022-23 as claimed in ARR is Rs. 404.26 Crore. Similarly, in FY 2023-24, the actual depreciation provided above is inclusive of depreciation on consumer contribution, which is Rs. 13.90 Crore. After subtracting the same, the depreciation for Wires Business for FY 2023-24 as claimed in ARR is Rs. 424.45 Crore.

The Table below shows the depreciation computed by AEML-D for its Supply Business for FY 2022-23 and FY 2023-24:

**Table 3-92 : Depreciation for Supply Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	True-up Petition	MTR Order	True-up Petition
Opening GFA	502.86	543.80	586.50	790.68
Addition	93.48	277.83	84.39	129.18
Retirement	9.85	30.95	-	20.90
Closing GFA	586.50	790.68	670.89	898.96
<b>Depreciation</b>	<b>23.66</b>	<b>45.52</b>	<b>27.31</b>	<b>63.34</b>
Depreciation (as % average balance)	4.34%	6.82%	4.34%	7.50%

AEML-D submitted that the Commission had allowed depreciation for FY 2022-23 in the MTR Order considering the weighted average rate of depreciation on the average GFA approved for FY 2021-22. However, the actual depreciation has been calculated on assets added during the year proportionately, based on the actual dates of addition. Therefore, there is variation in the depreciation rate being claimed for FY 2022-23 now with respect to the depreciation rate allowed in the MTR Order.

### ***Commission's Analysis and Ruling***

For computation of depreciation for FY 2022-23 and FY 2023-24, the Commission has considered the opening balance of GFA for Wires Business and Supply Business as approved in the final truing-up of FY 2021-22 in the MTR Order. The Commission has considered asset addition for FY 2022-23 and FY 2023-24 in line with the approved capitalisation. As regards asset retirement, it has accepted the submission of AEML-D.



The Commission has considered the weighted average depreciation rate of 4.67% for Wires Business and 6.82% for Supply Business for FY 2022-23 based on the actual depreciation and the average GFA as per audited accounts of FY 2022-23. Similarly, the Commission has considered the weighted average depreciation rate of 4.51% for Wires Business and 7.50% for Supply Business for FY 2023-24 based on the actual depreciation and the average GFA as per audited accounts of FY 2023-24. The Commission notes the increase in depreciation rate on account of higher depreciation rate specified for Battery and Meters as per the MYT Regulations, 2019. Based on the average depreciation rate, the Commission has worked out Depreciation for Wires Business and Supply Business for FY 2022-23 and FY 2023-24. The Commission has not reduced the depreciation on the Consumer Contribution as proposed by AEML-D, as the amount of Consumer Contribution has not been added to the GFA, and as per the usual method of computing depreciation.

The Commission has approved depreciation for Wires Business and Supply Business of AEML-D after final truing up for FY 2022-23 and FY 2023-24, as shown in the Tables below:

**Table 3-93: Depreciation for Wires Business for FY 2022-23 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
Opening GFA	8,142.07	8,548.43	8,142.07
Addition	730.87	793.84	793.06
Retirement	9.70	52.44	52.44
Closing GFA	8,863.24	9,289.83	8882.69
<b>Depreciation</b>	<b>377.47</b>	<b>416.12</b>	<b>397.14</b>
Depreciation (as % of GFA)	4.44%	4.67%	4.67%

**Table 3-94: Depreciation for Supply Business for FY 2022-23 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
Opening GFA	502.86	543.80	543.80
Addition	93.48	277.83	277.83
Retirement	9.85	30.95	30.95
Closing GFA	586.50	790.68	790.68
<b>Depreciation</b>	<b>23.66</b>	<b>45.52</b>	<b>45.52</b>
Depreciation (as % of GFA)	4.34%	6.82%	6.82%

**Table 3-95: Depreciation for Wires Business for FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
Opening GFA	8,863.24	9,289.83	8882.69
Addition	691.65	920.67	919.93
Retirement	-	51.48	51.48
Closing GFA	9,554.89	10,159.02	9751.14
<b>Depreciation</b>	<b>408.84</b>	<b>438.35</b>	<b>419.98</b>
Depreciation (as % of GFA)	4.44%	4.51%	4.51%

**Table 3-96: Depreciation for Supply Business for FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
Opening GFA	586.50	790.68	790.68
Addition	84.39	129.18	129.18
Retirement	-	20.90	20.90
Closing GFA	670.89	898.96	898.96
<b>Depreciation</b>	<b>27.31</b>	<b>63.34</b>	<b>63.34</b>
Depreciation (as % of GFA)	4.34%	7.50%	7.50%

### 3.12 FINANCING PLAN AND INTEREST EXPENSES ON LOAN

#### *AEML-D's Submission*

AEML-D submitted that it makes arrangement of financing for capital expenditure of the Company as a whole. The capital expenditure for FY 2022-23 and FY 2023-24 for all three Divisions of the Company is shown in the table below:

**Table 3-97: FY 2022-23 Capital expenditure (Rs. Crore)**

Particulars	AEML-G	AEML-T	AEML-D	Total
Capitalization in FY 2022-23 excluding IDC(A)	22.26	5.97	1,060.06	1,088.29
Opening WIP for FY 2022-23 (B)	6.74	540.30	224.57	771.62
Closing WIP for FY 2022-23 (C)	15.45	792.43	287.56*	1,095.44
Capital Expenditure for FY 2022-23 (D = A+C-B)	30.98	258.09	1,123.05	1,412.12
Less: Consumer Contribution			33.81	33.81
<b>Net Capital expenditure for FY 2022-23</b>	<b>30.98</b>	<b>258.09</b>	<b>1,089.24</b>	<b>1,378.31</b>

\* Excluding IOBC

**Table 3-98: FY 2023-24 Capital expenditure (Rs. Crore)**

Particulars	AEML-G	AEML-T	AEML-D	Total
Capitalization in FY 2023-24 (A)	21.29	94.16	1,037.12	1,152.57
Opening WIP for FY 2023-24 (B)	15.45	792.43	294.97*	1,102.85
Closing WIP for FY 2023-24 (C)	12.87	1,013.92	295.18	1,321.97
Capital Expenditure for FY 2023-24 (D = C-B+A)	18.70	315.65	1,037.33	1,371.69
Less: Consumer Contribution			43.36	43.36
<b>Net Capital expenditure for FY 2023-24</b>	<b>18.70</b>	<b>315.65</b>	<b>993.97</b>	<b>1,328.32</b>

\* including IOBC of Rs. 7.41 crore.

AEML-D submitted that it has not availed any additional loans for funding the said capex in FY 2022-23 and FY 2023-24. In the MTR Petition in Case No. 231 of 2022, AEML-D had submitted that out of the FD amount of Rs. 80 Crore made out of External Commercial Borrowing (ECB) in FY 2021-22, Rs. 20 Crore was utilized in FY 2021-22. The balance FD amount of Rs. 60 Crore was utilized for capex funding purpose for FY 2022-23. Thus, only 4.31% of the capex has been funded through debt and the balance has been funded through internal accruals. Since the debt used in capex is 4.31%, the debt used in capitalization in FY 2022-23 also needs to be considered as 4.31%. For FY 2023-24, 100% of capex during FY 2023-24 has been funded through internal accruals of AEML-D. As the actual debt percentage is less than 70%, AEML has considered 70% of capitalization deemed to be funded through debt and 30% through equity, in accordance with MYT Regulations, 2019.

As regards equity infusion, the first proviso to Regulation 27.1 of the MYT Regulation, 2019 is reproduced below:

*“Provided that the equity investment to be considered in any year shall not exceed the difference between the sum of cumulative return on equity allowed by the Commission in previous years, efficiency gains and losses, incentives and disincentives, and income earned from investment of return on equity, and the cumulative equity investment approved by the Commission in previous years, unless the Generating Company or Licensee or MSLDC submits documentary evidence for the actual deployment of equity and explain the source of funds for the equity.”*

AEML-D submitted the difference between the sum of year-wise RoE allowed by the Commission to AEML-D through past Tariff Orders till FY 2021-22 and the opening regulatory equity for FY 2022-23. Hence, the equity investment claimed for FY 2022-23 and FY 2023-24 is less than difference between the sum of year-wise RoE of past years and the

opening regulatory equity for FY 2022-23 and FY 2023-24. Hence, clearly, AEML-D had the requisite equity capital to carry out capital expenditure works in FY 2022-23 and FY 2023-24.

### **Interest on Loan**

For Wires Business, AEML-D has considered the opening normative loan balance for FY 2022-23 equal to the closing approved normative loan balance of FY 2021-22.

For Supply Business, since the Meter capex scheme for FY 2021-22 was approved post the issuance of the MTR Order in Case No. 231 of 2022, the Commission had considered the opening normative loan balance for FY 2022-23 as 'Nil'. As elaborated above, considering the submission of AEML-D in the MTR Petition in Case No. 231 of 2022, which included the capex cost for the Meter scheme, the closing normative loan balance for FY 2021-22 as per AEML-D is Rs. 9.08 Crore, which is considered as the opening normative loan balance for FY 2022-23. 70% of the asset addition in FY 2022-23 is considered as normative debt drawal during the year.

In accordance with Regulation 30.3 of the MYT Regulations, 2019, the repayment during each year is deemed equal to the depreciation allowed for that year.

Further, in FY 2022-23, there has been retirement of assets and the consequential reduction in loan due to such retirement is considered in the ARR, as has been elaborated above. Some of the assets, which were retired in FY 2022-23 were already depreciated for more than 70% of their historical cost and therefore, the corresponding debt is considered as already repaid. There were some assets, which were not depreciated till 70% of their historical cost and therefore, the outstanding debt (70% of historical cost less accumulated depreciation till retirement) has been reduced from the outstanding debt for FY 2022-23.

As per the first proviso of Regulation 30.5 of the MYT Regulations, 2019, at the time of Truing-up, the weighted average rate of interest based on actual loan portfolio during the concerned year needs to be considered as the rate of interest. The weighted average interest rate for FY 2022-23, considering all the loans in AEML's portfolio (bond, sub-debt and GMTN) works out to 8.98%. AEML-D submitted that the effects of withholding tax and hedge premium are also included in the interest rate calculations. AEML-D added that it had submitted the interest rates for FY 2019-20 to FY 2021-22 in the MTR Petition in Case No. 231 of 2022 by including the effect of withholding tax and hedge premium and the Commission had accepted the same.

Accordingly, AEML-D has calculated the interest on loans for FY 2022-23 and FY 2023-24 for the Wires Business and Supply Business, as shown in the Tables below:

**Table 3-99: Interest on loan for Wires as claimed by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Opening Balance	2,441.19	2,441.19	2,550.77	2,566.54
Reduction in loans due to asset retirement	6.79	2.42		8.09
Addition of new loans (after netting off consumer contribution)	493.84	532.02	466.39	614.11
Repayment	377.47	404.26	408.84	424.45
Closing Balance	2,550.77	2,566.54	2,608.32	2,748.11
Interest Rate (%)	8.35%	8.98%	8.35%	9.15%
<b>Interest on Loans</b>	<b>208.41</b>	<b>224.78</b>	<b>215.39</b>	<b>243.19</b>

**Table 3-100: Interest on loan for Supply as claimed by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Opening Balance	0.00	9.08	34.88	157.95
Reduction in loans due to retirement in loans	6.89	0.09		0.19
Addition of new loans (after netting off consumer contribution)	65.44	194.48	59.07	90.43
Repayment	23.66	45.52	27.31	63.34
Closing Balance	34.88	157.95	66.64	184.85
Interest Rate (%)	8.35%	8.98%	8.35%	9.15%
<b>Interest on Loans</b>	<b>1.46</b>	<b>7.50</b>	<b>4.24</b>	<b>15.69</b>

***Commission's Analysis and Ruling***

AEML-D has considered the rate of interest on long-term loans for FY 2022-23 as 8.98% and for FY 2023-24 as 9.15%. The Commission notes that the interest rate of these foreign currency loan is 4.24% to 7.32%. However, in FY 2022-23 and FY 2023-24, AEML-D has entered into Hedge Arrangement to minimise its exposure to Foreign Currency exchange related risks. The effective cost of these arrangement is effectively 2.51% to 4.26% in FY 2022-23. Hence, weighted average rate of interest for AEML comes to 8.98% for FY 2022-23. Similarly, for FY 2023-24, Interest rates are 4.55% to 7.42%. The cost of Hedge in FY 2023-24 is 3.18% to 4.2%. Hence, weighted average rate of interest for AEML comes to 9.17% for FY 2023-24. AEML-D has allocated these loans to the Wires Business and the Supply Business. The Commission has considered the same rate of interest for long-term loan for both Wires Business and Supply Business.

The Commission has considered the Closing Balance of Normative Loan for FY 2021-22 as approved in the MTR Order, as the Opening Balance of Normative Loan for FY 2022-23. For the Supply Business, the Commission has considered the restated closing balance of loan of AEML-D for FY 2021-22 as the opening balance of FY 2022-23. For the assets capitalised in FY 2022-23 and FY 2023-24, the Commission has considered 70% of the additional asset value less Consumer Contribution as normative debt, in accordance with the MYT Regulations, 2019. The repayment of the loan has been considered equal to the Depreciation approved for the year. Accordingly, the Commission has approved the interest on Loan for FY 2022-23, as shown in the Table below:

**Table 3-101: Interest Expenses for FY 2022-23 as approved by Commission (Rs. crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
<b>Wires Business</b>			
Opening Balance	2,441.19	2,441.19	2,441.19
Less: Reduction of normative loan due to retirement of assets	6.79	2.42	2.42
Addition of new loans	493.84	532.02	531.48
Repayment	377.47	404.26	397.14
Closing Balance	2,550.77	2,566.54	2,573.11
Interest rate	8.35%	8.98%	8.98%
<b>Interest</b>	<b>208.41</b>	<b>224.78</b>	<b>225.08</b>
<b>Supply Business</b>			
Opening Balance	0.00	9.08	9.08
Less: Reduction of normative loan due to retirement of assets	6.89	0.09	0.09
Addition of new loans	65.44	194.48	194.48
Repayment	23.66	45.52	45.52
Closing Balance	34.88	157.95	157.95
Interest rate	8.35%	8.98%	8.98%
<b>Interest</b>	<b>1.46</b>	<b>7.50</b>	<b>7.50</b>

Similarly, the Commission has considered the Opening Balance of the Normative Loan for FY 2023-24 as equal to the revised Closing Balance of Normative Loan for FY 2022-23, as approved in this Order. For the assets capitalised in FY 2023-24, the Commission has considered 70% of the additional asset value less Consumer Contribution as normative debt, in accordance with the MYT Regulations, 2019. The repayment of the loan has been considered equal to the Depreciation approved for the year.

Accordingly, the Commission has approved the interest on Loan for FY 2023-24, as shown in the Table below:

**Table 3-102: Interest Expenses for FY 2023-24 as approved by Commission (Rs. crore)**

Particulars	MTR Order	True-up Petition	Approved in this Order
<b>Wires Business</b>			
Opening Balance	2,550.77	2,566.54	2,573.11
Less: Reduction of normative loan due to retirement of assets		8.09	8.09
Addition of new loans	466.39	614.11	613.60
Repayment	408.84	424.45	419.98
Closing Balance	2,608.32	2,748.11	2,758.64
Interest rate	8.35%	9.15%	9.17%
<b>Interest</b>	<b>215.39</b>	<b>243.19</b>	<b>244.46</b>
<b>Supply Business</b>			
Opening Balance	34.88	157.95	157.95
Less: Reduction of normative loan due to retirement of assets		0.19	0.19
Addition of new loans	59.07	90.43	90.43
Repayment	27.31	63.34	63.34
Closing Balance	66.64	184.85	184.85
Interest rate	8.35%	9.15%	9.17%
<b>Interest</b>	<b>4.24</b>	<b>15.69</b>	<b>15.72</b>

### Financing Charges

AEML's loan portfolio consists of bond, sub-debt and GMTN. For these loans, AEML has incurred various charges such as trustee fees, legal fees, domestic and international rating fees etc. The same is segregated amongst generation, transmission and distribution (Wires and Supply) Divisions of AEML in the ratio of average regulatory loans for these divisions for FY 2022-23 and FY 2023-24, as shown in the table below:

**Table 3-103: Financing charges for loans as submitted by AEML-D**

Financing charges	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
FY 2022-23	0.14	0.51	2.36	0.08	3.09
FY 2023-24	0.19	0.70	3.85	0.25	4.98

Further, AEML has availed working capital loans from banks / financial institutions for meeting the day-to-day cash requirements. AEML has also incurred LC and BG commission for payment to vendors through LC/BG for materials related to capex / opex. All these financing charges correspond to financing of working capital requirements. The same is segregated amongst generation, transmission and distribution (Wires and Supply) Divisions of AEML in the ratio of normative working capital requirement for these divisions for FY 2022-23 and FY 2023-24 as shown in table below:

**Table 3-104: Financing charges for Working Capital as submitted by AEML-D for FY 2022-23 (Rs. Crore)**

Particulars (Rs. Crore)	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
LC / BG Commission			1.26		1.26
Financing charges for working capital loans	0.04	0.01	0.06	0.01	0.12
<b>Total</b>	<b>0.04</b>	<b>0.01</b>	<b>1.31</b>	<b>0.01</b>	<b>1.38</b>

**Table 3-105: Financing charges for Working Capital as submitted by AEML-D for FY 2023-24 (Rs. Crore)**

Particulars (Rs. Crore)	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
LC / BG Commission			0.94		0.94
Financing charges for working capital loans	0.03	0.01	0.06	0.02	0.12
<b>Total</b>	<b>0.03</b>	<b>0.01</b>	<b>1.00</b>	<b>0.02</b>	<b>1.06</b>

### ***Commission's Analysis and Ruling***

The Commission has verified the Finance Expense claimed by AEML from Audited Accounts. Further, AEML-D has submitted the break-up of the Financing Charges in response to the query raised by the Commission. AEML-D further clarified that as per the terms of the US \$ 1 Bn. Bond issued, AEML has to compulsorily obtain Credit Rating from two (2) international rating agencies to confirm its credit worthiness. However, it is observed that AEML has incurred international rating fees from three (3) Credit Rating agencies in FY 2023-24, instead of the mandatory requirement of 2 agencies. Hence, the Commission has disallowed Finance Charges of Rs. 0.87 Crore in FY 2023-24 incurred towards the 3<sup>rd</sup> Credit Rating fees for US \$1Bn Bond, and approved Financing Charges for long-term loans for FY 2022-23 and FY 2023-24, as shown in the Table below:



**Table 3-106: Financing charges for long-term loans approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24
Trustee Fees	0.36	0.33
Professional Fees	0.06	0.36
Legal Fees	0.11	
Paying Agent	0.06	0.06
Domestic Rating Fees	0.74	0.30
International Rating Fees	1.77	1.86
Stamp Duty		1.20
<b>Total</b>	<b>3.09</b>	<b>4.11</b>

The Commission agrees with the methodology of allocation of common expenses of AEML into its various business. Hence, the Commission has allocated the Finance Charges for long-term Loans for FY 2022-23 and FY 2023-24 in the ratio of average normative loan of the respective Business, as shown below:

**Table 3-107: Allocation of Financing charges approved by the Commission for long-term loans (Rs. Crore)**

Financing charges	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
FY 2022-23	0.14	0.51	2.37	0.08	3.09
FY 2023-24	0.15	0.57	3.18	0.20	4.11

Hence, the Commission has approved Finance Charges for long-term loans of Rs. 2.37 Crore and Rs. 0.08 Crore for the Wires Business and Supply Business, respectively, in FY 2022-23. Similarly, the Commission has approved Finance Charges for long-term loans of Rs. 3.18 Crore and Rs. 0.20 Crore for the Wires Business and Supply Business, respectively, in FY 2023-24.

Further, the Commission notes that AEML has availed working capital loans from banks / financial institutions for meeting the day-to-day cash requirements. AEML has also incurred LC and BG commission for payment to vendors through LC/BG for materials related to capex / opex. As all these financing charges correspond to financing of working capital requirements, the Commission has allowed the same, segregated the amount amongst the various businesses of AEML in the ratio of normative working capital requirement for these divisions for FY 2022-23 and FY 2023-24 as shown in the table below:

**Table 3-108: FY 2022-23 Financing charges for Working Capital approved by the Commission (Rs. Crore)**

Particulars (Rs. Crore)	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
LC / BG Commission			1.26		1.26
Financing charges for working capital loans	0.05	0.02	0.04	0.00	0.12
<b>Total</b>	<b>0.05</b>	<b>0.02</b>	<b>1.30</b>	<b>0.00</b>	<b>1.38</b>

**Table 3-109: FY 2023-24 Financing charges for Working Capital approved by the Commission (Rs. Crore)**

Particulars (Rs. Crore)	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
LC / BG Commission			0.94		0.94
Financing charges for working capital loans	0.04	0.02	0.05	0.00	0.12
<b>Total</b>	<b>0.04</b>	<b>0.02</b>	<b>1.00</b>	<b>0.00</b>	<b>1.06</b>

Hence, the Commission has approved Finance Charges for Working capital Loans of Rs. 1.30 Crore and Nil for the Wires Business and Supply Business, respectively, in FY 2022-23. Similarly, the Commission has approved Finance Charges for Working capital Loans of Rs. 1 Crore and Nil for the Wires Business and Supply Business, respectively, in FY 2023-24.

### 3.13 FERV

#### *AEML-D's Submission*

AEML's loan portfolio consists of bond, sub-debt and GMTN. In its MTR Petition (Case No. 231 of 2022), AEML-D had submitted that principal repayment for \$ 300 million Bond (out of \$ 1000 million) and \$ 282 million Sub-debt is hedged beyond Rs./\$ conversion rate of Rs. 91.75/\$ through At The Money Forward (ATMF) Option contract. The said contracts were made in FY 2019-20. AEML-D had submitted that the FERV loss or gain that will be incurred at the time of repayment of these loans shall be claimed by AEML-D in future.

During FY 2022-23, AEML hedged the \$ 300 million bond and \$ 282 million Sub-debt through Principal only Swap (POS) and Cross currency swap (CCS) contracts, respectively. The details of contracts are as under:

**Table 3-110: Type of Hedging contracts made for \$ 300 million Bond and \$ 282 million Sub-debt (for Principal repayment)**

Type of contract	Bank	Principal amount for which hedging done (\$ Million)	Hedge rate (Rs./\$)
<b>For Bond</b>			
POS contract	SCB	200	81.45
POS contract	Barclays	30	81.45
POS contract	SCB	70	80.90
<b>For Sub-Debt</b>			
CCS Contract	Axis	100	82.59
CCS Contract	Axis	100	82.27
CCS Contract	Axis	82	82.41

In November 2023, AEML repaid \$ 120 million out of the POS contract of \$ 200 million. The average Rs./\$ conversion rate at the time of availing the Bond amount was Rs. 71.2458 on 13-02-2020 and Rs./\$ conversion rate at the time of repayment of \$ 119.99 million was Rs. 83.3345 on 28-11-2023. As the hedge rate as per the POS contract was at Rs. 81.45, the FERV accrued to AEML due to repayment of \$ 120 million of Bond is capped at the above rate and is summarized as under:

**Table 3-111: Realized FERV loss accrued to AEML in FY 2023-24 as submitted by AEML-D**

Particulars	Notation	Amount
Repayment amount (\$ million)	a	120.00
Conversion rate at time of availing Bond (\$/Rupee)	b	71.2458
Repayment amount (Rs. Crore)	c = a X b	854.94
Hedge Rate (\$/Rupee)	d	81.45
Loan at Hedge Rate (Rs. Crore)	e = a X d	977.39
Realised FERV - Loss (Rs. Crore)	f = e - c	122.45

AEML-D submitted that the amount has been segregated amongst the Generation, Transmission and Distribution (Wires and Supply) Divisions of AEML in the ratio of average regulatory loans for these Divisions for FY 2023-24 as summarized below:

**Table 3-112: Division wise FERV loss for AEML in FY 2023-24**

Particulars (Rs. Cr)	AEML-G	AEML-T	AEML-D (W)	AEML-D (S)	Total
FERV loss	4.54	17.09	94.71	6.11	122.45

AEML-D also submitted that any FERV loss / gain that will further accrue in future due to repayment of Rs. 180 million of Bond and Rs. 282 million of sub-debt shall be claimed in subsequent Tariff Petitions.

### ***Commission's Analysis and Ruling***

The Commission has noted the information provided for FERV calculations and notes that the FERV loss is due to repayment of Bond amount of \$120 Million from a total of \$300 Million Bond. At the time of drawing the loan, the exchange rate was Rs. 71.245/USD as submitted by AEML-D. At the time of repayment, the currency exchange rate was Rs. 83.335/USD. However, prior to repayment, AEML had entered into Hedge contracts through Principal only Swap (POS) and Cross Currency Swap (CCS) contracts for its \$ 300 million bond and \$ 282 million Sub-debt. These contracts were made in FY 2022-23. Hence, AEML-D had been able to save Rs.  $(83.33-81.45) = \text{Rs.}1.88 / \text{USD}$  through these contracts. The Commission also notes that such hedging provide assurance to the Petitioner on the amount of repayment it would have to make after maturity. Hence, hedging is a beneficial mechanism, in case of foreign currency loans. However, at all times, AEML-D should evaluate the cost-effectiveness of foreign currency loan vs. domestic currency loans, after taking into account all the related costs including the risk of exchange rate variation, cost of hedging, etc.

Further, the Commission notes that for total FERV Loss of Rs. 122.45 Crore loss has been incurred for the total loan profile of AEML and it is not prudent to allocate the entire cost to the regulated business alone. Based on the approach adopted by the Commission for the allocation of finance charges, the FOREX loss as claimed by AEML will be first allocated proportionately with the total regulatory loan of Generation, Transmission & Distribution businesses with total loan profile and the amount so segregated to total Regulatory loan will be further segregated to Generation, Transmission and Distribution businesses in proportion to their respective regulatory loan.

Accordingly, the Commission approves the FERV as per below for FY 2023-24:

**Table 3-113: Foreign Exchange Rate Variation on Loans for FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars	FERV	Allocated to Regulatory account	G	T	D - W	D - S
<b>FY 2023-24</b>	122.45	38.08	1.44	5.34	29.38	1.92

**The Commission approves FERV of Rs. 29.38 Crore and Rs. 1.92 Crore for the Wires Business and Supply Business for FY 2023-24, respectively.**

### 3.14 RETURN ON EQUITY (ROE)

#### *AEML-D's Submission*

AEML-D submitted that the MYT Regulations, 2019 provides for allowing RoE in two parts, i.e., Base RoE and additional RoE linked to actual performance. The additional RoE shall be allowed at the time of truing up for respective years based on actual performance.

The eligibility for additional RoE in Wires Business is linked to the performance parameter of Wires availability. For FY 2022-23 and FY 2023-24, the SAIDI is 22.34 minutes and 21.45 minutes, respectively, considering the monthly values being submitted to the Commission as part of the Quarterly SOP Reports. Thus, Wires Availability for FY 2022-23 is 99.996% ( $1 - (22.34/60)/8760$ ) and for FY 2023-24, it is 99.996% ( $1 - (21.45/60)/8760$ ). Accordingly, AEML-D submitted that it is entitled to additional RoE of 1.50% for the Wires Business.

The eligibility for additional RoE in Supply Business is linked to the performance parameter of assessed billing and collection efficiency. AEML-D has achieved annual Collection Efficiency (CE) of 100.68% and 101.00% in FY 2022-23 and FY 2023-24, respectively. As the % collection efficiency is well above the required 99%, AEML-D is entitled to additional RoE of 1% for FY 2022-23 and FY 2023-24 for the Supply Business against this parameter.

For assessed billing, the annual value is 0.36% basis the assessed reading of 1,09,754 vis-à-vis the total reading of 3,07,01,882 for FY 2022-23. Similarly, for FY 2023-24, the annual value for assessed billing is 0.46% basis the assessed reading of 1,44,892 vis-à-vis the total reading of 3,14,45,978. AEML-D submitted that as the % assessed billing is well below the required 1.5%, AEML-D is entitled to additional RoE of 1%.

Accordingly, for FY 2022-23 and FY 2023-24, AEML-D has claimed RoE of 15.5% for Wires Business and 17.5% for Supply Business.

Further MYT Regulations, 2019 specify that the RoE including additional RoE shall be grossed up with the effective tax rate of the respective financial year.

AEML-D submitted that it has already segmented its Company's financials into Generation, Transmission, Distribution and Corporate-treasury segments and is in the process of obtaining statutory auditor's certification for the same as required by the MYT Regulations, 2019. Hence, for AEML-D and its other Regulated businesses, financials are already segmented. Further, in order to determine the Taxable Income (i.e., Profit Before Tax) for AEML-D exactly as per its Regulated business alone, as required by the second proviso to Regulation 34.4 above, the

financial effect of other regulated and un-regulated assets and liabilities is also required to be removed so as to reveal the true taxable income as per the financial values obtained from regulatory books alone.

AEML-D submitted that the above adjustment truly reflects the Profit or Taxable Income of AEML's regulated business of distribution alone. It is important to note that all the assessment of ARR for AEML-D happens with respect to its regulatory books only, i.e., the values of assets, loans, expenses and revenues as recognized and allowed for regulatory purpose. AEML had re-valued its assets as acquired from RInfra in order to reflect the correct market value of assets as on the date of transaction. However, the various regulatory expenses allowed to AEML (i.e., depreciation, interest and return) still correspond to regulated value of assets only, which is the historical value. Hence, the Effective Rate of Income Tax for any given regulated segment of AEML should also be worked out considering the financials as per its regulatory books only, as that will be the correct and fair reflection of its expenses and tax liability, recoverable from its beneficiaries / consumers.

In this regard, it is also important to note that the principles laid down by the Appellate Tribunal in its Judgment in Appeal No. 251 of 2006, wherein it held as under:

*“The consumers in the licensee’s area must be kept in a water tight compartment from the risks of other business of the licensee and the Income Tax payable thereon. Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee. Income Tax assessment has to be made on stand alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses.”*

It is clear from the above Judgment that the Hon’ble APTEL has categorically held that the Regulated business segment should be held in a water-tight compartment, so that other regulated or un-regulated or other business(es) of the Company neither subsidise the regulated business, nor are subsidized by it. The same principle has also been enshrined in the MYT Regulations, 2019. AEML submits that this principle is the cornerstone for allowance of all cost revenue to a regulated business, including the tax liability. In order to correctly reveal the stand-alone tax liability of the regulated segment, the financial impact of all elements which are otherwise not considered for regulatory purposes is required to be eliminated.

However, without prejudice to the contentions raised in the Appeal, AEML-D has considered the Effective tax rate at MAT rate for FY 2022-23, since AEML as a whole has paid income tax at MAT rate in FY 2022-23.

For the Wires Business, AEML-D has considered the opening equity balance for FY 2022-23 equal to the closing approved equity balance of FY 2021-22. For Supply Business, since, the Meter capex scheme for FY 2021-22 was approved post the issuance of the MTR Order in Case No. 231 of 2022, the Commission had considered the opening equity balance for FY 2022-23 as Rs. 155.68 Crore. As elaborated above, considering the submission of AEML-D in the MTR Petition in Case No. 231 of 2022, which included the capex cost for the Meter scheme, the closing equity balance for FY 2021-22 as per AEML-D is Rs. 167.12 Crore, which is considered as the opening equity balance for FY 2022-23.

The RoE claimed for the purpose of truing up of FY 2022-23 and FY 2023-24 is shown in the tables below:

**Table 3-114: Return on Regulatory Equity for Wires Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Regulatory Equity at the beginning of year	2,830.44	2,830.44	3,039.18	3,042.72
Capitalization during the year	730.87	793.84	691.65	920.67
Consumer Contribution and Grants during the year	25.38	33.81	25.38	43.36
Equity portion of capitalization during the year	211.65	228.01	199.88	263.19
Reduction in Equity Capital on account of retirement	2.91	15.73	-	15.44
Regulatory Equity at the end of year	3,039.18	3,042.72	3,239.06	3,290.47
Return on Regulatory Equity (%) – Pre-tax	16.96%	18.78%	16.96%	18.78%
Return on Regulatory Equity	497.85	551.53	532.50	594.73

**Table 3-115: Return on Regulatory Equity for Wires Business for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Regulatory Equity at the beginning of year	155.68	167.12	180.77	241.18
Capitalization during the year	93.48	277.83	84.39	129.18
Consumer Contribution and Grants during the year	-	-	-	-
Equity portion of capitalization during the year	28.04	83.35	25.32	38.75

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actuals	MTR Order	Actuals
Reduction in Equity Capital on account of retirement	2.95	9.28	-	6.27
Regulatory Equity at the end of year	180.77	241.18	206.08	273.67
Return on Regulatory Equity (%) – Pre-tax	18.78%	21.20%	18.78%	21.20%
Return on Regulatory Equity	31.59	43.29	36.33	54.59

### ***Commission's Analysis and Ruling***

For the 4<sup>th</sup> Control Period, the Base Rate of RoE has been specified as 14% and 15.5% for the Wires Business and Supply Business, respectively, in the MYT Regulations, 2019.

Regulation 29.8 of the MYT Regulations, 2019 provides an additional rate of return for the Wires Business, as reproduced below:

*“29.8 In case of Distribution Wires Business, an additional rate of Return on Equity shall be allowed on Wires Availability at the time of true-up as per the following schedule:*

- a) The target Wires Availability for recovery of base rate of return on equity shall be 95 percent for MSEDCL and 98% for other Distribution Licensees;*
- b) For every 0.50% over-achievement in Wires Availability, rate of return shall be increased by 0.50%, subject to ceiling of additional rate of Return on Equity of 1.50%;*
- c) Wires Availability shall be computed in accordance with the following formula:*

$$\text{Wires Availability} = (1 - (\text{SAIDI} / 8760)) \times 100\%..”$$

Similarly, Regulation 29.9 of the MYT Regulations, 2019, provides for an additional Rate of RoE for the Supply Business, as reproduced below:

*“29.9 In case of Retail Supply Business, an additional rate of Return on Equity shall be allowed at the time of true-up, as per the following schedule:*

- a) If the percentage of assessed bills is less than 1.5% of the total number of bills issued during the year, then rate of return shall be increased by 1%;*
- b) If the percentage of assessed bills is more than 1.5% of the total number of bills issued during the year, for every 0.5% reduction in the percentage of assessed billing, rate of return shall be increased by 0.25%, subject to ceiling of additional rate of Return on Equity of 1.00%.*



- c) If overall collection efficiency for the year is above 99 %, then rate of return shall be increased by 1%;*
- d) If overall collection efficiency for the year is below 99 %, for every 0.5% improvement in the overall collection efficiency, rate of return shall be increased by 0.25%, subject to ceiling of additional rate of Return on Equity of 1.00%.”*

The Commission has considered the Closing Equity of FY 2021-22 as approved in the MTR Order, as the Opening Equity for FY 2022-23. However, as the Commission has restated the closing Equity of FY 2021-22 for the Supply Business in the previous part of this Order, the Commission has considered the same restated value as opening Balance of Equity for FY 2023-24. Additional equity has been considered as 30% of the approved capitalisation in the year after deducting the Consumer Contribution from the Capitalisation. Further, 30% of the asset retirement approved is reduced to arrive at the amount of equity eligible for returns as per the MYT Regulations, 2019. The Commission has considered the RoE as 15.50% for the Wires Business (Additional RoE of 1.5% allowed as Wires availability is higher than 99.99%), in accordance with the MYT Regulations, 2019. For the Supply Business, the RoE has been allowed as 17.50%, after allowing additional 1% for higher than normative Collection Efficiency and additional 1% for assessed billing percentage.

The RoE rate has been grossed up by applicable Income Tax rate. AEML-D has considered MAT rate of 17.472% for grossing up RoE rate for pretax return on equity rate. However, AEML-D has prayed to the Commission to allow Income Tax rate based on Regulatory PBT.

Regulation 34 of the MYT Regulations, 2019 provides for pre-tax RoE to be computed for FY 2022-23 and FY 2023-24, as reproduced below:

*“34.1 The Income Tax for the Generating Company or Licensee or MSLDC for the regulated business shall be allowed on Return on Equity, including Additional Return on Equity through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.6:*

...

*34.2 The rate of Return on Equity, including additional rate of Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with the effective tax rate of respective financial year.*

...

**34.4 The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company or Licensee or MSLDC, as the case may be:**

**Provided that, in case of the Generating Company or Licensee or MSLDC has engaged in any other regulated or unregulated Business or Other Business, the actual tax paid on income from any other regulated or unregulated Business or Other Business shall be excluded for the calculation of effective tax rate:**

**Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check....”(emphasis added)**

Accordingly, the Commission has reviewed the actual tax payment details and supporting documents submitted by AEML in this regard and notes that AEML has paid the actual taxes on MAT rate basis for FY 2022-23 and FY 2023-24. In accordance with the MYT Regulations, 2019, the effective tax rate has been considered equal to the actual tax rate for the Company, hence, the Commission has considered MAT rate for FY 2022-23 and FY 2023-24 for grossing up of RoE.

Accordingly, the approved RoE for FY 2022-23 is as given in the Table below:

**Table 3-116: Return on Equity for FY 2022-23 for Wires and Supply Business as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
<b>Wires Business</b>			
Regulatory Equity at the beginning of the year	2,830.44	2,830.44	2,830.44
Capitalisation during the year	730.87	793.84	793.06
Consumer Contribution and Grants	25.38	33.81	33.81
Equity portion of capitalisation during the year	211.65	228.01	227.78
Equity portion of asset retired during the year	2.91	15.73	15.73
Regulatory Equity at the end of the year	3,039.18	3,042.72	3,042.48
Base Rate of Return (%)	14.00%	15.50%	15.50%
Pretax Return on Equity after considering effective Tax rate (%)	16.96%	18.78%	18.78%
<b>Total RoE</b>	<b>497.85</b>	<b>551.53</b>	<b>551.51</b>
<b>Supply Business</b>			
Regulatory Equity at the beginning of the year	155.68	167.12	167.12
Capitalisation during the year	93.48	277.83	277.83

Particulars	MTR Order	True-up Petition	Approved after truing up
Consumer Contribution and Grants	-	-	-
Equity portion of capitalisation during the year	28.04	83.35	83.35
Equity portion of asset retired during the year	2.95	9.28	9.28
Regulatory Equity at the end of the year	180.77	241.18	241.19
Rate of Return (%)	15.50%	17.50%	17.50%
Pretax Return on Equity after considering effective Tax rate (%)	18.78%	21.20%	21.20%
<b>Total RoE</b>	<b>31.59</b>	<b>43.29</b>	<b>43.29</b>

Similarly, the Commission has considered the Closing Equity of FY 2022-23 as approved in this Order, as the Opening Equity for FY 2023-24. Additional equity has been considered as 30% of the approved capitalisation in the year after deducting the Consumer Contribution from the Capitalisation. Further, 30% of the asset retirement approved is reduced to arrive at the amount of equity eligible for returns as per the Regulations. The Commission has considered the RoE as 15.50% for the Wires Business (Additional RoE of 1.5% allowed as Wires availability is higher than 99.99%), in accordance with the MYT Regulations, 2019. For the Supply Business, the RoE has been allowed as 17.50%, after allowing additional 1% for higher than normative Collection Efficiency and additional 1% for assessed billing percentage being lower than the norm.

The Commission has considered MAT rate of 17.47% for grossing up RoE rate. Accordingly, the approved RoE for FY 2023-24 is as given in the Table below:

**Table 3-117: Return on Equity for FY 2023-24 for Wires and Supply Business as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
<b>Wires Business</b>			
Regulatory Equity at the beginning of the year	3,039.18	3,042.72	3,042.48
Capitalisation during the year	691.65	920.67	919.93
Consumer Contribution and Grants	25.38	43.36	43.36
Equity portion of capitalisation during the year	199.88	263.19	262.97
Equity portion of asset retired during the year	-	15.44	15.44
Regulatory Equity at the end of the year	3,239.06	3,290.47	3,290.01
Base Rate of Return (%)	14%	15.50%	15.50%

Particulars	MTR Order	True-up Petition	Approved after truing up
Pretax Return on Equity after considering effective Tax rate (%)	16.96%	18.78%	18.78%
<b>Total RoE</b>	<b>532.50</b>	<b>594.73</b>	<b>594.67</b>
<b>Supply Business</b>			
Regulatory Equity at the beginning of the year	180.77	241.18	241.19
Capitalisation during the year	84.39	129.18	129.19
Consumer Contribution and Grants	-	-	-
Equity portion of capitalisation during the year	25.32	38.75	38.76
Equity portion of asset retired during the year	-	6.27	6.27
Regulatory Equity at the end of the year	206.08	273.67	273.67
Rate of Return (%)	15.50%	17.50%	17.50%
Pretax Return on Equity after considering effective Tax rate (%)	18.78%	21.20%	21.20%
<b>Total RoE</b>	<b>36.33</b>	<b>54.59</b>	<b>54.59</b>

### 3.15 INTEREST ON WORKING CAPITAL (IoWC)

#### *AEML-D's Submission*

##### **FY 2022-23**

AEML-D submitted that it has computed the normative interest on working capital for Wires Business and Retail Supply Business in accordance with Regulation 32.3(a) and 32.4(a) of the MYT Regulations, 2019.

AEML-D submitted that O&M expenses have been considered as the allowable normative expenses, before sharing of gains and losses. Further, with respect to Consumer Security Deposits (CSD), it is submitted that the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022 has ruled as under:

*“Further, in line with the approach adopted in the MYT Order, the Commission has considered the Security Deposit entirely against the Supply Business. However, from next time's Petition, AEML-D should consider the Security Deposit appropriately against the Wires Business and Supply Business.”*

Accordingly, the total CSD has been allocated between the Wires Business and Retail Supply Business in the ratio of revenue from wheeling charges and other tariff revenue from own

consumers (~17%:83%), since CSD is related to the billing amount. This allocation proxy is required because CSD is not charged as segregated between CSD against wheeling charges and CSD against supply charges.

The rate of Interest on Working Capital (IoWC) has been considered at a rate equal to the weighted average Base Rate prevailing during the concerned year plus 150 basis points. Base Rate as per Regulation 2.1 (10) of the MYT Regulations, 2019 means the one-year MCLR as declared by the SBI. Thus, the rate considered for computing IoWC is 9.30% (7.80% + 1.50%) for FY 2022-23.

The normative interest on working capital for Wires Business for FY 2022-23 is shown in the table below:

**Table 3-118: Interest on Working Capital for Wire Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
O&M Expenses for a month	78.41	79.22
Maintenance spares at 1% of Opening GFA	81.42	85.48
One and half months of revenue from charges for use of Distribution Wires (wheeling charges from all network consumers)	199.20	185.54
Less: Amount of Security Deposit from Distribution System Users	-	84.98
<b>Total Working Capital</b>	<b>359.02</b>	<b>265.27</b>
Rate of Interest (%)	9.55%	9.30%
<b>Interest on Working Capital</b>	<b>34.29</b>	<b>24.67</b>

The normative interest on working capital for Supply Business for FY 2022-23 is shown in the table below:

**Table 3-119: Interest on Working Capital for Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
O&M Expenses for a month	39.06	39.51
Maintenance spares at 1% of Opening GFA	5.03	5.44
One and half months of revenue from sale of electricity including revenue from CSS	852.39	784.56
<b>Less:</b>		
Amount of Security Deposit from supply consumers	863.38	422.04
One month equivalent of cost of power purchased	408.58	351.91
<b>Total Working Capital</b>	<b>-</b>	<b>55.55</b>

Particulars / (Rs. Crore)	MTR Order	Actuals
Rate of Interest (%)	9.55%	9.30%
<b>Interest on Working Capital</b>	<b>-</b>	<b>5.17</b>

AEML-D submitted that the Commission, at the time of proceedings of the MTR Petition in Case No. 231 of 2022 raised query seeking the details of the additional CSD claims. AEML-D responded to the same vide letter dated 16 January 2023. In the said response, AEML-D has detailed about the cost-benefit analysis of the recovery of the additional CSD vis-à-vis the returns on the amount that would have been received and the rationale for not proceeding to disconnect the consumers on account of non-payment of additional CSD. AEML-D reiterated its request to consider the same and allow the interest on working capital as claimed for the respective years.

AEML has incurred actual interest on working capital for the Company as a whole. As submitted in the MTR Petition in Case No. 231 of 2022, the bond surplus of Rs. 360.52 Crore after refinancing in FY 2019-20 has been used as working capital in the business. Therefore, a part of the interest paid for bonds has been allocated to interest on working capital (on proportion basis) for FY 2022-23, as the bonds have, inter alia, been availed by the Company for general corporate purposes.

The actual interest on working capital for FY 2022-23, segregated in the ratio of average working capital utilisation for FY 2022-23 is shown in table below:

**Table 3-120: Actual IoWC allocation for FY 2022-23 (Rs. Crore)**

Particulars	Generation	Transmission	Distribution - Wires	Distribution - Supply	Total
Interest on surplus from Bonds used for working capital financing	9.92	3.92	15.16	3.17	32.18
Interest on other working capital loans	22.03	8.71	33.65	7.05	71.43
<b>Total</b>	<b>31.95</b>	<b>12.63</b>	<b>48.81</b>	<b>10.22</b>	<b>103.61</b>

AEML-D submitted that as per 1<sup>st</sup> proviso to Regulation 32.6 of the MYT Regulations, 2019, delayed payment surcharge (DPC) and interest on delayed payment (IOA) shall be deducted from the actual IoWC, before sharing of efficiency gains or efficiency loss.

AEML-D submitted that DPC and IOA recovered from consumers are not available separately for Wires Business and Supply Business. DPC and IOA are recovered on the outstanding amounts payable by consumers, which include both wheeling charges and retail tariff. Major portion of the outstanding amount pertains to retail tariffs; hence, AEML-D has allocated the

actual DPC and IOA received for FY 2022-23 between the Wires and the Supply Business in the ratio of the actual revenue for FY 2022-23 (~17%:83%) as follows:

**Table 3-121: DPC IOA allocation for FY 2022-23 (Rs. Crore)**

Particulars	Total	Wires	Supply
DPC	22.57	3.78	18.79
IOA	20.53	3.44	17.09
<b>Total</b>	<b>43.10</b>	<b>7.22</b>	<b>35.88</b>

AEML-D submitted that it has raised the issue of non-consideration of cost of internal accruals in the actual interest on working capital, while sharing the efficiency gains or losses in interest on working capital at the time of truing-up in the Appeal against MYT Order in Case No. 325 of 2019 (Appeal No. 276 of 2022), which is pending for decision. Without prejudice to the contentions raised by AEML-D in the Appeal, AEML-D has considered the actual interest on working capital as per books of accounts for FY 2022-23 and claimed the net entitlement as per MYT Regulations, 2019, as shown in the table below:

**Table 3-122: IoWC Net Entitlement as submitted by AEML-D for FY 2022-23 (Rs. Crore)**

Particulars	Wires	Supply
Normative IoWC (A)	24.67	5.17
Actual IoWC	48.81	10.22
DPC & IOA	7.22	35.88
Actual IoWC less DPC & IOA (B)	41.58	(25.65)
Efficiency Loss (C) = (A-B)*(2/3)	(11.28)	
Net Entitlement (B + C)	<b>30.31</b>	
Efficiency Gain (D) = A*1/3		1.72
Net Entitlement (D)		<b>1.72</b>

AEML-D requested the Commission to approve the net entitlement in interest on working capital for FY 2022-23 as presented above.

### **FY 2023-24**

AEML-D submitted that it has allocated the Consumer Security Deposit (CSD) between the Wires Business and Retail Supply Business in the ratio of revenue from wheeling charges and other tariff revenue from own consumers (~23%:77%).

The rate of IoWC has been considered equal to the weighted average Base Rate prevailing during the concerned year plus 150 basis points, i.e., one-year MCLR as declared by the SBI. Thus, the rate considered for computing IoWC is 10.07% (8.57% + 1.50%).

The normative interest on working capital for Wires Business for FY 2023-24 is shown in the table below:

**Table 3-123: Interest on Working Capital for Wire Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
O & M Expenses for a month	81.77	83.43
Maintenance spares at 1% of Opening GFA	88.63	92.90
One and half months of revenue from charges for use of Distribution Wires (wheeling charges from all network consumers)	318.57	295.12
Less: Amount of Security Deposit from Distribution System Users	-	130.08
<b>Total Working Capital</b>	<b>488.97</b>	<b>341.37</b>
Rate of Interest (%)	9.55%	10.07%
<b>Interest on Working Capital</b>	<b>46.70</b>	<b>34.36</b>

The normative interest on working capital for Supply Business for FY 2023-24 is shown in the table below:

**Table 3-124: Interest on Working Capital for Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
O & M Expenses for a month	40.75	41.68
Maintenance spares at 1% of Opening GFA	5.86	7.91
One and half months of revenue from the sale of electricity including revenue from CSS	858.80	842.36
<b>Less:</b>		
Amount of Security Deposit from supply consumers	889.94	428.93
One month equivalent of cost of power purchased	350.66	361.05
<b>Total Working Capital</b>	<b>-</b>	<b>101.97</b>
Rate of Interest (%)	9.55%	10.07%
<b>Interest on Working Capital</b>	<b>-</b>	<b>10.26</b>

AEML-D reiterated its request to consider the CSD at actuals and allow the interest on working capital as claimed for the respective years.

AEML submitted that it has incurred actual interest on working capital for the Company as a whole. As stated in previous sections, a part of the interest paid for bonds has been allocated to interest on working capital (on proportionate basis) for FY 2023-24, as the bonds have, inter alia, been availed by the Company for general corporate purposes.



All the above interest has been segregated between generation, transmission and distribution Wires and Supply in the ratio of actual working capital utilisation in FY 2023-24. The actual interest on working capital for FY 2023-24 incurred is shown in the table below:

**Table 3-125: Actual IoWC allocation FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	Generation	Transmission	Distribution Wires	Distribution Supply	Total
Interest on surplus from Bonds used for working capital financing	9.19	4.23	19.57	5.84	38.84
Interest on other working capital loans	7.66	3.53	16.32	4.87	32.39
<b>Total</b>	<b>16.85</b>	<b>7.76</b>	<b>35.90</b>	<b>10.72</b>	<b>71.23</b>

AEML-D submitted that DPC and IOA recovered from consumers are not available separately for Wires Business and Supply Business. AEML-D has allocated the actual DPC and IOA received for FY 2023-24 between the Wires and the Supply business in the ratio of the actual revenue for FY 2023-24 (~23%:77%) as follows:

**Table 3-126: DPC and IOA allocation for FY 2023-24**

Particulars	Total	Wires	Supply
DPC	26.50	6.17	20.33
IOA	16.94	3.94	13.00
<b>Total</b>	<b>43.45</b>	<b>10.11</b>	<b>33.34</b>

Accordingly, the net entitlement of interest on working capital has been shown in the table below:

**Table 3-127: IoWC Net entitlement as submitted by AEML-D for FY 2023-24 (Rs. Crore)**

Particulars / (Rs. Crore)	Wires	Supply
Normative IoWC (A)	34.36	10.26
Actual IoWC	35.90	10.72
DPC & IOA	10.11	33.34
Actual IoWC less DPC & IOA (B)	25.79	(22.62)
Efficiency gain (C) = (A-B) * (1/3)	2.86	
Efficiency Gain (C) = A*1/3		3.42
Net Entitlement (B + C)	<b>28.64</b>	
Net Entitlement (C)		<b>3.42</b>

AEML-D requested the Commission to approve the net entitlement of IoWC for FY 2023-24 as shown in the Table above.

***Commission's Analysis and Ruling***

The Commission has approved the IoWC for AEML-D's Wires Business and Supply Business in accordance with Regulations 32.3 and 32.4 of the MYT Regulations, 2019 for FY 2022-23 and FY 2023-24. The Commission has considered 9.30% as the interest rate for computation of IoWC for FY 2022-23, being the weighted average rate worked out using SBI MCLR for 1 year plus 150 basis points, i.e., 7.80% plus 1.50%. Similarly, the Commission has considered the one-year SBI MCLR plus 150 basis points, i.e., 10.07%, as the interest rate for FY 2023-24.

The Commission has observed that the Distribution Licensees raise claims for additional Security Deposit in April of next year based on the average billing of the consumer in the previous year, which is as per the specified Supply Code Regulations. Further, the amendment to the MERC Supply Code, wherein the Security Deposit requirement was increased to 2 months was based on the Licensee's own suggestions in this regard. However, the Distribution Licensees do not follow-up with the consumers regarding payment of the additional Security Deposit claim, and no action is taken by the Licensee for non-payment of the additional Security Deposit claim. Such non-payment of additional Security Deposit results in increasing the working capital requirement, thereby increasing the Interest on Working Capital, which is a costlier source of funds, as compared to the Security Deposit.

The Commission sought information from AEML-D regarding the claim for additional Security Deposit in FY 2022-23 and FY 2023-24, and the additional amounts actually received against these claims, which was submitted by AEML-D. The shortfall in receipt of Security Deposit vis-à-vis the claim for additional Security Deposit is Rs. 725.33 Crore and Rs. 661.19 Crore for FY 2022-23 and FY 2023-24, respectively. The shortfall in receipt of Security Deposit has hence, been added to the amount of Security Deposit reported by AEML-D for the respective years, and the working capital requirement has been computed accordingly.

Further, AEML-D has allocated the total CSD between the Wires Business and Retail Supply Business in the ratio of revenue from wheeling charges and other tariff revenue from own consumers for FY 2022-23 and FY 2023-24, which has been accepted by the Commission.

Accordingly, the IoWC approved by the Commission for FY 2022-23 and FY 2023-24 is given in the Tables below:

**Table 3-128: Interest on Working Capital for Wires Business for FY 2022-23 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
O&M Expenses for a month	78.41	79.22	79.22
Maintenance spares at 1% of Opening GFA	81.42	85.48	81.42
One and half months of revenue from charges for use of Distribution Wires	199.20	185.54	185.54
Less: Amount held as Security Deposit from Distribution System Users	-	84.98	206.55
<b>Total Working Capital</b>	<b>359.02</b>	<b>265.27</b>	<b>139.63</b>
Rate of Interest (% p.a.)	9.55%	9.30%	9.30%
<b>Interest on Working Capital</b>	<b>34.29</b>	<b>24.67</b>	<b>12.98</b>

**Table 3-129: Interest on Working Capital for Wires Business for FY 2023-24 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
O&M Expenses for a month	81.77	83.43	83.44
Maintenance spares at 1% of Opening GFA	88.63	92.90	88.83
One and half months of revenue from charges for use of Distribution Wires	318.57	295.12	295.12
Less: Amount held as Security Deposit from Distribution System Users	-	130.08	283.94
<b>Total Working Capital</b>	<b>488.97</b>	<b>341.37</b>	<b>183.45</b>
Rate of Interest (% p.a.)	9.55%	10.07%	10.07%
<b>Interest on Working Capital</b>	<b>46.70</b>	<b>34.36</b>	<b>18.46</b>

**Table 3-130: Interest on Working Capital for Supply Business for FY 2022-23 approved by the Commission. (Rs. Crore)**

Particulars	MTR Order	True-up Petition	Approved after truing up
O&M Expenses for a month	39.06	39.51	39.52
Maintenance spares at 1% of Opening GFA	5.03	5.44	5.44
One and half months of revenue from sale of electricity including revenue from CSS	852.39	784.56	784.56
<b>Less:</b>			
Amount of Security Deposit from Supply Consumers	863.38	422.04	1025.80
One-month equivalent of cost of power purchased	408.58	351.91	351.91
Total Working Capital	-	<b>55.55</b>	-
Rate of Interest	9.55%	9.30%	9.30%
<b>Interest on Working Capital</b>	-	<b>5.17</b>	-

**Table 3-131: Interest on Working Capital for Supply Business for FY 2023-24 approved by the Commission. (Rs. Crore)**

Particulars	MYT Order	True-up Petition	Approved after truing up
O&M Expenses for a month	40.75	41.68	41.71
Maintenance spares at 1% of Opening GFA	5.86	7.91	7.91
One and half months of revenue from sale of electricity including revenue from CSS	858.80	842.36	842.36
Less:			
Amount of Security Deposit from Supply Consumers	889.94	428.93	936.26
One-month equivalent of cost of power purchased	350.66	361.05	361.05
Total Working Capital	-	<b>101.97</b>	-
Rate of Interest	9.55%	10.07%	10.07%
<b>Interest on Working Capital</b>	-	<b>10.26</b>	-

**Sharing of gains and Losses on Interest on Working Capital**

The actual IoWC of AEML has been segregated among the Generation, Transmission and Distribution (Wires Business and Supply Business) according to the ratio of average working capital utilisation of each of these divisions. Such actual interest on working capital for Wires Business and Supply Business is Rs. 38.36 Crore and Nil, respectively, in FY 2022-23. Similarly, actual interest on working capital for Wires Business and Supply Business is Rs. 31.82 Crore and Nil, respectively, in FY 2023-24.

As per 1<sup>st</sup> proviso to Regulation 32.6 of the MYT Regulations, 2019, DPC and IOA shall be deducted from the actual IoWC, before sharing of efficiency gains or efficiency loss.

The Commission notes that AEML-D has allocated the actual DPC and IOA received for the past year between the Wires Business and Supply Business in the ratio of the actual revenue for that year. The Commission has considered DPC and IOA as allocated by AEML-D. The sharing of Gains and Losses on IoWC is given in the Tables below:

**Table 3-132: Net Entitlement of IoWC after sharing of Gains and Losses for Wires Business for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	True-up Petition	Approved after truing up	True-up Petition	Approved after truing up
Normative IoWC	24.67	12.98	34.36	18.46
Actual IoWC	48.81	38.36	35.90	31.82
Less: DPC	3.78	3.78	6.17	6.17
Less: IOA	3.44	3.44	3.94	3.94
Actual IoWC less DPC & IOA	41.58	31.14	25.79	21.71
Loss/(Gain)	(11.28)	(18.15)	2.86	(3.25)
<b>Net Entitlement</b>	<b>30.31</b>	<b>19.03</b>	<b>28.64</b>	<b>19.55</b>

**Table 3-133: Net Entitlement of IoWC after sharing of Gains and Losses for Retail Supply Business for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	True-up Petition	Approved after truing up	True-up Petition	Approved after truing up
Normative IoWC	5.17	-	10.26	-
Actual IoWC	10.22	-	10.72	-
Less: DPC	18.79	18.79	20.33	20.33
Less: IOA	17.09	17.09	13.00	13.00
Actual IoWC less DPC & IOA	(25.65)	-	(22.62)	-
Loss/(Gain)	1.72		3.42	
<b>Net Entitlement</b>	<b>1.72</b>	<b>-</b>	<b>3.42</b>	<b>-</b>

### 3.16 INTEREST ON CONSUMERS' SECURITY DEPOSIT

#### *AEML-D's Submission*

#### **FY 2022-23 and FY 2023-24**

As per 1<sup>st</sup> proviso to Regulation 30.11 of the MYT Regulations, 2019, interest on the amount of CSD for the year shall be considered based on the actual interest paid by the Licensee during the year. AEML-D submitted that, since CSD has been allocated between the Wires Business and Retail Supply Business in the ratio of revenue from wheeling charges and other tariff revenue from own consumers (17:83 for FY 2022-23 and 23:77 for FY 2023-24), the same ratio is used for allocating the interest on CSD.

The details of the actual interest on CSD paid to the consumers during FY 2022-23 and FY 2023-24 is shown in the Tables below:

**Table 3-134: Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	True-up Petition	MTR Order	True-up Petition
Wires Business	-	3.36	-	7.63
Retail Supply Business	20.85	16.67	53.91	25.14
<b>Total</b>	<b>20.85</b>	<b>20.03</b>	<b>53.91</b>	<b>32.77</b>

***Commission's Analysis and Ruling***

The Commission has approved the actual interest on CSD paid by AEML-D, in the truing up for FY 2022-23 and FY 2023-24, as shown in the Table below:

**Table 3-135: Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Wires Business	-	3.36	3.36	-	7.63	7.63
Retail Supply Business	20.85	16.67	16.67	53.91	25.14	25.14
<b>Total</b>	<b>20.85</b>	<b>20.03</b>	<b>20.03</b>	<b>53.91</b>	<b>32.77</b>	<b>32.77</b>

**3.17 PROVISION FOR BAD AND DOUBTFUL DEBTS*****AEML-D's Submission*****FY 2022-23 and FY 2023-24**

AEML-D submitted that as per the 1<sup>st</sup> Proviso to Regulation 76 and Regulation 85 of the MYT Regulations, 2019, for final true-up, actual write-off, subject to the limit of 1.5% of receivables, is to be considered.

The amount of bad debts written off is as per the books of accounts and there is no segregation between Wires Business and Supply Business, hence, the same has been segregated in the ratio of revenue of Wires Business and Supply Business (19:81 for FY 2022-23 and 26:74 for FY 2023-24).

For FY 2022-23, the actual bad debts written off is Rs. 15.21 Crore, however, considering the Regulation as provided above, Rs. 14.48 Crore, being 1.5% of the receivables (Rs. 965.61 Crore), is considered for the purpose of ARR

For FY 2023-24, 1.5% of the receivables (Rs. 1029.08 Crore) amounts to Rs. 15.44 Crore. The actual bad debts written off is Rs. 14.96 Crore. Considering the Regulations, Rs. 14.96 Crore, being lower of the two, is considered for the purpose of ARR.

**Table 3-136: Bad debts written off as submitted by AEML-D for FY 2022-23 and FY 2023-24 (Rs. Crore)**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	Actual	MTR Order	Actual
<b>Bad Debts written off</b>	<b>14.38</b>	<b>14.48</b>	<b>14.38</b>	<b>14.96</b>
Actual bad debts written off – Wires Business	2.63	2.77	2.63	3.88
Actual bad debts written off – Retail Supply Business	11.74	11.71	11.74	11.08

### ***Commission's Analysis and Ruling***

Regulations 76 and 85 of the MYT Regulations, 2019 for Wires Business and Retail Supply Business, respectively, specify that in true up years, actual debt written off shall be allowed, subject to the limit of 1.5% of receivables. Accordingly, the Commission has considered the actual bad debts written off in the audited accounts for FY 2022-23 and FY 2023-24, subject to the limit of 1.5% of receivables, as shown in the Table below:

**Table 3-137: Provision for Bad and Doubtful Debts for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Wires Business	2.63	2.77	2.77	2.63	3.88	3.88
Supply Business	11.74	11.71	11.71	11.74	11.08	11.08
<b>Total</b>	<b>14.38</b>	<b>14.48</b>	<b>14.48</b>	<b>14.38</b>	<b>14.96</b>	<b>14.96</b>

## **3.18 CONTRIBUTION TO CONTINGENCY RESERVE**

### ***AEML-D's Submission***

Regulation 35.1 of the MYT Regulations, 2019 provide for contribution to contingency reserve (CCR) a sum not less than 0.25% and not more than 0.50% of the GFA. The Commission in the MYT Order has approved contribution to contingency reserve at 0.25% of the opening GFA.

The Commission has in the MTR Order dated 31-03-2022 in Case No. 231 of 2022 stated as follows:

*“The Commission has considered this request of AEML-D, and decides that Contribution to Contingency Reserves shall not be considered for AEML-D's Wires*

*Business from FY 2022-23 to FY 2024-25, wherein the investment of Contribution to Contingency Reserves is yet to be made. The Commission has considered Contribution to Contingency Reserves @0.25% of the Opening GFA for the Supply Business.”*

Considering the above, AEML-D has considered the contribution to contingency reserve at 0.25% of the original cost of fixed assets as on 01-04-2023 for its Supply Business and not for its Wires Business as follows:

The summary of contribution to Contingency Reserve is as shown in the Tables below:

**Table 3-138 : Contribution to Contingency Reserve for Wires Business & Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	Wires Business		Supply Business	
	MTR Order	True-up Petition	MTR Order	True-up Petition
Opening Balance of GFA			502.86	543.80
% Contribution			0.25%	0.25%
<b>Contribution to Contingency Reserves</b>			1.26	1.36

**Table 3-139 : Contribution to Contingency Reserve for Wires Business & Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	Wires Business		Supply Business	
	MTR Order	True-up Petition	MTR Order	True-up Petition
Opening Balance of GFA			586.50	790.68
% Contribution			0.25%	0.25%
<b>Contribution to Contingency Reserves</b>			1.47	1.98

### ***Commission's Analysis and Ruling***

As per 35.1 of MYT Regulations 2019, the contribution to the Contingency Reserves in a year shall be between 0.25% and 0.50% of the original cost of fixed assets. The Commission had queried AEML-D on the documentary evidence for investment in various securities, which were submitted by AEML-D. AEML-D has invested the Contingency Reserve contribution in specified securities, in accordance with the MYT Regulations, 2019. As approved in the MTR Order, the contribution to Contingency Reserves for the Wires Business has been considered as Nil. The Commission has approved the Contribution to Contingency Reserves for the Wires Business and Supply Business for FY 2022-23 and FY 2023-24 at 0.25% of the approved value of the Opening GFA as shown in the Tables below:



**Table 3-140 : Contribution to Contingency Reserves for FY 2022-23 for Wires and Supply Business approved by the Commission (Rs. Crore)**

Particulars	Wires Business			Supply Business		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Opening Balance of GFA				502.86	543.80	543.80
% Contribution				0.25%	0.25%	0.25%
Contribution to CR				1.26	1.36	1.36

**Table 3-141 : Contribution to Contingency Reserves for FY 2023-24 for Wires and Supply Business approved by the Commission (Rs. Crore)**

Particulars	Wires Business			Supply Business		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Opening Balance of GFA				586.50	790.68	790.68
% Contribution				0.25%	0.25%	0.25%
Contribution to CR				1.47	1.98	1.98

### 3.19 DSM Expenses

#### *AEML-D's Submission*

AEML-D submitted that the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022 had not approved any DSM expense for FY 2022-23. Hence, the DSM expenses have been met through LMC Fund and not funded out of ARR. The opening balance of LMC Fund in FY 2022-23 was Rs. 1.18 Crore, the actual expenditure on DSM activities in FY 2022-23 was Rs. 0.01 Crore, and the closing balance of LMC Fund for FY 2022-23 is Rs. 1.17 Crore. Further, the actual expenditure on DSM activities in FY 2023-24 was Rs. 0.01 Crore only. Accordingly, the closing balance of LMC Fund for FY 2023-24 was Rs. 1.16 Crore.

#### *Commission's Analysis and Ruling*

The Commission considers Nil DSM charges for FY 2022-23 and FY 2023-24 as considered by AEML-D, as the same has been met through the LMC Fund.

### 3.20 EV Charger Expenses

#### ***AEML-D's Submission***

AEML-D submitted that the Commission vide letter reference MERC/DSM/2022-23/0250 dated 30 May 2022 granted approval to AEML-D's DSM Programme for installation of Electric Vehicle (EV) AC slow charging stations in the consumer premises with a sanctioned budget of Rs. 32.29 Crore.

AEML-D, in the above-mentioned scheme submitted before the Commission for approval had stated as follows:

*"The actual cost shall be as per the actual deployment, based on consumer response to the program. Further, the actual cost incurred shall be correspondingly booked under DSM expenditure head in relevant years and shall be sought over and above the normative O&M expenditure as approved in the ARR."*

Basis the above, AEML-D has incurred an amount of Rs. 0.22 crore towards the installation of EV chargers during FY 2022-23 and the said cost is being claimed as a separate line item in the ARR.

#### ***Commission's Analysis and Ruling***

The Commission considers Rs. 0.22 Crore towards installation of EV Chargers for FY 2022-23 as submitted by AEML-D.

### 3.21 NON-TARIFF INCOME (NTI)

#### ***AEML-D's Submission***

#### **Interest on Contingency Reserve Investment**

AEML-D submitted that the interest on Contingency Reserve investment for FY 2022-23 and FY 2023-24 is Rs. 12.12 Crore and Rs. 13.50 Crore, respectively. The cumulative contribution to Contingency Reserve at the end of FY 2022-23 and FY 2023-24 as per the Regulatory books is Rs. 193.97 Crore and Rs. 195.95 Crore, respectively. However, the cumulative contribution to Contingency Reserve at the end of FY 2022-23 and FY 2023-24 as per books of accounts is Rs. 201.68 Crore (excluding accrued interest of Rs. 1.54 Crore) and Rs. 204.85 Crore, respectively. As the actual investment is more than the required amount as per Regulatory books, the interest on Contingency Reserve received has been pro-rated.

AEML-D submitted that, in the MTR Order dated 31 March 2023 in Case No. 231 of 2022, it had presented the interest on Contingency Reserve from FY 2019-20 to FY 2021-22 after

apportioning the same considering Contingency Reserve as per Regulatory books and the same had been approved by the Commission. Hence, AEML-D has proposed the interest on Contingency Reserve for FY 2022-23 and FY 2023-24 in the same manner.

The interest considered for FY 2022-23 and FY 2023-24 is as under:

**Table 3-142: Contribution to CR investment for FY 2022-23, as submitted by AEML-D (Rs. Crore)**

Particulars	AEML-D (W)	AEML-D (S)	AEML-D- Total
Interest on Contingency Reserve as per books			12.12
Contingency Reserve (as on 31.03.2023) as per regulatory	172.11	21.86	193.97
Contingency Reserve (as on 31.03.2023) as per company books			201.68
<b>Interest on Contingency Reserve – proportionate</b>	<b>10.34</b>	<b>1.31</b>	<b>11.65</b>

**Table 3-143: Contribution to CR investment for FY 2023-24, as submitted by AEML-D (Rs. Crore)**

Particulars	AEML-D (W)	AEML-D (S)	AEML-D- Total
Interest on Contingency Reserve as per books			13.50
Contingency Reserve (as on 01.04.2024) as per regulatory	172.11	23.84	195.95
Contingency Reserve (as on 31.03.2024) as per company books			204.85
<b>Interest on Contingency Reserve – proportionate</b>	<b>11.34</b>	<b>1.57</b>	<b>12.91</b>

### **Land Usage Charges**

AEML-D submitted that AEML-T has commissioned EHV stations at Goregaon, Gorai, Saki, Borivali, and Chembur on existing Receiving stations plots of AEML-D. Similarly, there are few installations of AEML-D at Aarey, Versova, and Ghodbunder EHV stations plots and located on the land, which is part of AEML-D asset base. AEML-D has included the rent receivable from AEML-T under Non-Tariff Income of Wires Business, while the rent payable by AEML-D has been included in the A&G Expenses of AEML-D.

### **AIH Charges**

AEML-D submitted that the revenue from AIH Charges received in FY 2022-23 and FY 2023-24 is Rs. 119.73 Crore and Rs. 122.79 Crore, respectively. The same is considered as part of Wires Business.

**Rebate on Power Purchase Cost**

AEML-D submitted that the rebate on power purchase cost availed in FY 2022-23 and FY 2023-24 amounting to Rs. 31.54 Crore and 48.57 Crore, respectively, have been included in the Non-Tariff Income of Retail Supply Business in accordance with the directions given by the Commission in its Order dated 15 June 2012 in Case No. 180 of 2011.

**Compensation for O&M Services provided to AEML-SEEPZ Limited (FY 2023-24)**

AEML-D submitted that, as per the Commission's Order dated 6 March 2022 in Case No. 2 of 2022, AEML SEEPZ Limited (ASL) has been accorded deemed Distribution Licensee status. Further, the Commission in Order dated 26 December 2022 in Case No. 3 of 2022 has accorded in-principle approval for transfer of assets of AEML-D within SEEPZ-SEZ area to ASL. Subsequently, ASL and AEML-D have entered into an Agreement, wherein AEML-D will be providing distribution operational services to ASL, and ASL will compensate AEML-D for the said services @ Rs. 0.70/unit energy sold by ASL in its licence area.

To arrive at an appropriate level of compensation to be received by AEML-D for providing distribution operational services to ASL, AEML-D and ASL have jointly carried out an analysis of O&M cost of some of the larger SEZs in Maharashtra, i.e., MBPPL, GEPL and KRC. For the said analysis, the O&M cost, customer numbers, GFA and energy sales of these SEZs were analysed and averaged. Using the average figures, a multivariate regression analysis was done with O&M cost being the dependent variable and the business parameters represented by number of customers, energy sales and GFA being the independent variables. The coefficients so obtained through regression were used to predict the O&M cost of ASL, considering the actual customer nos., GFA and energy sales of ASL. The amount in Rs. Crore so determined was converted to per unit using the actual energy sales of ASL. Through this exercise, the figure of Rs. 0.70 per unit was arrived at, which was considered reasonable given the business size, area and network of ASL. In fact, the actual O&M cost in Rs. per unit for the other SEZs are close to Rs. 1.00 per unit or higher. Hence, the figure arrived at using regression appears to be reasonable and agreement between AEML-D and ASL has been executed accordingly.

Further, as of now, Rs. 0.70/unit has been considered towards compensation for O&M services provided by AEML-D to ASL for FY 2023-24 and thereafter. However, in future, if the parties agree for any escalation or indexation, the O&M cost compensation shall be revised accordingly.

Accordingly, AEML-D has received Rs. 3.01 Crore in FY 2023-24 from ASL, which has been considered under Non-Tariff Income. The same has been bifurcated between Wires Business

and Retail Supply Business in the ratio of normative O&M for Wires Business and Supply Business.

**Premium on asset transfer to AEML SEEPZ Limited (FY 2023-24)**

AEML-D has submitted that the total amount of consideration as per the direction of the Commission vide Order dated 26 December 2022 in Case No. 3 of 2022 is Rs. 44.74 Crore. The Regulatory GFA value in AEML-D is Rs. 37.76 Crore. Therefore, the premium amount of Rs. 6.99 Crore is considered as Non-Tariff Income and the same is bifurcated between Wires Business and Retail Supply Business in the ratio of GFA value of the assets transferred.

In addition to the above, income from recovery against theft of electricity, income from schedule of charges, income from sale of scrap, profit on sale of assets, liabilities no longer required, and miscellaneous receipts in FY 2022-23 have been included in the Non-Tariff Income.

The summary of Non-Tariff Income claimed by AEML-D for FY 2022-23 and FY 2023-24 is shown in the Tables below:

**Table 3-144: Non-Tariff Income for FY 2022-23, as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	FY 2022-23		
	Wires	Supply	Total
Income from Investments	10.34	1.31	11.65
Land usage charges	5.25	-	5.25
AIH charges	119.73	-	119.73
Rebate income	-	31.54	31.54
Income from vigilance	-	40.22	40.22
Income as per schedule of charges	-	9.36	9.36
Income from sale of scrap	2.35	0.04	2.39
Miscellaneous / Other receipts	4.84	1.19	6.03
<b>Total</b>	<b>142.51</b>	<b>83.65</b>	<b>226.16</b>
<b>MTR Order</b>	<b>140.55</b>	<b>65.14</b>	<b>205.69</b>

**Table 3-145: Non-Tariff Income for FY 2023-24, as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	FY 2023-24		
	Wires	Supply	Total
Income from Investments	11.34	1.57	12.91
Land usage charges	5.25	-	5.25
AIH charges	122.79	-	122.79
Rebate income	-	48.57	48.57

Particulars / (Rs. Crore)	FY 2023-24		
	Wires	Supply	Total
Income from vigilance	-	18.79	18.79
Income as per schedule of charges	-	10.45	10.45
Income from sale of scrap	1.89	0.27	2.16
Amount received from ASL for services rendered	2.01	1.00	3.01
Premium amount on sale of assets to ASL	6.95	0.04	6.99
Miscellaneous / Other receipts	5.92	1.14	7.06
<b>Total</b>	<b>156.16</b>	<b>81.82</b>	<b>237.97</b>
<b>MTR Order</b>	<b>147.57</b>	<b>68.39</b>	<b>215.96</b>

Further, AEML-D submitted that it has not included the income from delayed payment charges, interest on delayed payments and interest on staff loans under Non-Tariff Income in accordance with the MYT Regulations, 2019.

### *Commission's Analysis and Ruling*

#### **Interest on Contingency Reserves Investment**

The Commission has observed that interest on Contingency Reserve as per book of accounts is Rs. 12.12 Crore and Rs. 13.50 Crore for FY 2022-23 and FY 2023-24, respectively. Further, as the actual investment is more than the required amount as per Regulatory books, the interest on Contingency Reserve received has been pro-rated as submitted by AEML-D.

The interest on Contingency Reserves approved for FY 2022-23 and FY 2023-24 is as under:

**Table 3-146: Interest on CR investment for FY 2022-23, as approved by the Commission (Rs. Crore)**

Interest on Contingency Reserve	AEML-D (W)	AEML-D (S)	AEML-D-Total
Claimed by AEML-D in the Petition	10.34	1.31	11.65
Approved in this Order	10.34	1.31	11.65

**Table 3-147: Interest on Contribution to CR investment for FY 2023-24, as approved by the Commission (Rs. Crore)**

Interest on Contingency Reserve	AEML-D (W)	AEML-D (S)	AEML-D-Total
Claimed by AEML-D in the Petition	11.34	1.57	12.91
Approved in this Order	11.34	1.57	12.91

Further, it has been observed that AEML-D has not considered the Bad Debts recovery of Rs. 17.89 Crore and Rs. 16.17 Crore for FY 2022-23 and FY 2023-24, respectively, under the Non-

Tariff Income. In response to the Commission's query regarding the omission of Bad Debts recovered from Non-Tariff Income, AEML-D stated that, it had written-off bad debts amounting to Rs. 276.57 Crore from FY 2012-13 to FY 2023-24, however, the Commission approved Rs. 169.33 Crore only. As the remaining balance of Rs. 107.24 Crore is yet to be allowed, AEML-D did not include the Bad Debts recovered under the Non-Tariff Income. However, the Commission is of the view that AEML-D cannot entirely disregard bad-debts recovered during FY 2022-23 and FY 2023-24 from Non-Tariff Income, regardless of previous disallowances. Therefore, the Commission has allowed Bad Debts Recovery of Rs. 10.95 Crore and Rs. 10.05 Crore for FY 2022-23 and FY 2023-24, respectively, on a pro-rata basis, in the ratio of bad debts recovered to bad debts write-off allowed.

The Commission has considered all the other heads of actual NTI for FY 2022-23 and FY 2023-24, as submitted by AEML-D.

The Commission has approved Non-Tariff Income for FY 2022-23 and FY 2023-24, for Wires Business as shown in the Table below:

**Table 3-148: Non-Tariff Income for Wire Business for FY 2022-23 and FY 2023-24 approved by Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True Up Petition	Approved after truing up	MTR Order	True Up Petition	Approved after truing up
Income from Investments		10.34	10.34		11.34	11.34
Land usage charges		5.25	5.25		5.25	5.25
AIH charges		119.73	119.73		122.79	122.79
Income from sale of scrap		2.35	2.35		1.89	1.89
Miscellaneous / Other receipts		4.84	4.84		5.92	5.92
Amount received from ASL for services rendered		-	-		2.01	2.01
Premium amount on sale of assets to ASL		-	-		6.95	6.95
Bad Debts Recovery		-	6.90			6.50
<b>Total</b>	<b>140.55</b>	<b>142.51</b>	<b>149.41</b>	<b>147.57</b>	<b>156.16</b>	<b>162.65</b>

The Commission has approved the Non-Tariff Income for FY 2022-23 and FY 2023-24, for Supply Business as shown in the Table below:

**Table 3-149: Non-Tariff Income for Supply Business for FY 2022-23 and FY 2023-24 approved by Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True Up Petition	Approved after truing up	MTR Order	True Up Petition	Approved after truing up
Income from Investments		1.31	1.31		1.57	1.57
Land usage charges		-	-		-	-
AIH charges		-	-		-	-
Rebate income		31.54	31.54		48.57	48.57
Income from vigilance		40.22	40.22		18.79	18.79
Income as per schedule of charges		9.36	9.36		10.45	10.45
Income from sale of scrap		0.04	0.04		0.27	0.27
Miscellaneous / Other receipts		1.19	1.19		1.14	1.14
Amount received from ASL for services rendered		-	-		1.00	1.00
Premium amount on sale of assets to ASL		-	-		0.04	0.04
Bad Debts Recovery		-	4.05		-	3.55
<b>Total</b>	<b>65.14</b>	<b>83.65</b>	<b>87.70</b>	<b>68.39</b>	<b>81.82</b>	<b>85.37</b>

**3.22 INCOME FROM OTHER BUSINESS*****AEML-D's Submission*****FY 2022-23 and FY 2023-24**

AEML-D submitted that, rooftops of some of the receiving stations of AEML-D have been let out for the communication towers. Likewise, optic fibre network of AEML-D is let out to telecom service providers. Further, revenue earned from letting out of space for advertisement on poles is considered as Other Business Income.

Furthermore, AEML-D submitted that, in accordance with the MYT Regulations, 2019, 2/3<sup>rd</sup> of the actual income received in FY 2022-23 and FY 2023-24 has been considered as Other Business Income.

The summary of Other Business Income for FY 2022-23 and FY 2023-24 is shown in the Tables below:



**Table 3-150: Income from Other Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	True-up Petition
Income from Other Business	3.27	3.70

**Table 3-151: Income from Other Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	True-up Petition
Income from Other Business	3.60	3.32

***Commission's Analysis and Ruling***

The Commission has considered the actual Income from Other Business as submitted by AEML-D in line with the MYT Regulations, 2019, as shown in the Table below:

**Table 3-152: Income from Other Business for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	True-up Petition	Approved after truing up	MTR Order	True-up Petition	Approved after truing up
Income from Other Business	3.27	3.70	3.70	3.60	3.32	3.32

**3.23 EFFICIENCY GAIN/ (LOSS) FOR FY 2022-23 AND FY 2023-24****3.23.1 Efficiency Gains due to over achievement of Distribution Losses*****AEML-D's Submission*****FY 2022-23**

AEML-D submitted that the Distribution Loss for FY 2022-23 was 5.89%, against the target of 7.05% approved by the Commission in AEML-D's MYT Order in Case No. 325 of 2019.

AEML-D further submitted that even though AEML-D in the MTR Petition in Case No. 231 of 2022 had considered the distribution loss of 6.44% for the purpose of energy balance, AEML-D had stated that for the purpose of truing-up, the actual loss will be compared with approved target loss of 7.05% and the efficiency gains/loss will be computed at the time of truing-up. Since, the actual distribution loss is lower than that approved in the MYT/MTR Order, AEML-D is entitled to efficiency gains.

**FY 2023-24**

AEML-D submitted that the Distribution Loss for FY 2023-24 was 5.45%, against the target of 6.80% approved by the Commission in AEML-D's MYT and MTR Orders. Since, the actual

distribution loss is lower than that approved in the MYT/MTR Order, AEML-D is entitled to efficiency gains.

### **FY 2022-23 and FY 2023-24**

AEML-D submitted that the Commission, in the MYT Order dated 30-03-2020 in Case No. 325 of 2019, changed its approach of working its efficiency gains from reduction in distribution losses, from valuing the same considering increased revenue to valuing the same by reduction in power purchase.

Prior to MYT Order dated 30-03-2020, the effect of reduction in distribution losses was valued at increased revenue from sales and hence, the increased energy sold was multiplied by ABR to arrive at efficiency gains quantum. However, in the said MYT Order, the Commission valued the effect of reduction in distribution losses as savings in power purchase cost. AEML-D has challenged this approach in its Appeal No. 276 of 2022 filed against the aforesaid MYT Order, which is pending for adjudication. Similar approach was also continued by the Commission in the MTR Order dated 31-03-2022 in Case No. 231 of 2022. AEML-D has challenged this approach in its Appeal No. 516 of 2023 filed against the aforesaid MTR Order, which is also pending for adjudication.

AEML-D further submitted that the Commission in the MTR Order in Case No. 231 of 2022 has considered only the own sales of AEML-D for the purpose of arriving at the energy requirement at G<>T level for AEML-D by applying the target loss and actual loss. This mechanism leads to a different energy requirement at G<>T level as compared to the G<>T level requirement approved for energy balance, which is arrived at after considering the total network sales and then reducing the changeover sales and OA sales from the same. AEML-D has filed Appeal No. 516 of 2023 before the Hon'ble APTEL, which is pending.

AEML-D has worked out the efficiency gains considering the methodology approved in the MYT/MTR Order, as shown in the Table below:

**Table 3-153: Efficiency Gains on Distribution Loss for FY 2022-23 and FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	Sl. No.	UoM	FY 2022-23	FY 2023-24
Target loss	a	%	7.05	6.80
Actual loss	b	%	5.89	5.45
Difference	c	%	1.16	1.35
Own sales excluding EHT sales and AEML CO sales	d	MU	9,029.03	9,809.92
Own sales at T<>D considering actual loss [d/(1-b)]	e	MU	9,594.42	10,375.85
Own sales at T<>D considering target loss [d/(1-a)]	f	MU	9,713.85	10,525.67

Particulars	Sl. No.	UoM	FY 2022-23	FY 2023-24
Own sales at T<D considering actual loss (e) and including EHT sales and AEML-D CO sales	g	MU	9,623.18	10,429.12
Own sales at T<D considering target loss (f) and including EHT sales and AEML-D CO sales	h	MU	9,742.62	10,578.93
Transmission loss	i	%	3.26	3.29
Energy requirement at G<T at actual loss $[g/(1-i)]$	j	MU	9,947.45	10,783.53
Energy requirement at G<T at target loss $[h/(1-i)]$	k	MU	10,070.91	10,938.43
Reduction in power purchase quantum (k-j) through reduction in losses	l	MU	123.46	154.90
Actual power purchase rate	m	Rs./kWh	5.57	4.91
Total gains due efficiency (savings in power purchase cost)	n	Rs. Cr.	68.77	76.08
<b>1/3<sup>rd</sup> of gains to be retained by AEML-D as per Regulation 11.1 of the MYT Regulations, 2019 (n*1/3)</b>	<b>o</b>	<b>Rs. Cr.</b>	<b>22.92</b>	<b>25.36</b>

AEML-D further submitted that as can be seen from the above Table, using the Commission's methodology, the energy requirement at G<T interface for FY 2022-23 works out to 9,947.46 MU, whereas the correct G<T requirement is 9,953.80 MU, similarly for FY 2023-24 it is 10,783.54 MU, whereas the correct G<T requirement is 10,779.37 MU, as shown in the earlier table. AEML-D requested the Commission to correct the above discrepancy.

### ***Commission's Analysis and Ruling***

The Commission has considered Distribution Loss as a controllable parameter, in accordance with the MYT Regulations, 2019 for FY 2022-23 and FY 2023-24. As the computation of Distribution Losses for FY 2022-23 and FY 2023-24 shows that the actual losses are lesser than the normative losses, the Commission has computed the Efficiency Gain on this account considering the target Distribution Loss in the MYT Order.

The sharing of Efficiency Gains on account of lower Distribution Loss has been computed considering the difference in actual power purchase quantum and expected power purchase quantum with target distribution loss. The Commission has adopted the same approach for computing the efficiency gain loss as adopted in the previous MTR Order. The average power purchase cost approved by the Commission for the respective year has been considered for computing the Efficiency Gain. The sharing of Efficiency Gain on account of lower than target Distribution Loss for FY 2022-23 and FY 2023-24 is shown in the following Tables:

**Table 3-154: Sharing of Efficiency Gain on account of lower than target Distribution Loss for FY 2022-23, as approved by Commission.**

Particulars	Notation	True Up Petition	Approved after Truing Up
Target Loss	A	7.05%	7.05%
Actual Loss	B	5.89%	5.89%
Difference	$C = A - B$	1.16%	1.16%
Own Sales (MU) excluding EHT sales and AEML CO sales	D	9,029.03	9029.03
Own Sales at T-D at actual loss (MU)	$E = D / (1 - B)$	9,594.42	9594.42
Own Sales at T-D at target loss (MU)	$F = D / (1 - A)$	9,713.85	9713.85
Own Sales at T-D at actual loss and considering EHT sales and AEML CO sales (MU)	G	9,623.18	9623.18
Own Sales at T-D at target loss and considering EHT sales and AEML CO sales (MU)	H	9,742.62	9742.62
Transmission Loss	I	3.26%	3.26%
Energy requirement at G-T at actual loss (MU)	$J = G / (1 - I)$	9,947.45	9947.49
Energy requirement at G-T at target loss (MU)	$K = H / (1 - I)$	10,070.91	10070.95
Reduction in power purchase quantum (MU)	$L = K - J$	123.46	123.46
Power purchase rate (Rs./kWh)	M	5.57	5.57
Efficiency Gains / (Loss) - Rs. Crore	$N = L * M / 10$	68.77	68.77
<b>1/3rd Efficiency Gains - Rs. Crore</b>	<b><math>O = N / 3</math></b>	<b>22.92</b>	<b>22.92</b>

**Table 3-155: Sharing of Efficiency Gain on account of lower than target Distribution Loss for FY 2023-24, as approved by Commission.**

Particulars	Notation	True Up Petition	Approved after Truing Up
Target Loss	A	6.80%	6.80%
Actual Loss	B	5.45%	5.45%
Difference	$C = A - B$	1.35%	1.35%
Own Sales (MU) excluding EHT sales and AEML CO sales	D	9,809.92	9809.92
Own Sales at T-D at actual loss (MU)	$E = D / (1 - B)$	10,375.85	10375.85
Own Sales at T-D at target loss (MU)	$F = D / (1 - A)$	10,525.67	10525.67
Own Sales at T-D at actual loss and considering EHT sales and AEML CO sales (MU)	G	10,429.12	10429.12
Own Sales at T-D at target loss and considering EHT sales and AEML CO sales (MU)	H	10,578.93	10578.93
Transmission Loss	I	3.29%	3.29%
Energy requirement at G-T at actual loss (MU)	$J = G / (1 - I)$	10,783.53	10783.76
Energy requirement at G-T at target loss (MU)	$K = H / (1 - I)$	10,938.43	10938.66
Reduction in power purchase quantum (MU)	$L = K - J$	154.90	154.91
Power purchase rate (Rs./kWh)	M	4.91	4.91
Efficiency Gains / (Loss) - Rs. Crore	$N = L * M / 10$	76.08	76.08

Particulars	Notation	True Up Petition	Approved after Truing Up
1/3rd Efficiency Gains - Rs. Crore	O = N/3	25.36	25.36

### 3.24 Issue related to True-up Surplus of AEML-G

#### ***AEML-D's Submission***

AEML-D submitted that, in Table 5-87 of the MTR Order dated 31 March 2023 in Case No. 231 of 2022, the Commission had determined the ARR of Supply business after reducing Rs. 47.48 Crore towards 'True-up surplus of AEML-G'. However, in Table 6-24 of the said MTR Order, while approving the standalone ARR for Retail/ Supply business for FY 2023-24, the said amount of Rs. 47.48 Crore was not considered.

The Commission issued Corrigendum Order dated 21 April 2023 in the MTR Order in Case No. 231 of 2022. In the said Corrigendum, the Commission held as follows:

*"However, by oversight, approved standalone ARR for Supply Business for FY 2023-24 in Table 6-24 of AEML-D's MTR has been considered as Rs. 6608.78 crore, which is arrived at by deducting Rs. 68.39 Crore towards 'Non-Tariff Income' from ARR of Rs. 6677.17 Crore. Thus, deduction of Rs. 47.48 Crore towards 'True-up surplus of AEML-G' has not been considered in Table 6-24. As tariff has been determined based on Supply ARR of Rs. 6608.78 Crore (and not Rs. 6561.30 crore), this has led to non-consideration of such surplus amount in ARR and Tariff of AEML-D for FY 2023-24...*

*...The above aspects are all related to the projection period of FY 2023-24 and FY 2024-25, and the impact of the same shall be addressed in true-up of respective years in the next tariff determination process..."*

Basis the above, the true-up surplus amount of Rs. 47.48 Crore, which was to be considered as part of FY 2023-24, is now considered, along with the associated holding cost, as part of gap/ (surplus) in FY 2025-26.

#### ***Commission's Analysis and Ruling***

In view of the Commission's ruling in the Corrigendum Order dated 21 April 2023 in the MTR Order in Case No. 231 of 2022, the Commission has included the Surplus amount of Rs. 57.35 Crore in FY 2025-26, against the true-up surplus amount of Rs. 47.48 Crore of AEML-G that should have been considered in the ARR and Tariff for FY 2023-24, along with the associated holding cost.

### **3.25 Issue related to Revenue from Wheeling Charges and CSS for FY 2023-24**

#### ***AEML-D's Submission***

AEML-D submitted that the Commission issued Corrigendum Order dated 21-04-2023 in the MTR Order in Case No. 231 of 2022. In the said Corrigendum, the Hon'ble Commission held as follows:

*“In the MTR Order of AEML-D, the Commission has approved revenue towards Wheeling Charges and Cross-Subsidy Surcharge (CSS) from Change Over and Open Access consumers, as follows... Above revenue, amounting to Rs. 471.42 Crore and Rs. 509.91 Crore for FY 2023-24 and FY 2024-25, respectively, has inadvertently not been considered while determining the retail tariff.*

*...The above aspects are all related to the projection period of FY 2023-24 and FY 2024-25, and the impact of the same shall be addressed in true-up of respective years in the next tariff determination process...”*

In this regard, AEML-D submits that since FY 2023-24 is now being finally trued-up, the gap / (surplus) being arrived at is after considering the actual revenue received from own consumers, changeover consumers and OA consumers. Thus, there is no separate treatment warranted for the above finding in the corrigendum Order.

#### ***Commission's Analysis and Ruling***

In the final truing up for FY 2023-24, the Commission has considered the actual revenue from Wheeling Charges and Cross-Subsidy Surcharge (CSS) from Change Over and Open Access consumers, hence, no separate treatment is required to be given for addressing this issue.

### **3.26 Issue related to Refund of Standby Charges from TPC-G**

#### ***AEML-D's Submission***

AEML-D submitted that the Commission issued Corrigendum Order dated 21 April 2023 in the MTR Order in Case No. 231 of 2022. In the said Corrigendum, the Commission held as follows:

*“In the MTR Order dated 31 March 2023 issued in Case No. 221 of 2022 for TPC-G, the Commission has approved refund of Standby Charges as follows: ...*

*... AEML-D's share in above mentioned refund of Standby Charges by TPC-G, amounting to Rs. 29.21 Crore, has inadvertently not been considered in the MTR Order of AEML-D...*

*...The above aspects are all related to the projection period of FY 2023-24 and FY 2024-25, and the impact of the same shall be addressed in true-up of respective years in the next tariff determination process... ”*

In this regard, AEML-D has submitted that it has in the MTR Petition in Case No. 231 of 2022 in the true-up section for FY 2020-21 already included the impact of the refund from TPC-G. The relevant extract from the MTR Petition is as follows:

*“Out of the total amount of Rs. 88.28 crore approved for payment by AEML-D to TPC, Rs. 35.53 crore is towards standby charges and Rs. 52.75 crore towards entry tax. AEML-D had initially made monthly payment of Rs. 7.36 crore (Rs. 88.28 crore spread over 12 instalments) from April-20 to November-20, including both the entry tax and standby charges i.e. Rs. 4.40 crore for entry tax and Rs. 2.96 crore for standby charges.*

*Subsequent to the order of the Hon’ble Commission in Case No. 163 of 2020, upholding the contention of AEML-D, only entry tax payment has been made to TPC-G amounting to Rs. 52.75 crore and the same is included as part of power purchase cost for FY 2020-21. For the portion pertaining to standby charges already paid by AEML-D to TPC-G amounting to Rs. 23.69 crore (Rs. 2.96 crore x 8 months), the order of the Hon’ble Commission in Case No. 163 of 2020 holds that the same will be refunded by TPC-G along with holding cost.*

*Accordingly, AEML-D is not considering the stand-by component of Rs. 35.53 cr. as part of ARR of FY 2020-21. Therefore, by virtue of tariffs for FY 2020-21 having been set considering the said amount, the actual revenue for FY 2020-21 includes the same. Accordingly, as ARR presented for true-up does not include the same, it amounts to mean that the said Rs. 35.53 cr. is being refunded back to customers of AEML-D, along with associated holding cost (as true-up revenue gap is allowed with carrying cost). Therefore, as per the Order in Case No. 163 of 2020, the refund of stand-by that will be computed by the Hon’ble MERC in TPC-G’s Tariff Order, along with holding cost, shall be retained by AEML-D.”*

As a result of the above, no consequential impact of the Corrigendum Order is required to be given. AEML-D requested the Commission to consider the same.

### ***Commission’s Analysis and Ruling***

The Commission has accepted AEML-D’s submission in this regard.

### 3.27 SUMMARY OF AGGREGATE REVENUE REQUIREMENT

#### *AEML-D's Submission*

The summary of the ARR for the Wires Business for FY 2022-23 is as shown in the Tables below:

**Table 3-156: ARR of Wires Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	940.89	952.97
Depreciation	377.47	404.26
Interest on Loan Capital	208.41	224.78
Financing Charges		3.68
Interest on Working Capital – Net Entitlement	34.29	30.31
Interest on Consumer Security Deposit	-	3.36
Bad Debts written off	2.63	2.77
Contribution to contingency reserves	-	-
<b>Total Revenue Expenditure</b>	<b>1563.69</b>	<b>1622.12</b>
Add: Return on Equity Capital	497.85	551.53
<b>Aggregate Revenue Requirement</b>	<b>2061.54</b>	<b>2173.66</b>
Less: Non-Tariff Income	140.55	142.51
Less: Income from other business	3.27	3.70
<b>Net Aggregate Revenue Requirement</b>	<b>1917.72</b>	<b>2027.45</b>
Revenue from own consumers	1362.68	1249.73
Wheeling Revenue from CO & OA consumers	230.89	234.62
<b>Total Revenue</b>	<b>1593.57</b>	<b>1484.34</b>
<b>Gap / (Surplus)</b>	<b>324.16</b>	<b>543.10</b>
<b>Incremental Gap / (Surplus)</b>		<b>218.95</b>

AEML-D submitted that on comparison of the actual Total ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 220 Crore is primarily on account of the following:

- Reduction in wheeling revenue due to actual sales being lower than approved sales ~ Rs. 113 Crore.
- Increase on account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MTR Order ~ Rs. 97 Crore.
- Increase in Opex ~ Rs. 12 Crore: In the MTR Order, Opex was approved at normative levels on provisional basis, whereas Opex claimed in the truing up is based on Actuals and on net entitlement basis.



**Table 3-157: ARR of Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
Power Purchase Expense (inclusive of ISTS Charges)	6,103.92	5,544.42
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	468.69	475.01
Depreciation	23.66	45.52
Interest on Loan Capital	1.46	7.50
Foreign exchange rate variation	-	-
Financing Charges	-	0.09
Interest on Working Capital – Net Entitlement	-	1.72
Interest on Consumer Security Deposit	20.85	16.67
Provision for bad and doubtful debts	11.74	11.71
Contribution to contingency reserves	1.26	1.36
Intra-State Transmission Charges	482.12	482.12
MSLDC Fees & Charges	2.39	2.39
DSM EV Charger	-	0.22
Efficiency Gain/(Loss) due to Distribution Loss	-	22.92
<b>Total Revenue Expenditure</b>	<b>7,116.08</b>	<b>6,611.66</b>
Add: Return on Equity Capital	31.59	43.29
<b>Aggregate Revenue Requirement</b>	<b>7,147.67</b>	<b>6,654.95</b>
Less: Non-Tariff Income	65.14	83.65
Less: Income from other business	-	-
ARR Adjustment	52.38	52.38
<b>Net Aggregate Revenue Requirement</b>	<b>7,134.91</b>	<b>6,623.68</b>
Revenue from own consumers	6730.82	6206.51
CSS Revenue	74.06	69.95
Revenue due to selective loyalty rebate given to consumers	5.00	5.00*
Penalty for non-submission of data	0.01	0.01*
<b>Total Revenue</b>	<b>6809.89</b>	<b>6281.47</b>
<b>Gap / (Surplus)</b>	<b>325.02</b>	<b>342.21</b>
<b>Incremental Gap / (Surplus)</b>	<b>-</b>	<b>17.18</b>

\* These issues have been challenged by AEML-D in Appeal No. 516 of 2023 before the Hon'ble APTEL. Without prejudice to the above, since the matter is pending before the Hon'ble APTEL, AEML has considered the total amount of Rs. 5.01 Crore on the revenue side. In case the matter is adjudicated in favour of AEML-D, the same will be ploughed back subsequently with carrying cost.

AEML-D submitted that on comparison of the actual Total ARR vis-à-vis approved ARR, the increase in Retail Supply ARR by ~ Rs. 17 Crore is primarily on account of the following:

- Reduction in revenue due to actual sales being lower than approved sales ~ Rs. 530 Crore.

- Reduction in power purchase cost due to lower requirement ~ Rs. 375 Crore.
- Reduction in cost due to non consideration of Standby Charges ~ Rs. 185 Crore.
- Increase on account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MTR Order ~ Rs. 40 Crore.
- Increase in Opex ~ Rs. 6 Crore: In the MTR Order, Opex was approved at normative levels on provisional basis, whereas Opex claimed in the truing up is based on Actuals and on net entitlement basis.
- ~ Rs. 22 Cr on account of AEML-D share of efficiency gains in distribution loss.
- Increase in NTI vis-à-vis approved ~ Rs. 19 Crore

The summary of the ARR for the Wires and Supply Business for FY 2023-24 is as shown in the Tables below:

**Table 3-158: ARR of Wires Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Actuals
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	981.23	997.34
Depreciation	408.84	424.45
Interest on Loan Capital	215.39	243.19
Foreign exchange rate variation loss	-	94.71
Financing Charges for Working Capital and Loan	-	4.85
Interest on Working Capital – Net Entitlement	46.70	28.64
Interest on Consumer Security Deposit	-	7.63
Bad Debts written off	2.63	3.88
Contribution to contingency reserves	-	-
<b>Total Revenue Expenditure</b>	<b>1654.78</b>	<b>1804.70</b>
Add: Return on Equity Capital	532.50	594.73
<b>Aggregate Revenue Requirement</b>	<b>2187.28</b>	<b>2399.43</b>
Less: Non-Tariff Income	147.57	156.16
Less: Income from other business	3.60	3.32
Less: ARR adjustment of Santacruz land	398.68	398.68
Recovery of past gap / (surplus)	911.11	911.11
<b>Net Aggregate Revenue Requirement</b>	<b>2548.54</b>	<b>2752.39</b>
Revenue from own consumers	2191.37	2016.13
Wheeling Revenue from CO & OA consumers	358.03	344.85
<b>Total Revenue</b>	<b>2549.40</b>	<b>2360.99</b>
<b>Gap / (Surplus)</b>	<b>(0.85)</b>	<b>391.40</b>

AEML-D submitted that the gap in Wires ARR is ~ Rs. 390 Crore primarily on account of the following:

- Reduction in wheeling revenue due to actual sales being lower than approved sales ~ Rs. 190 Crore.

- Increase on account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MTR Order ~ Rs. 106 Crore.
- Realised loss on FERV being claimed at the time of realisation ~ Rs. 95 Crore.

**Table 3-159: ARR of Retail Supply Business for FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Actuals
Power Purchase Expense (inclusive of ISTS Charges)	5,560.73	5,294.25
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	488.97	498.29
Depreciation	27.31	63.34
Interest on Loan Capital	4.24	15.69
Foreign exchange rate variation	-	6.11
Financing Charges	-	0.27
Interest on Working Capital – Net Entitlement	-	3.42
Interest on Consumer Security Deposit	53.91	25.14
Provision for bad and doubtful debts	11.74	11.08
Contribution to contingency reserves	1.47	1.98
Intra-State Transmission Charges	490.65	490.65
MSLDC Fees & Charges	1.82	1.82
Efficiency Gain/(Loss) due to Distribution Loss	-	25.36
<b>Total Revenue Expenditure</b>	<b>6,640.85</b>	<b>6,437.40</b>
Add: Return on Equity Capital	36.33	54.59
<b>Aggregate Revenue Requirement</b>	<b>6,677.17</b>	<b>6,491.99</b>
Less: Non-Tariff Income	68.39	81.82
Less: Income from other business	-	-
Recovery of Past Gap / (Surplus)	261.61	261.61
<b>Net Aggregate Revenue Requirement</b>	<b>6870.39</b>	<b>6671.78</b>
Revenue from own consumers	7227.05	6647.92
CSS Revenue	113.39	90.94
<b>Total Revenue</b>	<b>7340.44</b>	<b>6738.86</b>
<b>Gap / (Surplus)</b>	<b>(470.05)</b>	<b>(67.08)</b>

AEML-D submitted that the surplus in Retail Supply ARR is ~ Rs. 67 Crore. As submitted above, there is a surplus of ~ Rs. 470 Crore as approved in the MTR Order. The variation of ~ Rs. 400 Crore is primarily on account of the following:

- Reduction in revenue due to actual sales being lower than approved sales ~ Rs. 600 Crore.
- Reduction in power purchase cost due to lower requirement ~ Rs. 82 Crore.
- Reduction in cost due non consideration of Standby Charges ~ Rs. 185 Crore.

- Increase on account of capex due to actuals being more than approved and additional RoE claimed in truing up vis-à-vis base RoE approved in MTR Order ~ Rs. 66 Crore.
- ~ Rs. 25 Cr on account of AEML-D share of efficiency gains in distribution loss.
- Realised loss on FERV being claimed at the time of realisation ~ Rs. 6 Crore.
- Increase in NTI vis-à-vis approved ~ Rs. 13 Crore.

### ***Commission's Analysis and Ruling***

Based on the components as approved in the above paragraphs, the Commission has approved the ARR for Wires Business and Supply Business for FY 2022-23 and FY 2023-24, as shown in the Tables below:

**Table 3-160: ARR approved by the Commission for Wires Business after truing up for FY 2022-23 (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	940.89	952.97	896.76
Depreciation	377.47	404.26	397.14
Interest on Loan Capital	208.41	224.78	225.08
Financing Charges for Working Capital and Loans		3.68	3.67
Interest on Working Capital – Net Entitlement	34.29	30.31	19.03
Interest on Consumer Security Deposit	-	3.36	3.36
Bad Debts written off	2.63	2.77	2.77
Contribution to contingency reserves	-	-	-
<b>Total Revenue Expenditure</b>	<b>1563.69</b>	<b>1622.12</b>	<b>1547.82</b>
Add: Return on Equity Capital	497.85	551.53	551.51
<b>Aggregate Revenue Requirement</b>	<b>2061.54</b>	<b>2173.66</b>	<b>2099.33</b>
Less: Non-Tariff Income	140.55	142.51	149.41
Less: Income from other business	3.27	3.70	3.70
<b>Net Aggregate Revenue Requirement</b>	<b>1917.72</b>	<b>2027.45</b>	<b>1946.21</b>

The ARR approved by the Commission after truing up of the Wires Business for FY 2022-23 is lower than the ARR sought by AEML-D on account of the following reasons:

- Lower O&M expenses approved as compared to that sought by AEML-D on account of sharing of gains and losses and disallowance of excess Other Allowances;
- Lower depreciation approved as compared to that sought by AEML-D on account of consideration of Opening GFA for FY 2022-23 equal to the GFA approved in the truing up for FY 2021-22;

- c) Lower IoWC approved on account of consideration of CSD based on the CSD actually claimed by AEML-D from its consumers in accordance with the provisions of the MERC Supply Code, 2021;
- d) Higher NTI considered by the Commission on account of consideration of pro-rata recovery of bad debts written off.

**Table 3-161: ARR approved by the Commission for Supply Business after truing up for FY 2022-23 as (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
Power Purchase Expense (inclusive of ISTS Charges)	6,103.92	5,544.42	5544.41
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgment)	468.69	475.01	419.70
Depreciation	23.66	45.52	45.52
Interest on Loan Capital	1.46	7.50	7.50
Foreign exchange rate variation	-	-	-
Financing Charges	-	0.09	0.08
Interest on Working Capital – Net Entitlement	-	1.72	-
Interest on Consumer Security Deposit	20.85	16.67	16.67
Provision for bad and doubtful debts	11.74	11.71	11.71
Contribution to contingency reserves	1.26	1.36	1.36
Intra-State Transmission Charges	482.12	482.12	482.12
MSLDC Fees & Charges	2.39	2.39	2.39
DSM EV Charger	-	0.22	0.22
Efficiency Gain/(Loss) due to Distribution Loss	-	22.92	22.92
<b>Total Revenue Expenditure</b>	<b>7,116.08</b>	<b>6,611.66</b>	<b>6554.60</b>
Add: Return on Equity Capital	31.59	43.29	43.29
<b>Aggregate Revenue Requirement</b>	<b>7,147.67</b>	<b>6,654.95</b>	<b>6597.89</b>
Less: Non-Tariff Income	65.14	83.65	87.70
Less: Income from other business	-	-	-
ARR Adjustment	52.38	52.38	52.38
<b>Net Aggregate Revenue Requirement</b>	<b>7,134.91</b>	<b>6,623.68</b>	<b>6562.57</b>

The ARR approved by the Commission after truing up of the Supply Business for FY 2022-23 is lower than the ARR sought by AEML-D on account of the following reasons:

- a) Lower O&M expenses approved as compared to that sought by AEML-D on account of sharing of gains and losses and disallowance of excess Other Allowances;
- b) Nil IoWC approved on account of consideration of CSD based on the CSD actually claimed by AEML-D from its consumers in accordance with the provisions of the MERC Supply Code, 2021;

- c) Higher NTI considered by the Commission on account of consideration of pro-rata recovery of bad debts written off.

**Table 3-162: ARR approved by Commission for Wires Business after truing up for FY 2023-24 (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	981.23	997.34	992.77
Depreciation	408.84	424.45	419.98
Interest on Loan Capital	215.39	243.19	244.46
Foreign exchange rate variation loss	-	94.71	29.38
Financing Charges for Working Capital and Loan	-	4.85	4.18
Interest on Working Capital – Net Entitlement	46.70	28.64	19.55
Interest on Consumer Security Deposit	-	7.63	7.63
Bad Debts written off	2.63	3.88	3.88
Contribution to contingency reserves	-	-	-
<b>Total Revenue Expenditure</b>	<b>1654.78</b>	<b>1804.70</b>	<b>1721.83</b>
Add: Return on Equity Capital	532.50	594.73	594.67
<b>Aggregate Revenue Requirement</b>	<b>2187.28</b>	<b>2399.43</b>	<b>2316.50</b>
Less: Non-Tariff Income	147.57	156.16	162.65
Less: Income from Other Business	3.60	3.32	3.32
Less: ARR adjustment of Santacruz land	398.68	398.68	398.68
Recovery of past gap / (surplus)	911.11	911.11	911.11
<b>Net Aggregate Revenue Requirement</b>	<b>2548.54</b>	<b>2752.39</b>	<b>2662.95</b>

The ARR approved by the Commission after truing up of the Wires Business for FY 2023-24 is lower than the ARR sought by AEML-D on account of the following reasons:

- Lower O&M expenses approved as compared to that sought by AEML-D on account of sharing of gains and losses and disallowance of excess Corporate Allocation;
- Lower depreciation approved as compared to that sought by AEML-D on account of consideration of Opening GFA for FY 2023-24 equal to the GFA approved in the truing up for FY 2022-23;
- FERV loss allowed in proportion to regulatory loans rather than the entire loan as claimed by AEML-D;
- Lower IoWC approved on account of consideration of CSD based on the CSD actually claimed by AEML-D from its consumers in accordance with the provisions of the MERC Supply Code, 2021;
- Higher NTI considered by the Commission on account of consideration of pro-rata recovery of bad debts written off.

**Table 3-163: ARR approved by the Commission for Supply Business after truing up for FY 2023-24 (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
Power Purchase Expense (inclusive of ISTS Charges)	5,560.73	5,294.25	5294.25
O&M Expenses – Net Entitlement (Inclusive of Impact on PF due to SC Judgement)	488.97	498.29	435.03
Depreciation	27.31	63.34	63.34
Interest on Loan Capital	4.24	15.69	15.72
Foreign exchange rate variation	-	6.11	1.92
Financing Charges	-	0.27	0.20
Interest on Working Capital – Net Entitlement	-	3.42	-
Interest on Consumer Security Deposit	53.91	25.14	25.14
Provision for bad and doubtful debts	11.74	11.08	11.08
Contribution to contingency reserves	1.47	1.98	1.98
Intra-State Transmission Charges	490.65	490.65	490.65
MSLDC Fees & Charges	1.82	1.82	1.82
Efficiency Gain/(Loss) due to Distribution Loss	-	25.36	25.36
<b>Total Revenue Expenditure</b>	<b>6,640.85</b>	<b>6,437.40</b>	<b>6366.49</b>
Add: Return on Equity Capital	36.33	54.59	54.59
<b>Aggregate Revenue Requirement</b>	<b>6,677.17</b>	<b>6,491.99</b>	<b>6421.08</b>
Less: Non-Tariff Income	68.39	81.82	85.37
Less: Income from other business	-	-	-
Recovery of Past Gap / (Surplus)	261.61	261.61	261.61
<b>Net Aggregate Revenue Requirement</b>	<b>6870.39</b>	<b>6671.78</b>	<b>6597.32</b>

The ARR approved by the Commission after truing up of the Supply Business for FY 2023-24 is lower than the ARR sought by AEML-D on account of the following reasons:

- Lower O&M expenses approved as compared to that sought by AEML-D on account of sharing of gains and losses and disallowance of excess Other Allowances and Corporate Allocation;
- FERV loss allowed in proportion to regulatory loans rather than the entire loan as claimed by AEML-D;
- Nil IoWC approved on account of consideration of CSD based on the CSD actually claimed by AEML-D from its consumers in accordance with the provisions of the MERC Supply Code, 2021;
- Higher NTI considered by the Commission on account of consideration of pro-rata recovery of bad debts written off.



### 3.28 REVENUE from Own Consumer

#### ***AEML-D's Submission***

For FY 2022-23, AEML-D submitted that it has charged tariffs as approved for FY 2022-23 in AEML-D's MYT Order dated 31-03-2023 in Case No. 231 of 2022. The revenue earned from sale of energy to the consumers in FY 2022-23 is shown in the table below:

**Table 3-164: Revenue from Sales submitted by AEML-D for FY 2022-23**

Particulars	MYT Order	True-up Petition
Revenue (Rs. Crore)	8,093.49	7,456.24
Sales (MU) for the purpose of computing ABR including AEML changeover	9,975.93	9,057.80
ABR (Rs. /kWh)	8.11	8.23

For FY 2023-24, AEML-D submitted that it has charged tariffs as approved for FY 2023-24 in AEML-D's MTR Order dated 31<sup>st</sup> March 2023. The revenue earned from sale of energy to consumers in FY 2023-24 is shown in the table below:

**Table 3-165: Revenue from Sales submitted by AEML-D for FY 2023-24**

Particulars	MTR Order	True-up Petition
Revenue (Rs. Crore)	9,418.42	8,664.06
Sales (MU) for the purpose of computing ABR including AEML changeover	10,987.23	9,863.18
ABR (Rs. /kWh)	8.57	8.78

#### ***Commission's Analysis and Ruling***

The Commission asked for the audited Reconciliation Statement showing income and expenses and their allocation to generation, transmission and distribution businesses of AEML. From the Reconciliation Statement, the Commission has verified the revenue from sale of power.

The Commission has accepted the submission of AEML-D regarding revenue from assessed sales. Accordingly, it has not been considered as part of revenue, since it is included in Non-Tariff Income.

Accordingly, the Commission approves the actual total revenue from sale of electricity to own consumers, as shown in the Table below:



**Table 3-166: Revenue for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)**

Particulars	MYT/MTR Order	True Up Petition	Approved in truing Up
FY 2022-23	8,093.49	7,456.24	7,456.24
FY 2023-24	9,418.42	8,664.06	8,664.06

### 3.29 REVENUE FROM WHEELING CHARGES FROM CHANGE-OVER AND OPEN ACCESS CONSUMERS

#### *AEML-D's Submission*

The revenue earned from Wheeling Charges in FY 2022-23 is shown in the Table below:

**Table 3-167: Wheeling Revenue from Change-over and OA Consumers in FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	MYT Order	AEML-D Petition
Revenue from Wheeling Charges from Change-over & OA Consumers	230.89	234.62

The revenue earned from Wheeling Charges in FY 2023-24, paid by Change-over consumers and OA consumers is shown in the Table below:

**Table 3-168: Wheeling Revenue from Change-over and OA Consumers in FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Revenue from Wheeling Charges from Change-over & OA Consumers	358.03	344.85

#### *Commission's Analysis and Ruling*

The Commission has approved the actual revenue from Wheeling Charges from change-over and OA consumers as submitted by AEML-D, as shown in the following Table:

**Table 3-169: Wheeling Revenue from Change-over and OA Consumers in FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)**

Particulars	MYT/MTR Order	True-up Petition	Approved after truing up
FY 2022-23	230.89	234.62	234.62
FY 2023-24	358.03	344.85	344.85

### 3.30 REVENUE FROM CROSS-SUBSIDY SURCHARGE FROM OA CONSUMERS

#### *AEML-D's Submission*

The revenue earned from CSS in FY 2022-23, paid by Change-over consumers and OA consumers is shown in the Table below:

**Table 3-170: Revenue from CSS in FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	MYT Order	True-up Petition
Revenue from CSS	74.06	69.95

The revenue earned from CSS in FY 2023-24, paid by Change-over consumers and OA consumers is shown in the Table below:

**Table 3-171: Revenue from CSS in FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	True-up Petition
Revenue from CSS	113.39	90.94

#### *Commission's Analysis and Ruling*

The Commission has verified the revenue from CSS from the audited Reconciliation Statement, and has approved the same as shown in the following Table:

**Table 3-172: Revenue from CSS in FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)**

Particulars	MYT/MTR Order	True-up Petition	Approved after truing up
FY 2022-23	74.06	69.95	69.95
FY 2023-24	113.39	90.94	90.94

### 3.31 REVENUE GAP

#### *AEML-D's Submission*

##### **FY 2022-23**

The Revenue Gap for the Wires Business for FY 2022-23 is as under:

**Table 3-173: Revenue Gap for Wires Business for FY 2022-23 as submitted by AEML-D (Rs Crore)**

Particulars	MTR Order	Actuals
Net ARR of Wires Business	1917.73	2027.45
Wires Revenue from own consumers	1362.68	1249.73
Wires Revenue from changeover and OA consumers	230.89	234.62
<b>Revenue Gap/(Surplus) of Wires Business</b>	<b>324.16</b>	<b>543.10</b>
<b>Incremental Gap / (Surplus)</b>		<b>218.95</b>

The Revenue Gap for Supply Business for FY 2019-20 is as under:

**Table 3-174: Revenue Gap/(Surplus) for Supply Business for FY 2022-23 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Actuals
Net ARR of Supply Business	7134.91	6623.68
Supply Revenue from own consumers	6730.82	6206.51
Revenue from CSS	74.06	69.95
Revenue due to selective loyalty rebate given to consumers	5.00	5.00*
Penalty for non-submission of data	0.01	0.01*
<b>Revenue Gap/(Surplus) of Supply Business</b>	<b>325.03</b>	<b>342.21</b>
<b>Incremental Gap / (Surplus)</b>		<b>17.18</b>

\* These issues have been challenged by AEML-D in Appeal No. 516 of 2023 before the Hon'ble APTEL. Without prejudice to the above, since the matter is pending before the Hon'ble APTEL, AEML has considered the total amount of Rs. 5.01 Crore on the revenue side. In case the matter is adjudicated in favour of AEML-D, the same will be ploughed back subsequently with carrying cost.

#### **FY 2023-24**

The Revenue Gap/(Surplus) for the Wires Business for FY 2023-24 is as under:

**Table 3-175: Revenue Gap/(Surplus) for Wires Business for FY 2023-24 as submitted by AEML-D (Rs Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
Net ARR of Wires Business inclusive of recovery of Past Gap/ (Surplus)	2548.54	2752.39
Wires Revenue from own consumers	2191.37	2016.13
Wires Revenue from changeover and OA consumers	358.03	344.85
<b>Revenue Gap / (Surplus) of Wires Business</b>	<b>(0.85)</b>	<b>391.40</b>

The Revenue Gap/(Surplus) for Supply Business for FY 2023-24 is as under:

**Table 3-176: Revenue Gap/(Surplus) for Supply Business in FY 2023-24 as submitted by AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals
Net ARR of Supply Business inclusive of recovery of Past Gap / (Surplus)	6870.39	6671.78
Supply Revenue from own consumers	7227.05	6647.92
Revenue from CSS	113.39	90.94
<b>Revenue Gap of Supply Business</b>	<b>(470.05)</b>	<b>(67.08)</b>

**Commission's Analysis and Ruling**

Based on the approved ARR and Revenue as discussed in the previous paragraphs, the Commission has approved the Revenue Gap/(Surplus) for the Wires Business and Supply Business of AEML-D for FY 2022-23 and FY 2023-24 as shown in the Tables below:

**Table 3-177: Revenue Gap/(Surplus) for Wires Business for FY 2022-23 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
Net ARR of Wires Business	1917.73	2027.45	1946.21
Wires Revenue from own consumers	1362.68	1249.73	1249.73
Wires Revenue from changeover and OA consumers	230.89	234.62	234.62
<b>Revenue Gap/(Surplus) of Wires Business</b>	<b>324.16</b>	<b>543.10</b>	<b>461.87</b>
<b>Incremental Gap / (Surplus)</b>		<b>218.95</b>	<b>137.72</b>

**Table 3-178: Revenue Gap/(Surplus) for Supply Business for FY 2022-23 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	Actuals	Approved after Truing-up
Net ARR of Supply Business	7134.91	6623.68	6562.57
Supply Revenue from own consumers	6730.82	6206.51	6206.51
Revenue from CSS	74.06	69.95	69.95
Revenue due to selective loyalty rebate given to consumers	5.00	5.00*	5.00
Penalty for non-submission of data	0.01	0.01*	0.01
<b>Revenue Gap/(Surplus) of Supply Business</b>	<b>325.03</b>	<b>342.21</b>	<b>281.10</b>
<b>Incremental Gap / (Surplus)</b>		<b>17.18</b>	<b>(43.92)</b>

**Table 3-179: Revenue Gap/(Surplus) for Wires Business for FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals	Approved after Truing-up
Net ARR of Wires Business inclusive of recovery of Past Gap/ (Surplus)	2548.54	2752.39	2662.95
Wires Revenue from own consumers	2191.37	2016.13	2016.13
Wires Revenue from changeover and OA consumers	358.03	344.85	344.85
<b>Revenue Gap / (Surplus) of Wires Business</b>	<b>(0.85)</b>	<b>391.40</b>	<b>301.97</b>

**Table 3-180: Revenue Gap/(Surplus) for Supply Business for FY 2023-24 as approved by the Commission (Rs. Crore)**

Particulars / (Rs. Crore)	MTR Order	Actuals	Approved after Truing-up
Net ARR of Supply Business inclusive of recovery of Past Gap / (Surplus)	6870.39	6671.78	6597.32
Supply Revenue from own consumers	7227.05	6647.92	6647.92
Revenue from CSS	113.39	90.94	90.94
<b>Revenue Gap of Supply Business</b>	<b>(470.05)</b>	<b>(67.08)</b>	<b>(141.54)</b>

The treatment of the above approved Revenue Gap/(Surplus) after truing up of the Wires Business and Supply Business for FY 2022-23 and FY 2023-24, along with associated carrying/(holding) cost has been elaborated in the Chapter on Cumulative Revenue Gap/(Surplus) for the MYT Control Period.

## 4 PROVISIONAL TRUING-UP FOR FY 2024-25

---

AEML-D submitted that it has filed its Petition for provisional truing-up of expenditure and revenue for FY 2024-25 in accordance with Regulation 5.1 (a) (ii) of the MYT Regulations, 2019, which require the Distribution Licensee to file the MYT Petition comprising inter alia, provisional truing up for FY 2024-25 to be carried out under the MYT Regulations, 2019. Accordingly, AEML-D has presented the unaudited actuals of H1 of FY 2024-25 and the estimates of H2 of FY 2024-25. A comparison with the approved figures as per MTR Order is also presented along with reasons for deviations.

The Commission has analysed the estimated expenses and revenue under each head and provisionally approved the expenditure and revenue of AEML-D for FY 2024-25, in accordance with the MYT Regulations, 2019, as discussed in the subsequent paragraphs.

### 4.1 SALES

#### *AEML-D's Submission*

##### 4.1.1 Energy sales forecast for FY 2024-25

AEML-D submitted that as per Regulation 6.5 of the MERC Resource Adequacy Regulations, 2024 (MERC RA Regulations, 2024), the Distribution Licensee shall make consumer category-wise sales / load forecast using one or combination of more than one methodology.

AEML-D submitted that to forecast energy sales over the next Control Period, a base figure for the current year, i.e., FY 2024-25 was required. Therefore, AEML-D, while carrying out its energy forecast for the RA Plan, applied the sales forecast methodology including the year 2024-25 and over the next Control Period till FY 2029-30. AEML-D has used trend analysis method to analyse the historical energy consumption patterns over AEML-D network as a whole including Changeover and Open Access consumers, spanning from Financial Years 2011-12 to 2023-24, albeit different past periods have been used for different consumer categories, considering the actual data and the steadiness of the same. Accordingly, the energy sales forecast so obtained for FY 2024-25 has been considered as provisional annual sales and actual sales for H1 of FY 2024-25 has been subtracted from the same to arrive at provisional sales for H2, by applying correlation factor for the previous financial year.

##### 4.1.2 Own Sales

AEML-D estimated sales for FY 2024-25 based on the methodology mentioned above and is shown in the Table below:

**Table 4-1: Own Sales of Actual H1 and estimated H2 for FY 2024-25 as submitted by AEML-D (MU)**

Own Sales	MTR Order	Own Sales		
		H1 – Provisional actuals	H2 Estimates	Annual Estimates
<b>LT Category</b>				
LT I (A): Below Poverty Line	0.01	0.001	0.001	0.002
<b>LT I (B): Residential (Single Phase)</b>				
0-100	1,973.31	910.25	881.07	1,791.32
101-300	1,283.38	775.30	508.95	1,284.25
301-500	213.80	182.38	69.39	251.77
500 and above	68.77	71.50	26.86	98.36
<b>LT I (B): Residential (Three Phase)</b>				
0-100	328.21	171.84	185.18	357.02
101-300	474.15	272.21	265.76	537.96
301-500	236.79	161.24	136.05	297.30
500 and above	415.43	336.03	361.16	697.19
LT II (A): Non-Residential or Commercial - 0-20 kW	2,511.34	1,001.90	963.93	1,965.82
LT II (B): Non-Residential or Commercial - 20-50 kW	310.70	129.68	124.30	253.98
LT II (C): Non-Residential or Commercial - above 50 kW	781.82	369.96	358.97	728.93
LT III (A): LT Industrial upto 20 kW	462.41	167.67	265.68	433.36
LT III (B): LT Industrial above 20 kW	503.82	170.57	198.11	368.68
LT IV (A): Public Services - Govt. EI & Hospitals	50.23	16.50	15.82	32.32
LT IV (B): Public Services - Others	242.48	111.64	116.62	228.25
LT V: EV Charging Stations	10.63	7.04	6.71	13.75
LT VI (A): Agriculture - Pumpsets	0.05	0.05	0.02	0.07
LT VI (B): Agriculture - Others	0.39	0.12	0.03	0.15
<b>Sub-total</b>	<b>9,867.72</b>	<b>4,855.88</b>	<b>4,484.60</b>	<b>9,340.48</b>
<b>HT Category</b>				
HT I: Industry	725.22	232.25	397.05	629.30
HT II: Commercial	448.14	270.67	247.36	518.04
HT III: Group Housing Society	10.64	8.00	7.65	15.65
HT IV: Railways, Metro and Monorail		1.59	0.93	2.52
HT V (a): Public Services - Govt. EI & Hospitals	17.90	1.57	3.93	5.50
HT V (b): Public Service - Others	379.81	136.43	220.70	357.12
HT VI: EV Charging Stations	70.00	4.77	2.64	7.41
<b>Sub-total</b>	<b>1,651.71</b>	<b>655.28</b>	<b>880.26</b>	<b>1,535.54</b>
<b>EHT Category</b>				
EHT I: Industry	180.00			

Own Sales	MTR Order	Own Sales		
		H1 – Provisional actuals	H2 Estimates	Annual Estimates
EHT IV: Railways, Metro and Monorail	120.00	35.16	73.11	108.27
<b>Sub-total</b>	<b>300.00</b>	<b>35.16</b>	<b>73.11</b>	<b>108.27</b>
<b>Total</b>	<b>11,819.43</b>	<b>5,546.32</b>	<b>5,437.97</b>	<b>10,984.29</b>

#### 4.1.3 Estimation of AEML-D Changeover Sales

From FY 2020-21 onwards, AEML-D has been supplying a few consumers (AEML-D changeover consumers) on TPC-D network. The sales estimation made for own consumers, as shown above is inclusive of AEML-D changeover consumers. The actual AEML-D changeover sales for H1 of FY 2024-25 and estimated sales for H2 of 2024-25 is shown in Table below:

**Table 4-2: FY 2024-25 Changeover Sales H1 provisional actual & H2 estimated as submitted by AEML-D (MU)**

AEML-D Changeover sales	MTR Order	Own Sales		
		H1 – Provisional actuals	H2 Estimates	Annual estimate
LT I (B): Residential				
0-100		0.02	0.02	0.04
101-300		0.04	0.04	0.08
301-500		0.04	0.02	0.06
500 and above		1.61	0.96	2.57
LT II (A): Non-Residential or Commercial - 0-20 kW		0.08	0.06	0.14
<b>Total</b>	<b>1.76</b>	<b>1.79</b>	<b>1.10</b>	<b>2.89</b>

#### 4.1.4 Estimation of Changeover Sales on TPC-D Network

AEML-D estimated sales for FY 2024-25 based on the methodology mentioned above and is shown in the Table below:



**Table 4-3: Changeover Sales of H1 Provisional actual and H2 Estimated of FY 2024-25  
as submitted by AEML-D (MU)**

Own sales (in MU)	MTR Order	Changeover Sales		
		H1 – Provisional actuals	H2 Estimates	Annual estimate
<b>LT Category</b>				
LT I (A): Below Poverty Line				
<b>LT I (B): Residential (Single Phase)</b>				
0-100	451.98	243.86	239.55	483.41
101-300	425.96	256.44	180.72	437.16
301-500	82.69	61.21	22.60	83.81
500 and above	22.47	18.14	4.84	22.98
<b>LT I (B): Residential (Three Phase)</b>				
0-100	87.84	42.20	42.25	84.45
101-300	133.38	66.70	58.83	125.54
301-500	66.93	36.43	23.68	60.12
500 and above	71.62	38.18	21.24	59.42
LT II (A): Non-Residential or Commercial - 0-20 kW	75.26	35.56	30.66	66.22
LT II (B): Non-Residential or Commercial - 20-50 kW	13.50	5.06	4.51	9.57
LT II (C): Non-Residential or Commercial - above 50 kW	17.27	6.47	5.35	11.82
LT III (A): LT Industrial upto 20 kW	15.39	6.32	5.84	12.16
LT III (B): LT Industrial above 20 kW	8.22	2.41	2.07	4.48
LT IV (A): Public Services - Govt. EI & Hospitals	1.66	0.90	0.84	1.73
LT IV (B): Public Services - Others	1.48	1.66	1.47	3.13
LT V: EV Charging Stations				
LT VI (A): Agriculture - Pumpsets				
LT VI (B): Agriculture - Others				
<b>Sub-total</b>	<b>1,475.66</b>	<b>821.55</b>	<b>644.45</b>	<b>1,465.99</b>
<b>HT Category</b>				
HT I: Industry				
HT II: Commercial	0.23	0.13	0.11	0.24
HT III: Group Housing Society				
HT IV: Railways, Metro and Monorail				
HT V (a): Public Services - Govt. EI & Hospitals				
HT V (b): Public Service - Others		0.83	-	0.83
HT VI: EV Charging Stations				
<b>Sub-total</b>	<b>0.23</b>	<b>0.96</b>	<b>0.11</b>	<b>1.07</b>
<b>EHT Category</b>				
EHT I: Industry				

Own sales (in MU)	MTR Order	Changeover Sales		
		H1 – Provisional actuals	H2 Estimates	Annual estimate
EHT IV: Railways, Metro and Monorail				
<b>Sub-total</b>				
<b>Total</b>	<b>1,475.89</b>	<b>822.51</b>	<b>644.56</b>	<b>1,467.07</b>

#### 4.1.5 Estimation of OA consumption

AEML-D submitted that some of the consumers connected to the distribution network of AEML-D source power from elsewhere by availing OA. Further, AEML-D submitted that the sales shown below is based on the Generation Credit Notes (GCNs) received till date. Therefore, the OA consumption shown in the table below is subject to change subsequent to receipt of all GCNs. AEML-D estimated sales for FY 2024-25 based on the methodology mentioned above and is shown in the Table below:

**Table 4-4: OA Consumption H1 provisional actual & H2 Estimated FY 2024-25 as submitted by AEML-D (MU)**

Open Access (OA) sales (in MU)	MTR Order	Open Access Sales		
		H1 – Provisional actuals	H2 Estimates	Annual Estimates
<b>HT Category</b>				
HT I: Industry	135.67	103.83	58.92	162.75
HT II: Commercial	124.78	34.72	58.70	93.42
HT V (b): Public Service - Others	23.48	7.75	7.00	14.75
<b>Total</b>	<b>283.94</b>	<b>146.30</b>	<b>124.61</b>	<b>270.92</b>

#### Commission's Analysis and Ruling

AEML-D has estimated the sales for FY 2024-25 using the trend analysis method as discussed above while carrying out its energy forecast for the RA plan and hence, applied the sales forecast methodology including the year 2024-25 and over the next Control Period till FY 2029-30. Accordingly, the energy sales forecasted for FY 2024-25 has been considered as provisional annual sales and actual sales for H1 of FY 2024-25 has been subtracted from the same to arrive at provisional sales for H2, by applying correlation factor for the previous financial year.

However, the Commission has analysed the growth trend of the category-wise total energy sales for the past period. The Commission has considered the past sales up to FY 2023-24 for growth trend analysis.

Before projecting the energy sales for FY 2024-25 and subsequently for the 5<sup>th</sup> Control Period, it is important to review the projections for FY 2022-23 and FY 2023-24 made in MTR Order as against the actual sales achieved during this period. The Commission had projected energy sales for own consumers of AEML-D as 9,975.93 MU for FY 2022-23 by accepting AEML-D's estimates, and 10,985.51 MU for FY 2023-24. As against this, the actual sales were 9,057.80 MU for FY 2022-23 and 9,863.18 MU for FY 2023-24. The actual sales are thus, ~10% lower than the approved sales for FY 2022-23 and FY 2023-24.

Hence, the Commission observes that the growth rate in sales envisaged for FY 2022-23 and FY 2023-24 actually did not materialize, particularly for HT and EHT category. Further, since, AEML-D operates as a parallel licensee to TPC-D, new consumers can avail electricity supply from either Licensee, hence, it would not be appropriate to consider such high growth in sales for either Licensee. Therefore, Commission in this Order has conservatively projected the energy sales, specially for HT and EHT category.

The Commission has considered the appropriate CAGR of actual sales for different periods observed in the past seven years, i.e., FY 2016-17 to FY 2023-24 for projecting the sales for FY 2024-25.

The category-wise CAGR considered for projecting the energy sales for FY 2024-25 is shown in the following Table:

**Table 4-5: Category-wise CAGR considered for projection of Energy Sales**

Consumer Category	CAGR Considered for Consolidated Sales
LT I - Below Poverty Line	0%
LT I Residential (Single phase)	2.34%
LT I Residential (Three phase)	5.62%
LT II (a) – 0-20 kW	6.42%
LT II (b) – 20-50 kW	6.42%
LT II (c) – above 50 kW	10.76%
LT III (a) - LT Industrial up to 20 kW	5.00%
LT III (b) - LT Industrial above 20 kW	0.00%
LT IV (a): PS - Govt. EI & Hospitals	4.51%

Consumer Category	CAGR Considered for Consolidated Sales
LT IV (b): PS - Others	12.35%
LT V (a): Agriculture - Pumpsets	10.62%
LT V (b): Agriculture - Others	6.62%
LT VI: EV Charging Stations	Doubled H1 sales
EHT IV - HT Metro & Monorail	Doubled H1 sales
HT I: HT-Industry	10.74%
HT II: HT- Commercial	4.60%
HT III: HT-Group Housing Society	0.00%
HT IV - HT Metro & Monorail	0.00%
HT V (a):PS - Govt. EI & Hospitals	0.00%
HT V (b):PS - Others	18.43%
HT VI: EV Charging Stations	Doubled H1 sales

- (a) The sales for EHT category have been considered as twice of actual H1 sales. Similarly, for EV Charging stations - HT and LT category, the estimated sales for FY 2024-25 have been considered as twice of actual sales of H1.
- (b) The growth rate for OA sales and Changeover sales have been considered as 0.5%, in line with that estimated by AEML-D for FY 2024-25.

In view of the above, the category-wise sales approved for FY 2024-25 are given in the Tables below:

**Table 4-6: Category-Wise Own Sales for FY 2024-25 as approved by Commission (MU)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>EHT Category</b>			
EHT I - Industry	180.00		
EHT IV - Metro & Monorail	120.00	108.27	70.32
<b>HT Category</b>			
HT I: HT-Industry	725.22	629.30	505.70
HTII : HT- Commercial	448.14	518.04	504.50
HT III: HT-Group Housing Society	10.64	15.65	14.01
HT IV : Railways		2.52	2.70
HT V (a):PS - Govt. EI & Hospitals	17.90	5.50	5.50
HT V (b):PS - Others	379.81	357.12	301.74
HT VI: EV Charging Stations	70.00	7.41	9.55

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Sub-total</b>	<b>1,651.71</b>	<b>1535.54</b>	<b>1,343.69</b>
<b>LT Category</b>			
LT I - Below Poverty Line	0.01	0.002	0.003
<b>LT -I Residential (Single Phase)</b>			
0-100	1,973.31	1,791.32	1,798.64
101-300	1,283.38	1,284.25	1,267.63
301-500	213.80	251.77	234.41
500and above	68.77	98.36	84.37
<b>LT -I Residential (Three Phase)</b>			
0-100	328.21	357.02	349.17
101-300	474.15	537.96	518.15
301-500	236.79	297.30	272.30
500and above	415.43	697.19	563.30
LT II (a) - 0-20 kW	2,511.34	1,965.82	1,965.82
LT II (b) - 20-50 kW	310.70	253.98	249.73
LT II (c) - above 50 kW	781.82	728.93	728.93
LT III (a) - LT Industrial upto 20 kW	462.41	433.36	346.27
LT III (b) - LT Industrial above 20 kW	503.82	368.68	368.68
LT IV (a): PS - Govt. EI & Hospitals	50.23	32.32	31.05
LT IV (b): PS - Others	242.48	228.25	228.25
LT V (a): Agriculture - Pumpsets	0.05	0.07	0.10
LT V (b): Agriculture - Others	0.39	0.15	0.28
LT VI: EV Charging Stations	10.63	13.75	14.08
<b>Sub-total</b>	<b>9,867.72</b>	<b>9,340.48</b>	<b>9,021.15</b>
<b>Total</b>	<b>11,819.43</b>	<b>10,984.29</b>	<b>10,435.16</b>

The Changeover sales have been considered as approved in the MYT Order of TPC-D dated 28<sup>th</sup> March 2025 in Case No. 210 of 2024. The sales have been considered net of the applicable distribution losses for HT and LT level. The category-wise changeover sales is not relevant for AEML-D Energy Balance.

The growth rate for Change-over Sales for LT Category is considered as 0.5% over actual sales of FY 2023-24, however for HT category the Commission has considered as same as estimated by AEML-D as the sales quantum is very low. Accordingly, the Change-over Sales provisionally approved by the Commission for FY 2024-25 is as stated in the Table below:

**Table 4-7: Category-Wise Change-over Sales of FY 2024-25 as approved by Commission (MU)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
HT Category	0.23	1.07	1.07
LT Category	1475.66	1465.99	1465.05
<b>Total</b>	<b>1475.89</b>	<b>1467.07</b>	<b>1466.12</b>

The growth rate for OA sales for HT Category is considered as 0.5% over actual sales of FY 2023-24.

The Commission has also provisionally approved the figures of OA consumption as shown in the Table below:

**Table 4-8: OA Consumption for FY 2024-25 as approved by the Commission (MU)**

Particulars /(MU)	MTR Order	AEML-D Petition	Approved after provisional truing up
HT I - Industrial	135.67	162.75	186.07
HT II - Commercial	124.78	93.42	89.25
HT V(B) - Public Service (Others)	23.48	14.75	15.17
<b>Total</b>	<b>283.94</b>	<b>270.92</b>	<b>290.49</b>

## 4.2 DISTRIBUTION LOSSES AND ENERGY BALANCE

### *AEML-D's Submission*

The Commission had approved Distribution Loss of 6.55% for FY 2024-25 for AEML-D. AEML-D submitted that it has been able to reduce distribution losses significantly and much below the level as approved in the MYT Order only because of capex and opex employed over the past years. AEML-D has achieved the actual losses of FY 2023-24 as 5.45%, which is almost 20% lower than the target losses of 6.80% for the year. AEML-D further submitted that there is natural limit up to which the distribution losses can be reduced given the size and sheer breadth of AEML-D's network and the consumer mix that it serves for legacy reasons. Once this limit is reached, it is next to impossible for further reduction of distribution losses or maintaining the existing level without any significant capex and other operational efforts. However, it is not known whether AEML-D has reached that level but it has to be admitted that that the gradient is or will be gradually flattening.

AEML-D in the previous MTR Petition had proposed to prepare energy balance for provisional true-up basis on the anticipated level of distribution losses as opposed to target level as specified in the MYT Order, while maintaining that the target level would still be considered

for the purpose of efficiency gains. However, the Commission, in its MTR Order, held that the suggestion is impractical and considered only the distribution losses as approved in MYT Order for the purpose of provisional true-up. Therefore, AEML-D, in the Petition, has considered the MYT approved level of distribution losses, i.e. ,6.55% for the provisional true-up of FY 2024-25.

The energy balance estimated by AEML-D for FY 2024-25 is shown below with the provisional actual for H1 and estimated for H2, along with energy balance considered by the Commission for FY 2024-25 in AEML-D's MTR Order:

**Table 4-9: Energy Balance for FY 2024-25 as submitted by AEML-D**

Particulars	MTR Order	Estimate
Own Sales (MU)		10,984.29
Less: EHT Sales (MU)		108.27
Less: AEML changeover sales (MU)		2.89
Changeover Sales (MU)		1,467.07
OA Consumption (MU)		270.92
Total Sales (MU)		12,611.10
<b>Distribution Loss (%)</b>		<b>6.55%</b>
Energy input at T-D (MU) excluding EHT Sales	14,630.62	13,495.03

From the energy balance, AEML-D has computed the energy requirement for its own consumers, as shown in the Table below:

**Table 4-10: Energy requirement as submitted by AEML-D for FY 2024-25**

Particulars	MTR Order	Estimates
Migrated HT Sales + OA consumption (MU)	284.17	271.99
HT Loss (%)	1.59%	1.59%
HT grossed up energy at T<>D (MU)	288.76	276.39
Migrated LT Sale (MU)	1,475.66	1,465.99
LT Loss (%)	6.43%	6.43%
LT grossed up energy at T<>D (MU)	1,577.07	1,566.73
Total T<>D energy attributable to Changeover sale & OA consumption (MU)	1,865.82	1,843.12
Net T<>D energy attributable to AEML-D sale (MU) - A	12,764.80	11,651.91
T-D energy attributable to AEML-D C/O sale (metered sales grossed up approved TPC-D wheeling losses) - B	1.76	2.90
EHT Sales - C	300.00	108.27
Total T<>D energy attributable to AEML-D sale (MU) – (A+B+C)	13,066.56	11,763.08
InSTS Loss (%) (considering monthly loss available on STU website till Sept month and 3.18% for balance months)	3.18%	3.28%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>13,495.72</b>	<b>12,161.86</b>

### ***Commission's Analysis and Ruling***

The Commission has considered the normative HT wheeling losses of 1.59% and LT Wheeling loss of 6.43% as approved for FY 2024-25 in MTR Order. The Commission has considered the Transmission Losses of 3.18% for FY 2024-25 as approved in the MTR Order. The change-over sales have been considered as approved earlier in this Chapter. The Distribution Losses have been considered as 6.55% for FY 2024-25, in line with the MYT Order approved numbers.

The following Table shows the energy requirement computed for FY 2024-25 by the Commission based on the approved Distribution Losses:

**Table 4-11: Energy Requirement of AEML-D for FY 2024-25 as approved by the Commission**

Particulars	Units	MTR Order	Estimates	Approved
Own Sales	MU	11819.43		
Distribution Loss	%	6.55%		
Migrated HT Sales + OA consumption (MU)	MU	284.17	271.99	291.55
HT Loss (%)	%	1.59%	1.59%	1.59%
HT grossed up energy at T<D (MU)	MU	288.76	276.39	296.26
Migrated LT Sale (MU)	MU	1,475.66	1,465.99	1,465.05
LT Loss (%)	%	6.43%	6.43%	6.43%
LT grossed up energy at T<D (MU)	MU	1,577.07	1,566.73	1565.72
Total T<D energy attributable to TPC-D sale & OA consumption (MU)	MU	1,865.82	1,843.12	1861.99
Net T<D energy attributable to AEML-D sale (MU)	MU	12,764.80	11,651.91	11105.96
T<D energy attributable to AEML-D c/o sale	MU	1.76	2.90	2.89
EHT Sales	MU	300.00	108.27	70.32
Total T<D energy attributable to AEML-D sale (MU)	MU	13,066.56	11,763.08	11179.18
InSTS Loss (%)	%	3.18%	3.28%	3.28%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>MU</b>	<b>13,495.72</b>	<b>12,161.86</b>	<b>11558.29</b>



### 4.3 POWER PROCUREMENT

#### 4.3.1 AEML-G (ADTPS)

##### *AEML-D's Submission*

AEML-D submitted that the PPA between AEML-D and AEML-G is in force till 31-03-2025. AEML-D has considered annual fixed charges payable to AEML-G at Rs. 376.33 Crore, as approved by the Commission in AEML-G MTR Order dated 31-03-2023 in Case No. 229 of 2022.

AEML-D has considered the variable cost of ADTPS for H1 as per the provisional actuals and for H2, the variable per unit cost of generation as submitted by Adani Power Limited (previously AEML-G) has been considered.

AEML-D submitted that it has considered backing down ADTPS to its technical minimum, till the generation schedule matches the demand requirement of AEML-D for estimating the shortfall and surplus for H2 of FY 2024-25. However, since backing down of sources depends on the instructions of SLDC, the actual backing down of ADTPS might be very different from what is estimated here. Since, AEML-D is not in a position to estimate the ramp up / down instructions of SLDC, hence, backing down of ADTPS has been considered up to technical minimum in the time blocks when the demand of AEML-D is more than the availability.

AEML-D has submitted the following power purchase from ADTPS in FY 2024-25.

**Table 4-12: Power Procurement from ADTPS in FY 2024-25 as submitted by AEML-D**

Source - ADTPS	Purchase (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Rs. Cr.)	Total Cost (Rs. Cr.)	Rate (Rs./kWh)
H1 provisional actual	1,396.52	188.165	562.39	750.55	5.37
H2 estimated	1,605.60	188.165	726.35	914.51	5.70
Annual estimated	3,002.12	376.33	1,288.73	1,665.06	5.55
AEML-D MTR Order	3,678.82	376.33	1,440.63	1,816.96	4.94

##### *Commission's Analysis and Ruling*

The Commission has considered the quantum of power from ADTPS for FY 2024-25 in line with the generation provisionally approved for AEML-G (AEML-G hereinafter referred as APL) in its Provisional Truing-up of FY 2024-25. The Commission has considered the fixed and variable cost as approved by the Commission in Provisional Truing-up of APL for FY 2024-25, as shown in the Table below:

**Table 4-13: Quantum & Cost of Power Purchase from APL for FY 2024-25 as approved by Commission.**

DTPS	MTR Order			AEML-D Petition			Approved after Provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2024-25	3678.82	1816.96	4.94	3,002.12	1,665.06	5.55	2,965.70	1,706.77	5.76

### 4.3.2 RENEWABLE ENERGY PROCUREMENT

#### 4.3.2.1 Renewable Purchase Obligation – Hybrid

##### *AEML-D's Submission*

AEML-D submitted that it has entered into a long-term contract for procurement of 700 MW Wind-Solar Hybrid Power at approved rate of Rs. 3.24 per unit. The plant has been fully commissioned w.e.f. October 2022. AEML-D has considered power purchase quantum and cost for H1 of FY 2024-25 as per the invoices raised by the developer in line with the schedules finalised by SLDC/RLDC. Accordingly, power from Hybrid RE is estimated for H2 of FY 2024-25 at the approved rate of Rs. 3.24/unit.

Also based on the actual generation during the year, AEML-D has submitted that the energy available from the plant would be higher than the committed CUF of 50%. These facts are considered while estimating generation for H2. As per the PPA, any additional generation from this source will be supplied to AEML-D at the approved rate of Rs. 3.24 per unit, to help optimise the cost to AEML-D. The full year generation and cost from this source is as estimated below:

**Table 4-14: Purchase from Hybrid RE for FY 2024-25**

	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
H1 provisional actual	1,630.05	528.14	3.24
H2 estimated	1,377.24	446.23	3.24
Annual estimated	3,007.29	974.36	3.24
AEML-D MTR Order	3,422.22	1,108.80	3.24

AEML-D further submitted that Adani Hybrid Energy Jaisalmer Four Limited (AHEJ4L) had filed Case No. 154 of 2023 before the Commission seeking relief for the additional expenditure incurred due to occurrence of Change in Law events. The Commission, vide its Order dated 22-05-2024, partly allowed the Petition and allowed the impact of Change in Law on account of increased GST.

AEML has in July 2024 paid the amount of Rs. 300.63 Crore to AHEJ4L in accordance with the above Order of the Commission, and accordingly, the same is being claimed as a separate line item in the ARR for FY 2024-25.

### ***Commission's Analysis and Ruling***

The Commission has considered the quantum of power from Hybrid source for FY 2024-25 in line with the generation submitted by AEML-D in its Provisional Truing-up of FY 2024-25. The Commission has considered the rate of power purchase as per the approved PPA. Also, regarding AEML-D submission of additional expenditure incurred due to occurrence of Change in Law events, the Commission has provisionally approved the claimed amount of Rs. 300.63 Crore as additional entry in ARR of FY 2024-25, however, AEML-D should submit the relevant documents with detailed computations pertaining to the claimed amount of Rs. 300.63 Crore at the time of final True-up of FY 2024-25.

**Table 4-15: Quantum & Cost of Power Purchase from Hybrid RE for FY 2024-25 as approved by Commission**

Hybrid RE	MTR Order			AEML-D Petition			Approved after Provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2024-25	3,422.22	1,108.80	3.24	3,007.29	974.36	3.24	3,007.29	974.36	3.24

### ***4.3.2.2 Solar Power Procurement***

#### ***AEML-D's Submission***

AEML-D submitted that it has purchased energy from its long-term contract with DSPPL at the approved rate of Rs. 10.30 per unit. AEML-D has considered provisional actuals for H1 of FY 2024-25. For estimating the energy availability from DSPPL in H2 of FY 2024-25, AEML-D has considered the trend in generation of DSPPL in second half of previous years. The actual power purchase details from DSPPL in H1 of FY 2024-25 and the cost for estimated power purchase from DSPPL in H2 of FY 2024-25 are shown in the table below:

**Table 4-16: Power Purchase from DSPPL in FY 2024-25 as submitted by AEML-D**

	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
H1 provisional actual	21.10	21.73	10.30
H2 estimated	22.59	23.26	10.30
Annual estimated	43.69	45.00	10.30
AEML-D MTR Order	52.02	53.59	10.30

### ***Commission's Analysis and Ruling***

The Commission has considered the actual power purchase of H1 and estimated power purchase from H2 from DSPPL Solar as submitted by AEML-D. The Commission has considered the rate of DSPPL in line with the rate being approved by the Commission. The Commission has approved Solar purchase from DSPPL as shown in the Table below:

**Table 4-17: Power Purchase from DSPPL in FY 2024-25 as approved by the Commission (MU)**

Particulars	MTR Order	AEML-D Petition	Approved after Provisional truing up
H1 Provisional Actuals		21.10	21.10
H2 Estimates		22.59	22.59
Quantum (MU)	52.02	43.69	43.69
Rate (Rs. /kWh)	10.30	10.30	10.30
Cost (Rs. Crore)	53.59	45.00	45.00

### ***4.3.2.3 Other Long-term Contracts for procurement of Non-solar Power***

#### ***AEML-D's Submission***

AEML-D submitted that it has following long-term contracts for purchase of Non-Solar power under which energy is purchased during FY 2024-25:

- 45 MW PPA with JSW Renewable Energy (Coated) Limited (formerly Reliance Clean Power Limited) at approved rate of Rs. 5.81/kWh is valid till June 2026 and thus H1 is considered as per actuals. For H2 of FY 2024-25, the energy availability from the existing contracted sources as provided above is estimated considering the trend in generation in second half of previous years.
- 4.5 MW Small Hydro PPA with Tembhu Power at approved rate of Rs. 4.26/kWh is valid till April 2025 and thus H1 is considered as per actuals. As can be seen from H1 actuals, there has not been generation from July 2024 onwards due to the plant being shut on account of heavy rains being experienced in the area of location of the plant. For H2 estimation purpose, power is assumed to flow from December month onwards.

The source wise non-solar energy estimated by AEML-D in FY 2024-25 is shown in the Table below:

**Table 4-18: Power Purchase from Non-solar sources in FY 2024-25 as submitted by AEML-D**

Tembhu	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
H1 provisional actual	1.07	0.45	4.26

<b>Tembhu</b>	<b>Purchase (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./kWh)</b>
H2 estimated	4.00	1.70	4.26
Annual estimated	5.07	2.16	4.26
MTR Order	11.83	5.04	4.26

<b>Reliance Power</b>	<b>Purchase (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./kWh)</b>
H1 provisional actual	44.94	26.11	5.81
H2 estimated	8.98	5.22	5.81
Annual estimated	53.92	31.33	5.81
MTR Order	75.04	43.60	5.81

<b>Non-Solar Total</b>	<b>Purchase (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./kWh)</b>
H1 provisional actual	46.00	26.56	5.77
H2 estimated	12.98	6.92	5.33
Annual estimated	58.98	33.48	5.68
MTR Order	86.87	48.64	5.60

### ***Commission's Analysis and Ruling***

#### **H1 of FY 2024-25**

The Commission has considered the actual power purchase of H1 for Tembhu and JSW Renewable Energy (Coated) Limited (formerly Reliance Clean Power Limited).

#### **H2 of FY 2024-25**

For power sourced from JSW Renewable Energy (Coated) Limited for H2 of FY 2024-25, the energy availability from the existing contracted sources as provided above is estimated considering the trend in generation in second half of previous years.

For power sourced from Tembhu, power is assumed to flow from December onwards and accordingly the quantum is considered in line with AEML-D submission.

The Commission has considered the rate of Tembhu and JSW Renewable Energy (Coated) Limited in line with the rate approved in MTR Order.

**Table 4-19: Power Purchase from Non-solar sources in FY 2024-25 as approved by the Commission (MU)**

<b>Non-Solar sources</b>	<b>MTR Order</b>			<b>AEML-D Petition</b>			<b>Approved after Provisional truing up</b>		
	<b>Quantum (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./ kWh)</b>	<b>Quantum (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./ kWh)</b>	<b>Quantum (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./ kWh)</b>
Tembhu	11.83	5.04	4.26	5.07	2.16	4.26	5.07	2.16	4.26
Reliance Power	75.04	43.60	5.81	53.92	31.33	5.81	53.92	31.33	5.81

Non-Solar sources	MTR Order			AEML-D Petition			Approved after Provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
<b>Total Non-solar</b>	<b>86.87</b>	<b>48.64</b>	<b>5.60</b>	<b>58.98</b>	<b>33.48</b>	<b>5.68</b>	<b>58.98</b>	<b>33.48</b>	<b>5.68</b>

#### 4.3.2.4 Short-term purchase of Non-solar Power

##### **AEML-D's Submission**

AEML-D submitted that it has already elaborated in detail in the truing-up for FY 2023-24 pertaining to purchase of short term RE from Non-solar power. AEML-D further submitted as follows:

- For each month of FY 2024-25, AEML-D has estimated the quantum as well as cost as directed by the Commission in the FAC monthly approval for December 2023 dated 19-04-2024. This exercise is being carried out from March 2024. Prior to that, based on the actual bills received, the cost is being considered on actuals.
- For H1, as already submitted as part of FAC application, the short term RE quantum is estimated and per unit thereon is considered at Rs. 2.97/unit.
- For H2, the short term RE quantum is estimated and per unit thereon is considered at Rs. 2.97/unit.
- Actual bills as received during H1 for power purchased in the period prior to March 2024 have been considered. In case of H2, whenever the actual bills prior to March 2024 are received, the same shall be considered at the time of truing-up.

However, the Commission in the MTR Order for FY 2024-25 has not considered purchase from these sources. The short term non-solar energy estimated by AEML-D in FY 2024-25 is shown in the Table below:

**Table 4-20: Power Purchase from short term Non-Solar sources in FY 2024-25 as submitted by AEML-D**

Non-Solar Total	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
H1 provisional actual	502.86	157.60	3.13
H2 estimated	192.95	57.32	2.97
Annual estimated	695.81	214.92	3.09

### ***Commission's Analysis and Ruling***

The Commission has considered the submission made by AEML-D for short-term Non-Solar RE purchase in the provisional Truing-up of FY 2024-25. The Commission has noted that the rate per unit considered by AEML-D is quite reasonable hence the Commission has approved the quantum and rate considered by AEML-D for short-term non-Solar RE purchase for FY 2024-25, as shown in the Table below:

**Table 4-21: Power Purchase from Short term Non-Solar sources in FY 2024-25 as approved by the Commission (MU)**

Source	AEML-D Petition			Approved after Provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
Short term Non-solar	695.81	214.92	3.09	695.81	214.92	3.09

### **4.3.3 Renewable Purchase Obligation**

#### ***AEML-D's Submission***

AEML-D submitted that the Commission has notified the RPO Regulations, 2024 on 23-02-2024. The operating period of the framework is to commence from 01-04-2024 and shall be valid until 31-03-2030. The said amendment specifies the RPO targets for the period from FY 2024-25 to FY 2029-30.

AEML-D submitted that as per the RPO Regulations, 2019, RPO targets were to be met in terms of Solar RPO and Non-solar RPO categories only. However, as per the new Regulations, from FY 2024-25 onwards, the obligation to be met has been altered/ modified to four sections/ parts.

Regarding this w.r.t the targets as per the amended RPO Regulations, AEML-D submitted as below:

- Regulation 2.1. (n) (a) of the RPO Regulations, 2024 provides that energy sourced from Wind Power Projects (WPPs) commissioned after 31-03-2024 will be used for meeting the Wind RPO.
- Regulation 2.1(e)(a) provides that RE projects with capacity less than 10 MW shall be considered under "Distributed RPO"
- Regulation 2.1 (j) (a) of the RPO Regulations, 2024 provides that the energy sourced from RE projects not covered under 'Wind projects', 'HPO projects' and 'Distributed projects' shall be considered under 'Other RPO'.



- At the end of FY 2023-24, AEML-D has surplus Solar RPO of ~ 487 MU and Non-solar shortfall of ~ 3,900 MU.
- Regulation 7.3 of the RPO Regulations, 2019 provide that surplus in 'Solar RPO' can be adjusted up to 15% against the shortfall in the 'Non-solar RPO' or vice-versa. The first proviso states that more than 15% can be adjusted by seeking prior approval of the Commission.
- Combined reading of (a) to (c) above means that for AEML-D, the existing Solar surplus and Non-solar shortfall as on 31-03-2024 would qualify under 'Other RPO'. In view of the restriction of 15% placed as per Regulation 7.3 of RPO Regulations, 2019, AEML-D requested the Commission to invoke its Powers to Relax and Power to Remove Difficulties under Regulations 16 and 19 respectively, of the RPO Regulations, 2019 to allow entire surplus in Solar RPO to be adjusted against the deficit in Non-Solar RPO and this Petition may be considered as seeking the requisite prior permission of the Commission for the same.
- Thus, for the purpose of 'Other RPO' for FY 2024-25, the opening shortfall may kindly be considered at ~ 3,413 MU.

AEML-D has further quoted the Second and third proviso to Regulation 12.3 of RPO Regulations, 2024 as below:

“

*Provided further that, post FY 2023-24, any cumulative shortfall in RE procurement shall not be carried forward for next year and shall be adjusted by imposing reduction in Aggregate Revenue Requirement for Distribution Licensees and imposing penalty for other Obligated Entities:*

*Provided also that, if Obligated Entity is able to demonstrate that even after taking all possible measures including procurement of RECs, it is not able to meet RPO target, then the Commission may reduce the penalty amount or allow carry forward of shortfall subject to conditions as may be stipulated in that Order.*

”

AEML-D submitted that it is in the process of making arrangements for meeting the RPO targets and expects that the targets for FY 2024-25 shall be met as follows:

**Table 4-22: RPO Target till FY 2024-25 as submitted by AEML-D**

Energy in MU at G<>T level	12,161.86		
	Target RPO	Estimated achievement	Shortfall / (Surplus)
Wind RPO	81.48	-	81.48
HPO	46.22	-	46.22
Distributed RPO *	182.43	182.43	-
Other RPO **	3,326.27	3,645.63	(319.36)
<b>Total RPO</b>	<b>3,636.40</b>	<b>3,828.07</b>	<b>(191.66)</b>



With reference to the table above:

(1)\* Short-term RE purchase of about 696 MU are made from less than 10 MW RE plants, hence, Distributed RPO is considered as met fully. Balance ~ 513 MU is considered as being met towards Other RPO.

(2)\*\* The break-up of Other RPO is as follows:

Sources	Other RPO
DSPPL	43.69
Tembhu	5.07
JSW Renewable	53.92
GDAM	22.29
Wind Solar Hybrid	3,007.29
Balance Short Term RE	513.38
<b>Total</b>	<b>3,645.63</b>

(3) As per second proviso to Regulation 7.5 (A) of the RPO Regulations, 2024, excess energy consumption under Other RPO in a particular year may be utilised to meet the shortfall in Wind RPO or HPO. Accordingly, for FY 2024-25, AEML-D has met the RPO targets for FY 2024-25 albeit with surplus of ~ 192 MU.

AEML-D further submitted that in the ARR estimation for FY 2025-26 to FY 2029-30, it has demonstrated that it is able to meet the RPO targets for each financial year separately as well as is able to absorb the cumulative shortfall till FY 2023-24 as worked out earlier. AEML-D requested the Commission to permit AEML-D to cumulatively meet the shortfall (till the close of FY 2023-24) till the end of the next Control Period. By the end of the Control Period, there will be no shortfall towards meeting the RPO targets.

AEML-D submitted that the Commission has introduced new Regulation 7.7 related to the 'Energy Storage Obligation' (ESO). For FY 2024-25, the storage percentage of total energy consumed is 1.5%, which translates to ~ 182 MU. AEML-D submitted that it has received an in-principle approval for the DPR scheme for commissioning of 51 MW Battery Energy Storage System (BESS). As submitted in the Resource Adequacy Plan, AEML-D is estimating this project to come on-stream from FY 2025-26 onwards and thus, there is a shortfall in ESO for FY 2024-25.

### ***Commission's Analysis and Ruling***

The Commission observes that from FY 2024-25, the RPO targets as specified in the RPO Regulations, 2024, shall be applicable. As per the new Regulations, from FY 2024-25 onwards the RPO to be met from four categories specified in the Regulations i.e. Wind RPO, HPO, Distributed RPO and 'Other RPO'.

Accordingly, the Commission has worked out the shortfall of RPO till FY 2024-25 based on the cumulative shortfall till FY 2023-24 approved in previous Chapter and targets for FY 2024-25 as per RPO Regulations, 2024, as shown in the Table below:

**Table 4-23: Cumulative shortfall of RPO Target till FY 2024-25 as approved by the Commission (MU)**

Energy in MU at G<>T level				AEML-D		Approved	
				12,161.86		11558.29	
Category	Target(%)	Target RPO (MU)		Estimated achievement		Shortfall / (Surplus)	
		AEML-D	Approved	AEML-D	Approved	AEML-D	Approved
Wind RPO	0.67%	81.48	77.44	-	-	81.48	77.44
HPO	0.38%	46.22	43.92	-	-	46.22	43.92
Distributed RPO	1.50%	182.43	173.37	182.43	182.43	-	-
Other RPO	27.35%	3,326.27	3161.19	3,645.63	3654.69	(319.36)	(493.5)
<b>Total RPO</b>	<b>29.91%</b>	<b>3,636.40</b>	<b>3457.08</b>	<b>3,828.07</b>	<b>3828.07</b>	<b>(191.66)</b>	<b>(372.13)</b>
<b>Previous Year cumulative shortfall</b>							<b>3412.89</b>
<b>Net shortfall</b>							<b>3040.76</b>

Accordingly, the Commission has provisionally approved the shortfall of 3040.76 MU of total RPO till FY 2024-25 as shown in the Table above.

However, Regulation 12.3 of RPO Regulations, 2024, specifies as below:

“

*Provided further that, post FY 2023-24, any cumulative shortfall in RE procurement shall not be carried forward for next year and shall be adjusted by imposing reduction in Aggregate Revenue Requirement for Distribution Licensees and imposing penalty for other Obligated Entities:*

*Provided also that, if Obligated Entity is able to demonstrate that even after taking all possible measures including procurement of RECs, it is not able to meet RPO target, then the Commission may reduce the penalty amount or allow carry forward of shortfall subject to conditions as may be stipulated in that Order.”(emphasis added)*

Hence, AEML-D has to ensure that it complies with the RPO targets for FY 2024-25 as well as the past shortfall in FY 2024-25 itself, else, the Commission will be constrained to impose the penalty as specified above, at the time of truing up of FY 2024-25.

#### 4.3.4 MEDIUM-TERM POWER PURCHASE

##### *AEML-D's Submission*

The Commission has, vide Order dated 29-08-2022 in Case No. 149 of 2022 adopted the tariff for purchase of 500 MW medium-term for the period 1-9-2022 to 14-10-2024 at Rs. 5.98/kWh. AEML-D submitted that though the adopted rate is Rs. 5.98/kWh, as per the PPA, Fixed Charges of Rs. 2.62/kWh are leviable up to 85% of the generation, while Variable Cost of Rs, 2.62/kWh plus Rs. 0.21/kWh towards transmission loss and Rs. 0.53/kWh towards ISTS transmission charges is leviable for the generation. Incentive at 50% of Rs. 2.62/kWh is payable on the generation beyond 85% up to 100%.

AEML-D submitted that the PPA is valid till 14-10-2024 and the same has been stopped w.e.f. that date. Accordingly, the actual till month of September 2024 (H1 of FY 2024-25) has been considered and, as per the provisions of the PPA, the estimates for H2 till 14-10-2024, being the date of closure of the PPA, have been made. The per unit rate considered for H2 is considering the H1 average rate.

**Table 4-24: Medium Term Power Purchase for FY 2024-25**

<b>MTPP</b>	<b>Purchase (MU)</b>	<b>Cost (Rs. Crore)</b>	<b>Rate (Rs./kWh)</b>
H1 provisional actual	1,994.99	1,123.25	5.63
H2 estimated	159.11	89.58	5.63
Annual estimated	2,154.10	1,212.83	5.63
MTR Order	2,364.00	1,241.93	5.25

##### *Commission's Analysis and Ruling*

The Commission has considered the quantum of power from medium-term source for FY 2024-25 in line with the quantum submitted by AEML-D in its Provisional Truing-up of FY 2024-25.

The Commission noted that the estimated actual rate of power purchase is Rs. 5.63/kWh, as against the adopted rate of Rs. 5.98/kWh. AEML-D has submitted the reasoning for this difference that though the adopted rate is Rs. 5.98/kWh, as per the PPA, Fixed Charges of Rs. 2.62/kWh are leviable up to 85% of estimated generation, while Variable Cost of Rs, 2.62/kWh plus Rs. 0.21/kWh towards transmission loss is leviable and Rs. 0.53/kWh towards ISTS transmission charges is leviable for the estimated generation. Incentive at 50% of Rs. 2.62/kWh is payable on the estimated generation beyond 85% up to 100%. As AEML-D has purchased power at the effective rate of Rs. 5.63/kWh in H1 of FY 2024-25, the Commission has considered the estimates for H2 till 14-10-2024, as submitted by AEML-D. The per unit rate

considered for H2 is considering the H1 average rate for projecting the power purchase cost from medium-term sources.

**Table 4-25: Quantum & Cost of Power Purchase from MTPP for FY 2024-25 as approved by Commission.**

Medium Term Power Purchase (MTPP)	MTR Order			AEML-D Petition			Approved after Provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
FY 2024-25	2,364.00	1,241.93	5.25	2,154.10	1,212.83	5.63	2,154.10	1,212.83	5.63

#### 4.3.5 SHORT-TERM POWER PURCHASE

##### *AEML-D's Submission*

AEML-D has submitted that as per energy balance for H1 and after considering the procurement from long-term sources, medium-term sources, banked energy and tied-up renewable sources, the balance energy requirement is met from short-term sources.

AEML-D has procured power during H1 from Power Exchanges on day-ahead basis as well as from firm short-term sources at Exchange-linked prices. Also, short-term purchase has been sourced from GDAM on the exchanges, which has been included as part of the STPP cost.

In order to estimate the short-term power purchase in H2 of FY 2024-25, AEML-D has considered the hourly demand forecast and generation / availability forecast from firm sources and likely generation profile of RE sources in H2 of FY 2024-25. No increment / decrement to State Imbalance Pool has been estimated in H2 of FY 2024-25, as the same would be included in the hourly deficit / surplus as forecast. AEML-D submitted that as regards the short-term power purchase rate in H2 of FY 2024-25, AEML-D submits that it intends to procure short-term power through bilateral mechanism on RTC basis or Power exchanges in H2 of FY 2024-25, which will be decided from time to time. AEML-D has estimated the rates of short-term power at Rs. 6/kWh, considering the average STPP rate for H1 at Rs. 6.32/kWh.

Further, AEML-D has also purchased RE power through short-term purchase and through IEX. The details for the same have been submitted as part of monthly FAC submissions for H1 of FY 2024-25. The same have been considered as part of short-term power purchase.

The power purchase quantum and cost from short-term sources for H1 and H2 of FY 2024-25 are as under:

**Table 4-26: Power Purchase from Short-Term sources for FY 2024-25 as submitted by AEML-D**

STPP	Purchase (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
H1 provisional actual	991.59	626.55	6.32
H2 estimated	1,443.96	866.38	6.00
<b>Annual estimated</b>	<b>2,435.55</b>	<b>1,492.92</b>	<b>6.13</b>
<b>MTR Order</b>	<b>915.79</b>	<b>469.80</b>	<b>5.13</b>

### *Commission's Analysis and Ruling*

The Commission has noted the submissions made by AEML-D as regards short-term purchase. It has been observed that AEML-D has met the balance shortfall after considering the procurement from long-term sources, medium-term sources, banked energy and tied-up renewable sources.

The Commission for the purpose of estimation has considered the quantum of power from tied-up contracts including long-term sources, medium-term sources, banked energy, GDAM, tied-up renewable sources and actual quantum of Imbalance Pool and actual surplus energy sold in H1 of FY 2024-25, and such total quantum is deducted from the energy requirement at G-T periphery, with the balance quantum considered to be purchased from short-term sources.

The Commission has considered the rate of purchase from short-term sources for FY 2024-25 as Rs. 6.13/kWh, as submitted by AEML-D.

Accordingly, the Commission has provisionally approved the power procurement from short-term sources in FY 2024-25, as shown in the Table below:

**Table 4-27: Short Term Power Purchase for FY 2024-25 as provisionally approved by the Commission**

Particulars	MTR Order			AEML-D Petition			Approved after Provisional truing up		
	Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost	Rate
	(MU)	(Rs. Crore)	(Rs/kWh)	(MU)	(Rs. Crore)	(Rs/kWh)	(MU)	(Rs. Crore)	(Rs/kWh)
Bilateral / Power Exchanges				2413.25	1479.22	6.13	1818.08	1114.40	6.13
GDAM				22.29	13.71	6.15	22.29	13.71	6.15
<b>Total Short-Term Purchase</b>	<b>915.79</b>	<b>469.80</b>	<b>5.13</b>	<b>2,435.55</b>	<b>1,492.92</b>	<b>6.13</b>	<b>1,840.38</b>	<b>1,128.11</b>	<b>6.13</b>

### 4.3.6 Banking of Energy

#### ***AEML-D's Submission***

AEML-D had entered into banking arrangement with APPCL (source: PSPCL) and MPL (source: PSPCL) in the month of August 2024, wherein AEML-D will be banking power with PSPCL and power will be returned during the months of March 2025 to May 2025.

AEML-D has not considered the cost related to the banking return separately, since the banking return is provided from the power available from the existing portfolio of AEML and its cost is therefore, already included in the power purchase cost.

Also, AEML has entered into Banking arrangement with APPCPL-BYPL from October 2024 to March 2025 and with MPL-BRPL from November 2024 to February 2025.

AEML-D has submitted that as per the terms and conditions of the Banking arrangement, the Banking quantum has been considered, which is inclusive of the provisional actuals for H1 and estimated for H2.

**Table 4-28: Banking in FY 2024-25 as submitted by AEML-D**

<b>Banking MU</b>	<b>Purchase</b>	<b>Sale</b>	<b>Net</b>
H1 provisional actual	299.57	(730.26)	(430.69)
H2 estimated	306.60		306.60
Annual estimated	606.16	(730.26)	(124.10)
MTR Order	1,326.60		

#### ***Commission's Analysis and Ruling***

The Commission has considered the quantum of power procured and return quantum under the Banking arrangement as submitted by AEML-D and the cost of power for Banking and Return Banking for FY 2024-25 is not considered as submitted by AEML-D in the Provisional Truing-up of FY 2024-25. The prudence check of whether this transaction is beneficial shall be done at the time of final truing up for FY 2024-25.

**Table 4-29: Banking in FY 2024-25 as approved by the Commission**

<b>Banking MU</b>	<b>Purchase</b>	<b>Sale</b>	<b>Net</b>
MTR Order	1,326.60		
AEML-D	606.16	(730.26)	(124.10)
<b>Approved</b>	<b>606.16</b>	<b>(730.26)</b>	<b>(124.10)</b>

### 4.3.7 Sale of Surplus Power

#### *AEML-D's Submission*

AEML-D has considered the sale of surplus power in H1 based on the provisional actuals.

The hourly demand forecast and generation/ availability forecast/estimates from firm and non-firm sources for H2 of FY 2024-25 has been considered. Wherever, the generation availability from sources in any time block is more than the energy requirement, surplus generation is assumed to be sold as the surplus is available during morning and day hours. Surplus sale will be undertaken from time to time on Power Exchanges or Bilateral market from time to time. For estimating the revenue from sale of surplus power, AEML-D has estimated the average rate of Rs. 4.30/kWh in H2 of FY 2024-25, considering the average short term surplus rate for H1 at Rs. 4.31/kWh.

The details of sale of surplus power in FY 2024-25 (provisional actuals) are as under:

**Table 4-30: Sale of Surplus Power in FY 2024-25 as submitted by AEML-D**

	<b>Sale (MU)</b>	<b>Rs. Crore</b>	<b>Rate (Rs./kWh)</b>
H1 provisional actual	316.98	136.69	4.31
H2 estimated	28.02	12.05	4.30
<b>Annual estimated</b>	345.00	148.73	4.31
<b>MTR Order</b>	1,230.48	631.24	5.13

#### *Commission's Analysis and Ruling*

The Commission has provisionally considered the quantum of actual surplus power sale of 316.98 MU in H1 of FY 2024-25 as submitted by AEML-D. The rate of sale for such surplus power has been considered at actuals for H1 of FY 2024-25.

The Commission has considered zero quantum as surplus power sale in H2 of FY 2024-25 as the Commission has followed methodology of adjusting the total power requirement at G-T periphery after consideration of its tied up contracts including long-term sources, medium-term sources, banked energy, GDAM, tied-up renewable sources and actual quantum of Imbalance Pool.

**Table 4-31: Sale of Surplus Power in FY 2024-25 provisionally approved by the Commission**

<b>Surplus Power Sales</b>	<b>Quantum (MU)</b>	<b>Income (Rs. Crore)</b>	<b>Rate (Rs./kWh)</b>
<b>MTR Order</b>	1,230.48	631.24	5.13
<b>AEML-D</b>	345.00	148.73	4.31
<b>Approved after Provisional Truing-up</b>	316.98	136.65	4.31

#### **4.3.8 Firm bilateral purchase**

##### ***AEML-D's Submission***

##### **H2 of FY 2024-25**

AEML-D has submitted that it has entered into Firm bilateral purchase by way of executing trade in Term Ahead Market (TAM) for the period from 16-10-2024 to December 2024. The trade has been executed on the Exchanges (IEX – Daily Contracts; PXIL – Daily Conventional; HPX – Daily Contracts).

For the period Oct-24 to Dec-24, the quantum is estimated at 513.50 MU at the average rate of Rs. 4.95/kWh. AEML-D has proposed to enter into similar arrangement for the period from January 2025 to March 2025 and the quantum is estimated at 555.66 MU at the average rate of Rs. 5.14/kWh.

Basis the above, the total quantum estimated for H2 of FY 2024-25 is 1,069.16 MU and the average rate considered is Rs. 5.05/kWh amounting to Rs. 539.48 Crore.

##### ***Commission's Analysis and Ruling***

The Commission has observed that AEML-D has executed number of Bilateral transactions through utilisation of different Exchange products. The Commission has noticed that the trade is executed for the delivery period in H2 of FY 2024-25 from October to December 2024 at 513.50 MU at the average rate of Rs. 4.95/kWh. Similarly, the Commission has considered the actual power purchase of H1 and estimated power purchase in H2 as submitted by AEML-D. Also, AEML-D has estimated quantum at 555.66 MU at the average rate of Rs. 5.14/kWh from January 2025 to March 2025.

The Commission has considered the submission made by AEML-D regarding quantum and rate of power purchase from Exchange products. The Commission accordingly provisionally approves the quantum and rate for FY 2024-25 as submitted by AEML-D.

#### **4.3.9 RE + Thermal RTC**

##### ***AEML-D's Submission***

AEML-D submitted that the Commission, vide Order dated 1st November 2022 in Case No. 32 of 2022, has granted approval for procurement of 1,000 MW RE + Thermal (500 MW + additional 500 MW under green shoe option) power on long-term RTC basis.

Accordingly, AEML-D in the MTR Petition in Case No. 231 of 2022 had estimated quantum of 4,032 MU for FY 2024-25 at the rate of Rs. 4/kWh. The Commission in the MTR Order approved the quantum of 2,879.88 MU at the rate of Rs. 4.90/kWh.



In this regard, AEML-D submitted that it has filed Case No. 140 of 2024 in August 2024 before the Commission seeking approval of deviations under Long-Term procurement of power 1500 MW (750 MW + additional 750 MW under Green Shoe Option) from grid connected Renewable Energy Power Projects, complemented with Power from any other Source on Round the Clock (RTC) basis, under Tariff-based Competitive Bidding process. Accordingly, Commission vide Order dated 26-12-2024 in the said Case No. 140 of 2024 has accepted the deviations sought by AEML-D. Therefore, AEML-D shall proceed with initiating bidding with the modified bid documents and expects to attract participation from the bidders. Therefore, AEML-D has projected power procurement from RE-RTC source in the ensuing Control Period.

### ***Commission's Analysis and Ruling***

The Commission has approved in the MTR Order the quantum of 2,879.88 MU at the rate of Rs. 4.90/kWh. However, AEML-D has filed Case before the Commission seeking approval of deviations under Long-Term procurement of power 1500 MW (750 MW + additional 750 MW under Green Shoe Option) from grid connected Renewable Energy Power Projects, complemented with Power from any other Source on Round the Clock (RTC) basis, under Tariff-based Competitive Bidding process. Accordingly, Commission vide Order dated 26-12-2024 in the said Case No. 140 of 2024 has accepted the deviations sought by AEML-D.

Accordingly for FY 2024-25 there is no power procurement realised through this contract and as per AEML-D submission, the quantum will be considered in the 5<sup>th</sup> Control Period as per approval from the Commission for deviations under Long-Term procurement of power 1500 MW (750 MW + additional 750 MW under Green Shoe Option).

### **3.1.1 Power purchase cost from OA consumers**

#### ***AEML-D's Submission***

The surplus energy of Roof-Top Solar and Open Access consumers (Firm and Non-Firm) purchased by AEML-D during H1 of FY 2024-25, whose quantum is 2.43 MU and cost is Rs. 0.80 Crore has been considered as part of power purchase cost.

### ***Commission's Analysis and Ruling***

The Commission has provisionally considered the same quantum and cost of power purchase of surplus energy from Roof-Top Solar and Open Access consumers for FY 2024-25.

### **3.1.2 Imbalance/DSM Pool**

#### ***AEML-D's Submission***

For H1 of FY 2024-25, AEML-D has derived the energy decrement from Pool by considering balancing figure after accounting for power availability from all sources as provided above. However, for cost purposes, for H1 of FY 2024-25, the cost as per DSM bills has been considered. No increment/ decrement to DSM pool has been estimated in H2 of FY 2024-25 as the same would be included in the hourly deficit/ surplus as forecast and hence, no associated cost has been considered. Actuals, if any, would be submitted at the time of truing up.

#### ***Commission's Analysis and Ruling***

The Commission will take a considered view regarding the quantum of Imbalance pool at the time of True up of FY 2024-25, based on the detailed submissions to be made by AEML-D. The Commission has provisionally considered the same estimation of quantum and cost of Imbalance Pool/DSM for FY 2024-25.

### **3.1.3 GNA/TGNA Charges**

#### ***AEML-D's Submission***

AEML-D has submitted that as elaborated in the section pertaining to truing-up for FY 2023-24, based on the bills received from CTU and/or SLDC, the provisional actual GNA charges have been claimed for H1.

AEML-D has estimated the charges for H2 of FY 2024-25 and GNA charges have been considered as Rs. 11 Crore/month on an average based on the previous months' actual bills received from CTU. Thus, the total GNA charges being claimed for FY 2024-25 is ~ Rs. 133 Crore.

AEML-D further submitted that at present, the quantum of power on which TGNA charges will be applicable cannot be estimated and hence, TGNA charges have not been considered in the ARR. Once the actuals are known, the same will be included as part of power purchase cost at the time of truing-up.

#### ***Commission's Analysis and Ruling***

The Commission has approved the actual GNA Charges paid by AEML-D for H1 of FY 2024-25. Further, the Commission provisionally approves the estimated cost for H2 of FY 2024-25 as submitted by AEML-D. Accordingly, the Commission provisionally approves Rs. 133.25 Crore towards GNA charges and the actual cost will be verified at the time of final truing-up of FY 2024-25.

### 3.1.4 TRANSMISSION CHARGES, MSLDC CHARGES AND STANDBY CHARGES

#### 4.3.9.1 Transmission Charges

##### *AEML-D's Submission*

The Transmission Charges have been claimed by AEML-D for FY 2024-25 as Rs. 588.54 Crore as per the charges approved in the InSTS Order dated 31-03-2023 in Case No. 239 of 2022 and also approved by the Commission in the AEML-D MTR Order in Case No. 231 of 2022 for FY 2024-25.

The summary of Transmission Charges for FY 2024-25 is shown in the Table below:

**Table 4-32: Transmission Charges for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MYT Order	AEML-D Petition
Transmission Charges	588.54	588.54

##### *Commission's Analysis and Ruling*

The Commission has approved the actual Transmission Charges paid by AEML-D for H1 of FY 2024-25 and estimated for H2 of FY 2024-25, as the same are in accordance with the Transmission Charges approved by the Commission in the MTR Order, as shown in the Table below:

**Table 4-33: Transmission Charges for FY 2024-25 approved by the Commission (Rs. Crore)**

Particulars	MYT Order	AEML-D Petition	Approved in Provisional True up
Transmission Charges	588.54	588.54	588.54

#### 3.1.4.1 MSLDC Charges

##### *AEML-D's Submission*

AEML-D has claimed the SLDC charges for FY 2024-25 as Rs. 1.94 Crore, as per the charges approved in the SLDC Order dated 31-03-2023 in Case No. 233 of 2022 and also approved by the Commission in the AEML-D MTR Order in Case No. 231 of 2022 for FY 2024-25.

The summary of SLDC charges for FY 2024-25 is shown in the Table below:

**Table 4-34: MSLDC Charges for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
MSLDC Charges	1.94	1.94

***Commission's Analysis and Ruling***

The Commission has approved the MSLDC Charges as estimated by AEML-D for FY 2024-25, as the same are in accordance with the MSLDC Charges approved by the Commission in the MSLDC MTR Order, as shown in the Table below:

**Table 4-35: MSLDC Charges for FY 2024-25 approved by Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
MSLDC Charges	1.94	1.94	1.94

**3.1.4.2 Stand-by Charges*****AEML-D's Submission***

As already elaborated in the truing up section of FY 2022-23, AEML-D has stopped availing the Standby facility from MSEDCL and has not paid the Standby Charges during FY 2024-25 and hence, AEML-D has not considered the Standby Charges for FY 2024-25.

***Commission's Analysis and Ruling***

As the matter of payment of Standby Charges is being decided by the Commission separately, in accordance with the directions of the Hon'ble APTEL, the Commission has not considered any cost related to Standby Charges in the provisional truing up for AEML-D for FY 2024-25. However, this is subject to the final decision of the Commission in Case No. 01/MP/2024 after due regulatory proceedings and after hearing all the Parties concerned.

**4.3.10 SUMMARY OF POWER PURCHASE*****AEML-D Submission***

The summary of estimated power purchase quantum and cost for FY 2024-25 as against the quantum and cost approved by the Commission in AEML-D's MTR Order is as under:

**Table 4-36: Power Purchase for FY 2024-25 as submitted by AEML-D**

Particulars	MTR Order			H1 provisional actual			H2 estimates			FY 2024-25		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./kWh)
ADTPS	3,678.82	1,816.96	4.94	1,396.52	750.55	5.37	1,605.60	914.51	5.70	3,002.12	1,665.06	5.55
DSPPL	52.02	53.59	10.30	21.10	21.73	10.30	22.59	23.26	10.30	43.69	45.00	10.30
Existing Non-solar sources	86.87	48.64	5.60	46.00	26.56	5.77	12.98	6.92	5.33	58.98	33.48	5.68
Wind-Solar Hybrid	3,422.22	1,108.80	3.24	1,630.05	528.14	3.24	1,377.24	446.23	3.24	3,007.29	974.36	3.24
MTPP	2,364.00	1,241.93	5.25	1,994.99	1,123.25	5.63	159.11	89.58	5.63	2,154.10	1,212.83	5.63
RE RTC Thermal	2,879.88	1,411.14	4.90									
Short Term RE				502.86	157.60	3.13	192.95	57.32	2.97	695.81	214.92	3.09
OA purchase				2.43	0.80	3.28				2.43	0.80	3.28
Banking purchase	1,326.60	355.32		299.57			306.60			606.17		
Banking sale				(730.26)						(730.26)		
Firm Bilateral							1,069.16	539.48	5.05	1,069.16	539.48	5.05
Short term purchase	915.79	469.80	5.13	991.59	626.55	6.32	1,443.96	866.38	6.00	2,435.55	1,492.92	6.13
Surplus	(1,230.48)	(631.24)	5.13	(316.98)	(136.69)	4.31	(28.02)	(12.05)	4.30	(345.00)	(148.73)	4.31
Imbalance Pool				161.83	13.95					161.83	13.95	
GNA / TGNA					67.25			66.00			133.25	
<b>Total</b>	<b>13,495.72</b>	<b>5,874.93</b>	<b>4.35</b>	<b>5,999.70</b>	<b>3,179.69</b>	<b>5.30</b>	<b>6,162.16</b>	<b>2,997.63</b>	<b>4.86</b>	<b>12,161.86</b>	<b>6,177.32</b>	<b>5.08</b>
Transmission chares		588.54			294.27			294.27			588.54	
SLDC charges		1.94			0.97			0.97			1.94	
Standby charges		184.86			-			-			-	
<b>Total</b>	<b>13,495.72</b>	<b>6,650.28</b>	<b>4.93</b>	<b>5,999.70</b>	<b>3,474.93</b>	<b>5.79</b>	<b>6,162.16</b>	<b>3,292.87</b>	<b>5.34</b>	<b>12,161.86</b>	<b>6,767.80</b>	<b>5.56</b>

**Commission's Analysis and Ruling**

Based on the source-wise approval of power purchase as discussed above, the power purchase quantum and cost approved after provisional truing-up for FY 2024-25 is as shown in the following Table:

**Table 4-37: Power Purchase for FY 2024-25 as approved by the Commission (MU)**

Particulars	MTR Order			AEML-D Petition			Approved after provisional truing up		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./ kWh)
ADTPS	3,678.82	1,816.96	4.94	3,002.12	1,665.06	5.55	2,965.70	1,706.77	5.76
DSPPL	52.02	53.59	10.30	43.69	45.00	10.30	43.69	45.00	10.30
Existing Non-solar sources	86.87	48.64	5.60	58.98	33.48	5.68	58.98	33.48	5.68
Wind-Solar Hybrid	3,422.22	1,108.80	3.24	3,007.29	974.36	3.24	3,007.29	974.36	3.24
MTPP	2,364.00	1,241.93	5.25	2,154.10	1,212.83	5.63	2,154.10	1,212.83	5.63
RE RTC Thermal	2,879.88	1,411.14	4.90						
Short Term RE				695.81	214.92	3.09	695.81	214.92	3.09
OA purchase				2.43	0.80	3.28	2.43	0.80	3.28
Banking purchase	1,326.60	355.32		606.17			606.16		
Banking sale				(730.26)			(730.26)		
Firm Bilateral				1,069.16	539.48	5.05	1,069.16	539.48	5.05
Short term purchase	915.79	469.80	5.13	2,435.55	1,492.92	6.13	1,840.38	1128.11	6.13
Surplus	(1,230.48 )	(631.24)	5.13	(345.00)	(148.73)	4.31	(316.98)	(136.65)	4.31
Imbalance Pool				161.83	13.95		161.83	13.95	
GNA / TGNA					133.25			133.25	
<b>Total</b>	<b>13,495.72</b>	<b>5,874.93</b>	<b>4.35</b>	<b>12,161.86</b>	<b>6,177.32</b>	<b>5.08</b>	<b>11,558.29</b>	<b>5,866.29</b>	<b>5.08</b>
Transmission chares		588.54			588.54			588.54	
SLDC charges		1.94			1.94			1.94	
Standby charges		184.86			-			-	
<b>Total</b>	<b>13,495.72</b>	<b>6,650.28</b>	<b>4.93</b>	<b>12,161.86</b>	<b>6,767.80</b>	<b>5.56</b>	<b>11,558.29</b>	<b>6,456.77</b>	<b>5.59</b>

**4.4 OPERATION AND MAINTENANCE EXPENSES****AEML-D Submission**

The actual O&M expenses in H1 of FY 2024-25 (provisional) are shown in the table below:

**Table 4-38: FY 2024-25 O&M H1 provisional actual**

<b>Particulars</b>	<b>FY 2024-25 (H1) provisional actuals</b>
Employee Expenses	438.57
A&G Expenses	205.68
R&M Expenses	188.02
<b>Total</b>	<b>832.26</b>

AEML-D has submitted that the aforesaid are provisional actuals and the same may undergo a change and the annual values will be provided at the time of final truing-up for FY 2024-25.

AEML-D submitted that the inflation indices as considered for FY 2023-24 are applied to arrive at the normative O&M expenses for FY 2024-25, as the complete inflation picture for FY 2024-25 is not yet available.

The summary of the O&M expenses as estimated by AEML-D for FY 2024-25 for Wires Business and Supply Business is shown in the Table below:

**Table 4-39: Summary of O&M Expenses for FY 2024-25 for Wires Business as submitted by AEML-D (Rs Crore)**

<b>Particulars</b>	<b>Rs. Crore</b>
Normative O&M expenses for FY 2023-24	1001.11
Inflation	5.31%
<b>Normative O&amp;M expenses for FY 2024-25</b>	<b>1054.28</b>

**Table 4-40: Summary of O&M Expenses for FY 2024-25 for Supply Business as submitted by AEML-D (Rs Crore)**

<b>Particulars</b>	<b>Rs. Crore</b>
Normative O&M expenses for FY 2023-24	500.12
Inflation	5.49%
<b>Normative O&amp;M expenses for FY 2024-25</b>	<b>527.56</b>

### ***Commission's Analysis and Ruling***

For the provisional truing up of FY 2024-25, the Commission has escalated the trued up revised normative O&M Expenses for FY 2023-24 as approved in this Order, by the Inflation Factor considered in the true-up for FY 2023-24, i.e., 5.33% and 5.53% for the Wires Business and Supply Business, respectively, for projection purpose as per MYT Regulations, 2019, to arrive at the Normative O&M Expenses for FY 2024-25.

Accordingly, the Commission has approved the O&M Expenses as shown in the Table below:

**Table 4-41: O&M Expenses for FY 2024-25 for Wires and Supply Business as approved by the Commission (Rs. Crore)**

Particulars / (Rs. Crore)	Approved for FY 2023-24 in this Order	Escalation Rate (%)	Allowable for FY 2024-25
Wires Business	1001.31	5.33%	1054.70
Supply Business	500.51	5.53%	528.17

#### 4.5 CAPITALISATION

##### *AEML-D Submission*

AEML-D submitted that subsequent to the issue of the MTR Order in Case No. 231 of 2022, for FY 2024-25 there had been several DPRs for which in-principle approval has been received. Also, post the notification of the Capex Regulations, 2022, and the submission of the Rolling Plan as required under the Capex Regulations, 2022, several DPRs have been submitted for which in-principle approval has been received.

Accordingly, total capitalization during FY 2024-25 is towards the Schemes considered in the MTR Order as well as the schemes approved in-principle thereafter. Thus, the estimated capitalization in FY 2024-25 is higher than that approved in the MTR Order.

The estimated capitalization for FY 2024-25 in Wires Business and Supply Business is shown in the table below:

**Table 4-42: Capital Expenditure and Capitalization for Wires Business and Supply Business for FY 2024-25 (Rs. Crore)**

Particulars	MTR Order	FY 2024-25 (Estimate)
<b>Capitalization Wires*</b>	<b>605.91</b>	<b>1,106.50</b>
Approved DPR	437.46	998.50
DPR proposed to be submitted	87.49	
Non-DPR	80.95	108.00
<b>Capitalization Supply</b>	<b>125.00</b>	<b>278.58</b>
Approved DPR	100.00	278.58
DPR submitted awaiting approval	20.00	
Non-DPR	5.00	



**Brief description of the works to be carried out in FY 2024-25:**

The capital expenditure incurred till H1 of FY2024-25 and likely to be incurred during balance period of FY 2024-25 is mainly under the works approved under the various DPRs taking into account the works spilling-over from Schemes approved in previous years.

**Brief description of Works carried out in FY 2024-25**

- a. 33/11 kV Distribution Sub-Station (DSS)
- b. 11 kV Mains Network Strengthening
- c. Low Tension Mains
- d. Low Tension Services
- e. Street Lights
- f. Metering
- g. Instruments (Non-DPR)
- h. Information Technology (IT) Infrastructure (Non-DPR)
- i. Others (Non-DPR)
- j. R&D, Safety and DSM (Non-DPR)
- k. System Modernization (Non-DPR)
- l. Distribution substation (Fire Safety related) (Non-DPR)
- m. Metering (Non-DPR)

***Commission's Analysis and Ruling***

The Commission notes that AEML-D has not considered any capitalisation against DPRs yet to be approved/yet to be submitted in FY 2024-25, since, the year is almost over, and no capitalisation can be achieved against such Schemes.

As regards the capitalisation projected by AEML-D against approved DPR schemes, the Commission has accepted AEML-D's projections for the Wires Business and Supply Business. The capitalisation against Non-DPR Schemes have been considered as claimed by AEML-D, as the same is within 20% of the approved DPR capitalisation.

The following Table shows the approved capitalization for FY 2024-25:

**Table 4-43: Capitalization approved by the Commission for FY 2024-25 (Rs. Crore)**

Particulars	MTR Order			AEML-D Petition			Approved after provisional truing up		
	Wires	Supply	Total	Wires	Supply	Total	Wires	Supply	Total
DPR approved Schemes				998.50	278.58	1277.08	998.50	278.58	1277.08

Particulars	MTR Order			AEML-D Petition			Approved after provisional truing up		
	Wires	Supply	Total	Wires	Supply	Total	Wires	Supply	Total
DPR Yet to be approved				0.00	0.00	0.00	0.00	0.00	0.00
Non-DPR Schemes				108.00	0.00	108.00	108.00	0.00	108.00
<b>Total</b>	<b>605.91</b>	<b>125.00</b>	<b>730.91</b>	<b>1106.50</b>	<b>278.58</b>	<b>1385.08</b>	<b>1106.50</b>	<b>278.58</b>	<b>1385.08</b>

#### 4.6 DEPRECIATION

##### *AEML-D's Submission*

AEML-D submitted that it considered the following for computing the Depreciation:

- Depreciation on Opening GFA is available for the full financial year and the same has been considered.
- Depreciation on asset added during H1 of FY 2024-25 is also available for the financial year.
- For estimated asset addition during H2 of FY 2024-25, the assets are projected to be added in the mid of H2 of FY 2024-25. Accordingly, the applicable depreciation rate as provided in the MYT Regulations, 2019 is considered.
- Actual asset retirement in H1 of FY 2024-25 has been considered while computing depreciation. No asset retirement has been estimated for H2 at present.
- Depreciation on Consumer Contribution is considered at Rs. 13.90 crore at the same level as that for FY 2023-24.

The estimated Depreciation for Wires Business of AEML-D for FY 2024-25 is as follows:

**Table 4-44: Depreciation in FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Estimated
Opening GFA	9,554.89	10,159.02
Addition	605.91	1,106.50
Retirement in H1		2.46
Closing GFA	10,160.79	11,263.06
Depreciation	437.64	457.46
Depreciation on Consumer Contribution		13.90
<b>Depreciation</b>	<b>437.64</b>	<b>443.56</b>

The estimated depreciation for Supply Business for FY 2024-25 is shown in the table below:

**Table 4-45: Depreciation in FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Estimated
Opening GFA	670.89	898.96
Addition	125.00	278.58
Retirement in H1		26.00
Closing GFA	795.89	1,151.55
Depreciation	31.86	80.05
Depreciation on Consumer Contribution		-
<b>Depreciation</b>	<b>31.86</b>	<b>80.05</b>

***Commission's Analysis and Ruling***

For computation of Depreciation for FY 2024-25, the Commission has considered the Opening Balance of GFA equal to the Closing Balance of GFA as approved in the final True up for FY 2023-24 in this Order. The Commission has considered asset addition for FY 2024-25 in line with the approved Capitalisation as elaborated above. The Commission has considered asset retirements in line with the submissions of AEML-D for provisional Truing-up. Accordingly, the Commission has approved the Depreciation for FY 2024-25 as shown in the Tables below:

**Table 4-46: Depreciation for Wires Business for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Opening GFA	9,554.89	10,159.02	9,751.14
Addition	605.91	1,106.50	1,106.50
Retirement		2.46	2.46
Closing GFA	10,160.79	11,263.06	10,855.18
<b>Depreciation</b>	<b>437.64</b>	<b>443.56</b>	<b>464.44</b>
Depreciation (as % of GFA)	4.44%	4.14%	4.51%

**Table 4-47: Depreciation for Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Opening GFA	670.89	898.96	898.96
Addition	125.00	278.58	278.58
Retirement		26.00	26.00
Closing GFA	795.89	1,151.55	1,151.55

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Depreciation</b>	<b>31.86</b>	<b>80.05</b>	<b>76.87</b>
Depreciation (as % of GFA)	4.34%	7.81%	7.50%

#### 4.7 FINANCING PLAN AND INTEREST EXPENSES

##### *AEML-D's Submission*

AEML-D submitted that for the purpose of provisional truing up for FY 2024-25, AEML-D has considered the debt equity ratio of 70:30 on provisional basis. AEML-D submitted that so far, in FY 2024-25, no new loans for undertaking capital expenditure have been obtained and hence, all capital expenditure is being funded through internal accruals.

As per the MYT Regulations, 2019, interest expenses at the time of approving ARR shall be allowed on the basis of actual long term loan portfolio at the beginning of each year. The weighted average interest rate considering the opening balance of loans for FY 2024-25 works out to 9.28%. Accordingly, AEML-D has calculated the interest on loans for FY 2024-25. 70% of the capitalization (net of Consumer Contribution estimated for FY 2024-25 at Rs. 43.36 crore, being the actuals for FY 2023-24) has been considered as normative loan addition. For the purpose of provisional truing up of FY 2024-25, actual reduction of normative loan due to asset retirement in H1 has been considered. Repayment is considered equivalent to Deprecation as per Regulation 30.3 of the MYT Regulations, 2019. The interest on loan is computed considering the average loan balance.

The table below shows the interest on loans as approved for FY 2024-25 in the MTR Order and revised estimates for FY 2024-25 for Wires Business and Supply Business:

**Table 4-48: Interest on Loans for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
<b>Wires</b>		
Opening Balance	2,608.32	2,748.11
Addition of new loans	406.37	744.19
Retirement		0.27
Repayment	437.64	443.56
Closing Balance	2,577.05	3,048.47
Interest Rate	8.35%	9.28%
<b>Interest</b>	<b>216.49</b>	<b>268.86</b>
<b>Supply</b>		
Opening Balance	66.64	184.85

Particulars	MTR Order	AEML-D Petition
Addition of new loans	87.50	195.01
Retirement		0.40
Repayment	31.86	80.05
Closing Balance	122.28	299.41
Interest Rate	8.35%	9.28%
<b>Interest</b>	<b>7.89</b>	<b>22.46</b>

### Financing Charges

AEML-D submitted that Regulation 30.8 of the MYT Regulations, 2019 specifies that the finance charges incurred for obtaining loans from financial institutions for any year shall be allowed by the Commission at the time of truing-up, subject to prudence check. Accordingly, AEML-D shall submit the financing charges incurred for FY 2024-25 at the time of truing up of FY 2024-25.

### Commission's Analysis and Ruling

The Commission has considered the interest rate on loans for FY 2024-25 as 9.28%, same as estimated by AEML-D for FY 2024-25.

The Commission has considered the closing balance of loan approved for FY 2023-24 as the opening balance of loan for FY 2024-25. For assets capitalised in FY 2024-25, the Commission has considered 70% of the additional asset value as normative debt, in accordance with the MYT Regulations, 2019. Reduction of loan due to actual asset retirement in H1 has been considered as submitted by AEML-D. The repayment of loan has been considered equal to the Depreciation allowed for the year. Accordingly, the Commission has approved interest on loan for FY 2024-25 as given in the following Table:

**Table 4-49: Interest Expenses for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Wires Business</b>			
Opening Balance	2,608.32	2,748.11	2,758.64
Less: Reduction of normative loan due to retirement of assets		0.27	0.27
Addition of new loans	406.37	744.19	639.89
Repayment	437.64	443.56	464.44
Closing Balance	2,577.05	3,048.47	2,933.83
<b>Interest Rate (%)</b>	<b>8.35%</b>	<b>9.28%</b>	<b>9.28%</b>
<b>Interest</b>	<b>216.49</b>	<b>268.86</b>	<b>264.13</b>

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Supply Business</b>			
Opening Balance	66.64	184.85	184.85
Less: Reduction of normative loan due to retirement of assets		0.40	0.40
Addition of new loans	87.50	195.01	195.01
Repayment	31.86	80.05	76.87
Closing Balance	122.28	299.41	302.59
<b>Interest Rate</b>	<b>8.35%</b>	<b>9.28%</b>	<b>9.28%</b>
<b>Interest</b>	<b>7.89</b>	<b>22.46</b>	<b>22.62</b>

#### 4.8 RETURN ON EQUITY

##### ***AEML-D's Submission***

The MYT Regulations, 2019 provides for allowing RoE in two parts, i.e., Base RoE and additional RoE linked to actual performance. The additional RoE shall be allowed at the time of truing up for respective years based on actual performance. In the MTR Order dated 31-03-2023, the Commission had allowed the Base RoE only.

The second proviso to Regulation 34.4 of MYT Regulations, 2019 provides as follows:

*“Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check.”*

As per this proviso, the Commission had considered the effective tax rate for FY 2024-25 at MAT rate (17.47%) while allowing pre-tax RoE for FY 2024-25 in the MTR Order since AEML as a whole had paid Income Tax at MAT rate in FY 2021-22.

In FY 2023-24 also, AEML as a whole has paid Income Tax at MAT rate. Therefore, for provisional truing up of FY 2024-25, AEML-D has considered effective tax rate at MAT rate, without prejudice to AEML-D's contention that effective tax rate for the regulated segment of AEML should be calculated on standalone basis based on regulatory PBT method in accordance with first proviso to Regulation 34.4 of the MYT Regulations, 2019.

30% of the capitalization (net of consumer contribution estimated for FY 2024-25 at Rs. 43.36 crore, being the actuals for FY 2023-24) has been considered as equity addition. For the assets retired during H1 of FY 2024-25, consequential reduction in equity due to such retirement is considered in the ARR. During H2 of FY 2024-25, since no asset retirement

is estimated, no reduction of equity due to asset retirement has been considered. The same shall be considered at the time of truing up of FY 2024-25.

RoE allowed for FY 2024-25 in the MTR Order and RoE being claimed now for FY 2024-25 on provisional basis are shown in the table below for Wires Business and Supply Business:

**Table 4-50: Return on Equity for FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Regulatory Equity at the beginning of the year	3,239.06	3,290.47
Capitalisation during the year	605.91	1,106.50
Consumer Contribution and Grants during the year towards capital works	25.38	43.36
Equity portion of capitalisation during the year	174.16	318.94
Reduction in Equity Capital on account of retirement / replacement of assets		0.74
Regulatory Equity at the end of the year	3,413.21	3,608.67
Rate of Return (%)	16.96%	16.96%
<b>Total RoE</b>	<b>564.23</b>	<b>585.18</b>

**Table 4-51: Return on Equity for FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Regulatory Equity at the beginning of the year	206.08	273.67
Capitalisation during the year	125.00	278.58
Consumer Contribution and Grants during the year towards capital works		
Equity portion of capitalisation during the year	37.50	83.58
Reduction in Equity Capital on account of retirement / replacement of assets		7.80
Regulatory Equity at the end of the year	243.58	349.45
Rate of Return (%)	18.78%	18.78%
<b>Total RoE</b>	<b>42.23</b>	<b>58.52</b>

### ***Commission's Analysis and Ruling***

The Commission has computed RoE for FY 2024-25 in accordance with the MYT Regulations, 2019. The Commission has considered the closing equity of FY 2023-24 as

approved in the final true up in this Order, as the opening equity for FY 2024-25. Additional equity has been considered as 30% of the approved Capitalisation in FY 2024-25, after deducting the Consumer Contribution. The Commission has considered Consumer Contribution in line with the submission of AEML-D. Further, 30% of the equity corresponding to asset retirement during the year has been reduced to arrive at the amount of equity eligible for returns as per the Regulations.

The rate of Return on Equity has been taken as 14% for the Wires Business and 15.5% for the Supply Business, in accordance with the MYT Regulations, 2019. Pre-tax return on equity rate has been considered by taking the MAT rate of 17.47% for grossing up the RoE rate as the same is incurred in FY 2023-24 as has been approved in the final true up of FY 2023-24. The RoE approved by the Commission for Wires Business and Supply Business for FY 2024-25 is as shown in the Table below:

**Table 4-52: Return on Equity for Wires Business and Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Wires Business</b>			
Regulatory Equity at the beginning of the year	3,239.06	3,290.47	3,290.01
Capitalisation during the year	605.91	1,106.50	1,106.50
Consumer Contribution and Grants	25.38	43.36	43.36
Equity portion of capitalisation during the year	174.16	318.94	318.94
Equity portion of asset retired during the year		0.74	0.74
Regulatory Equity at the end of the year	3,413.21	3,608.67	3,608.21
Rate of Return (%)	14%	14%	14%
Pre-tax rate of Return (%)	16.96%	16.96%	16.96%
<b>Total RoE</b>	<b>564.23</b>	<b>585.18</b>	<b>585.11</b>
<b>Supply Business</b>			
Regulatory Equity at the beginning of the year	206.08	273.67	273.67
Capitalisation during the year	125.00	278.58	278.58
Equity portion of capitalisation during the year	37.50	83.58	83.58
Equity portion of asset retired during the year		7.80	7.80
Regulatory Equity at the end of the year	243.58	349.45	349.45
Rate of Return (%)	15.50%	15.50%	15.50%
Pre-tax rate of Return (%)	18.78%	18.78%	18.78%
<b>Total RoE</b>	<b>42.23</b>	<b>58.52</b>	<b>58.52</b>



## 4.9 INTEREST ON WORKING CAPITAL

### ***AEML-D's Submission***

AEML-D submitted that it has calculated the interest on working capital for the Wires Business and Supply Business in accordance with Regulation 32.3 and 32.4 of the MYT Regulations, 2019.

For estimating the Consumer Security Deposit (CSD), the addition in H1 of Rs. 31.48 Crore (difference between CSD as on 30 September 2024 amounting to Rs. 590.49 Crore and CSD as on 31 March 2024 amounting to Rs. 559.01 Crore), is prorated to the annual value to arrive at the CSD addition during the year of Rs. 62.96 Crore. Thus, the closing CSD at the end of FY 2024-25 is estimated at Rs. 621.97 Crore. The CSD has been allocated between the Wires Business and Supply Business in the ratio of 23% : 77%, being the same ratio used for FY 2023-24.

For provisional true-up, the normative working capital interest as per MYT Regulations, 2019 has been considered. As per the MYT Regulations, 2019, the interest of working capital on normative working capital while approving ARR shall be allowed at one-year MCLR of SBI existing on the date of filing of Petition plus 150 basis points, which works out to 10.45%. The same has been used for calculating interest on working capital for provisional true-up of FY 2024-25.

The interest on working capital for Wires Business is shown in the table below:

**Table 4-53: Interest on Working Capital for FY 2024-25 for Wires Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
O&M Expenses	85.27	87.86
Maintenance spares	95.55	101.59
Receivables	399.30	376.15
Less: Amount of Security Deposit from Distribution System Users		144.73
<b>Total Working Capital</b>	<b>580.12</b>	<b>420.86</b>
Rate of Interest (%)	9.55%	10.45%
<b>Interest on Working Capital</b>	<b>55.40</b>	<b>43.98</b>

The interest on working capital for Supply Business is shown in the table below:

**Table 4-54: Interest on Working Capital for FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
O & M Expenses	42.51	43.96
Maintenance spares	6.71	8.99
Receivables	894.42	1058.31
Less:		
Amount of Security Deposit from supply consumers	916.50	477.24
One-month equivalent of cost of power purchased	402.78	503.45
<b>Total Working Capital</b>	<b>-</b>	<b>130.57</b>
Rate of Interest (%)	9.55%	10.45%
<b>Interest on Working Capital</b>	<b>-</b>	<b>13.64</b>

AEML-D submitted that it has availed short-term loans to fund its working capital requirement for FY 2024-25, while also deploying funds from internal accruals.

***Commission's Analysis and Ruling***

The Commission has approved the IoWC for FY 2024-25 in accordance with the MYT Regulations, 2019. The Commission has considered the applicable rate of IoWC as 10.50%, which is the SBI MCLR as on 30 November 2024 plus 150 basis points. The CSD considered in the true-up for FY 2023-24 has been increased by the increase estimated by AEML-D for FY 2024-25.

Accordingly, IoWC approved by the Commission is given in the Tables below:

**Table 4-55: Interest on Working Capital for Wires Business for FY 2024-25 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
O & M Expenses for a month	85.27	87.86	87.89
Maintenance spares at 1% of Opening GFA	95.55	101.59	97.51
One and half months of revenue from charges for use of Distribution Wires	399.30	376.15	376.15
Less:		144.73	298.59
<b>Total Working Capital</b>	<b>580.12</b>	<b>420.86</b>	<b>262.96</b>
Rate of Interest (%)	9.55%	10.45%	10.50%
<b>Interest on Working Capital</b>	<b>55.40</b>	<b>43.98</b>	<b>27.61</b>

**Table 4-56: Interest on Working Capital for Supply Business for FY 2024-25  
approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
O & M Expenses for a month	42.51	43.96	44.01
Maintenance spares at 1% of Opening GFA	6.71	8.99	8.99
One and half months of revenue from sale of electricity including revenue from CSS	894.42	1058.31	1058.31
Less:			
Amount of Security Deposit from supply consumers	916.50	477.24	984.57
One-month equivalent of cost of power purchased	402.78	503.45	538.06
<b>Total Working Capital</b>	-	<b>130.57</b>	-
Rate of Interest (%)	9.55%	10.45%	10.50%
<b>Interest on Working Capital</b>	-	<b>13.64</b>	-

#### 4.10 INTEREST ON CONSUMER'S SECURITY DEPOSIT

##### *AEML-D's Submission*

As per Regulation 30.11 of the MYT Regulations, 2019, the Interest on CSD is to be allowed at the Bank Rate as declared by RBI as on 1<sup>st</sup> April of the year. However, the Commission in its MTR Order dated 31 March 2023 in Case No.231 of 2022 had considered the Bank Rate prevalent as on the date of filing the Petition, rather than the Bank rate prevalent as on 1<sup>st</sup> April. Also, the interest rate was applied on the average of the CSD.

Accordingly, AEML-D has calculated the interest on CSD for FY 2024-25 by considering the Bank Rate prevailing on the date of filing the Petition @ 6.75% on the average CSD amount to arrive at the Interest on CSD for FY 2024-25. This average CSD is computed separately for Wires Business and Retail Supply Business.

**Table 4-57: Estimated Interest on Consumer's Security Deposit for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Wires Business	-	9.28
Retail Supply Business	55.55	30.58
<b>Total Interest on CSD</b>	<b>55.55</b>	<b>39.86</b>

### ***Commission's Analysis and Ruling***

The Commission has provisionally approved the interest on CSD for FY 2024-25 for Wires Business and Retail Supply Business considering the Bank Rate as on November 30, 2024 @ 6.50% on the average CSD as considered by AEML-D to arrive at the Interest on CSD for FY 2024-25. It may be noted that the Commission has not considered the CSD amount including the amount of CSD that has not been recovered by AEML-D though claim has been raised, for the purpose of computing the interest on CSD, as AEML-D has not collected such amount and is also not liable to pay interest on such amount of CSD not collected. The details of the approved Interest on CSD is shown in the Table below:

**Table 4-58: Estimated Interest on CSD for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved in this Order
Wires Business	-	9.28	8.93
Retail Supply Business	55.55	30.58	29.45
<b>Total Interest on CSD</b>	<b>55.55</b>	<b>39.86</b>	<b>38.38</b>

## **4.11 PROVISION FOR BAD AND DOUBTFUL DEBTS**

### ***AEML-D's Submission***

Regulation 76 of the MYT Regulations, 2019 pertaining to Wires Business states as follows:

*"In the MYT Order, for each Year of the Control Period, the Commission may allow a provision for writing off of bad and doubtful debts up to 1.5% of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the latest Audited Accounts of the Distribution Licensee in accordance with the procedure laid down by the Licensee, subject to prudence check:"*

Similar provision exists for Supply Business as well, in Regulation 85 of the MYT Regulations, 2019.

As per the latest audited accounts for FY 2023-24, 1.5% of the receivables (Rs. 1,029.08 crore) amounts to Rs. 15.43 crore. As per the books of accounts there is no segregation between Wires Business and Supply Business, and hence, the same has been segregated in the ratio of revenue of Wires Business and Supply Business (~ 26:74) for FY 2023-24.

Accordingly, AEML-D has estimated the provision for bad and doubtful debts for FY 2024-25 for Wires Business and Retail Supply Business as shown in the Table below:

**Table 4-59: Provision for Bad and Doubtful Debts for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Provision for Bad Debts - Wires	2.63	4.00
Provision for Bad Debts - Supply	11.74	11.43
Provision for Bad Debts - Total	<b>14.38</b>	<b>15.43</b>

### ***Commission's Analysis and Ruling***

The Commission has estimated the provision for Bad and Doubtful Debts for FY 2024-25 in accordance with the MYT Regulations, 2019. As per the latest audited accounts for FY 2023-24, Receivables for FY 2023-24 is Rs. 1029.08 Crore. Accordingly, the Commission has estimated the provision for Bad and Doubtful Debts for FY 2024-25 amounting to Rs. 15.44 Crore by considering 1.5% of Receivables for FY 2023-24. Further, the same has been segregated between Wires Business and Retail Supply Business in the ratio of revenue from Wires Business and Supply Business (26:74) as submitted by AEML-D.

**Table 4-60: Provision for Bad and Doubtful Debts for FY 2024-25 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Wires Business	2.63	4.00	4.00
Supply Business	11.74	11.43	11.43
<b>Total</b>	<b>14.38</b>	<b>15.43</b>	<b>15.44</b>

## **4.12 CONTRIBUTION TO CONTINGENCY RESERVE**

### ***AEML-D's Submission***

AEML-D, in accordance with Regulation 35.1 of the MYT Regulations, 2019, has considered the contribution to Contingency Reserve equal to 0.25% of the original cost of fixed assets as on 1<sup>st</sup> April, 2024 for the Supply Business only. The Table below gives the summary of contribution to Contingency Reserve for the Supply Business for FY 2024-25:

**Table 4-61: Contribution to Contingency Reserves in FY 2024-25 for Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Opening GFA	670.89	898.96
% Contribution	0.25%	0.25%

Particulars	MTR Order	AEML-D Petition
Contribution to CR	1.68	2.25

### ***Commission's Analysis and Ruling***

As per Regulation 34, the Contribution to Contingency Reserves in a year shall be between 0.25% and 0.50% of the original cost of fixed assets. The Commission had approved the contribution to Contingency Reserves for Supply Business for FY 2024-25 at 0.25% of the approved value of the opening GFA as allowed in the MTR Order.

The Commission had approved Nil Contribution to Contingency Reserves from AEML-D's Wires Business from FY 2022-23 to FY 2024-25, as per AEML-D's request. The Commission has considered Contribution to Contingency Reserves @0.25% of the Opening GFA for the Supply Business only for FY 2024-25. The Contribution to Contingency Reserves considered by the Commission in the provisional true-up for FY 2024-25 is shown in the Table below:

**Table 4-62: Contribution to Contingency Reserves for FY 2024-25 approved by the Commission for Supply Business (Rs. Crore)**

Particulars	MYT Order	AEML-D Petition	Approved after provisional truing up
<b>Supply Business</b>			
Opening Balance of GFA	670.89	898.96	898.96
% Contribution	0.25%	0.25%	0.25%
<b>Contribution to CR</b>	<b>1.68</b>	<b>2.25</b>	<b>2.25</b>

## **4.13 NON-TARIFF INCOME**

### ***AEML-D's Submission***

AEML-D submitted that, in line with the Commission's approach in the MTR Order dated 31 March 2023 in Case No. 231 of 2022, it has estimated NTI for FY 2024-25 by considering 5% increase over FY 2023-24 actuals, excluding the amount received from ASL towards the services rendered as well as the premium amount on account of asset sale to ASL. After arriving at the estimated income considering 5% escalation, the estimated amount receivable from ASL towards the services rendered in FY 2024-25 is added to the same. The amount receivable from ASL for the services rendered is allocated between Wires Business and Retail Supply Business in the ratio of normative OPEX.

Further, AEML-D submitted that on an average it receives arrears of Rs. 40 crore p.a. towards AIH charges for Street Light. The last arrear received was in FY 2021-22 and the

same has been provided as part of the MTR Petition. On similar lines, since arrears are pending to be received from FY 2022-23 onwards till FY 2024-25, ~ Rs. 120 crore arrears for the period from FY 2022-23 to FY 2024-25 has been estimated as part of NTI in FY 2024-25. On similar lines, since the arrears are received once in 3 years, the next arrears would be due to be received in FY 2027-28 and accordingly, ~ Rs. 120 crore arrears for the period from FY 2025-26 to FY 2027-28 has been estimated as part of NTI in FY 2027-28.

The provisional actual NTI for H1 of FY 2024-25 is Rs. 109.55 crore. The NTI approved for FY 2024-25 in the MTR Order and the estimated NTI for FY 2024-25 are shown in table below:

**Table 4-63: Non-Tariff Income for FY 2024-25 for Wires and Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	Estimated
Non-Tariff Income- Wires	154.95	279.75
Non-Tariff Income- Supply	71.81	87.41

#### ***Commission's Analysis and Ruling***

It has been observed that AEML-D has claimed a fixed compensation rate of Rs. 0.70 per unit for O&M services rendered to ASL (AEML SEEPZ) for FY 2024-25. However, the Commission does not agree with this proposition. The Commission has provisionally determined that the compensation for O&M services provided to ASL shall be escalated using the inflation factor for FY 2023-24 based on 30% WPI inflation and 70% CPI inflation reduced by efficiency factor of 1%, which is an annual escalation of 4.53% over the rate claimed for FY 2023-24, which is 0.70/kWh. Accordingly, the Commission has arrived at the revised O&M Service Charges of Rs. 0.73/kWh for FY 2024-25. Further, the Commission in its MYT Order for ASL dated 28<sup>th</sup> March 2025 in Case No. 215 of 2024 has provisionally approved sales of 123.04 MU for FY 2024-25. Accordingly, the Commission has arrived at Rs. 9.00 Crore revenue for rendering O&M services to ASL, which has been allocated to the Wires Business and Supply Business in the same ratio as considered in FY 2023-24.

The Commission has estimated the Non-Tariff Income for FY 2024-25 by escalating the NTI approved for FY 2023-24 in this Order by 5%, excluding the amount received from ASL towards the services rendered as well as the premium amount on account of asset sale to ASL. After arriving at the estimated income considering 5% escalation, the estimated amount receivable from ASL towards the services rendered in FY 2024-25 is added to the same. Further, the Commission has provisionally approved the arrears receivable towards AIH of Street Lights for the period from FY 2022-23 to FY 2024-25 amounting to Rs. 120

Crore as submitted by AEML-D. The details of the NTI approved for the Wires Business and Supply Business for FY 2024-25 is shown in the Table below:

**Table 4-64: Non-Tariff Income for FY 2024-25 approved by Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional true up
Non-Tariff Income- Wires	154.95	279.75	287.38
Non-Tariff Income- Supply	71.81	87.41	91.55

#### 4.14 INCOME FROM OTHER BUSINESS

##### *AEML-D's Submission*

AEML-D submitted that there is no fixed pattern on the y-o-y increase in Income from Other Business. Therefore, it has considered the estimated Income from Other Business for FY 2024-25 by escalating the actuals for FY 2023-24 by 5%. The summary of Income from Other Business for FY 2024-25 is as under:

**Table 4-65: Income from Other Business for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
Income from Other Business	3.96	3.49

##### *Commission's Analysis and Ruling*

The Commission has provisionally accepted Income from Other Business for Wires Business as estimated by AEML-D for FY 2024-25, as shown in the Table below.

**Table 4-66: Income from Other Business for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Income from Other Business	3.96	3.49	3.49

#### 4.15 SUMMARY OF AGGREGATE REVENUE REQUIREMENT

##### *AEML-D's Submission*

The summary of the ARR is shown in the Table below:



**Table 4-67: ARR for Wires and Supply Business for FY 2024-25 as submitted by  
AEML-D (Rs. Crore)**

Particulars / (Rs. Crore)	MTR ORDER			ESTIMATES		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase (inclusive of InSTS, Standby & SLDC)		6,650.27	6,650.27		6,767.80	6,767.80
Impact of Change in law					300.63	300.63
Operation & Maintenance expenditure	1,023.29	510.13	1,533.42	1,054.28	527.56	1,581.84
Depreciation	437.64	31.86	469.50	443.56	80.05	523.61
Interest on long-term loan	216.49	7.89	224.38	268.86	22.46	291.32
Return on Equity	564.23	42.23	606.46	585.18	58.52	643.70
Interest on working capital	55.40		55.40	43.98	13.64	57.62
Interest on CSD		55.55	55.55	9.28	30.58	39.86
Provision for Bad and Doubtful Debts	2.63	11.74	14.37	4.00	11.43	15.43
Contribution to contingency reserve		1.68	1.68		2.25	2.25
Less: Non-Tariff Income	154.95	71.81	226.76	279.75	87.41	367.16
Less: Income from Other Business	3.96		3.96	3.49		3.49
<b>Aggregate Revenue Requirement (ARR)</b>	<b>2,140.77</b>	<b>7,239.53</b>	<b>9,380.30</b>	<b>2,125.90</b>	<b>7,727.51</b>	<b>9,853.41</b>
Past gap	1,053.59	(84.18)	969.41	1,053.59	(84.18)	969.41
<b>Total ARR</b>	<b>3,194.36</b>	<b>7,155.36</b>	<b>10,349.72</b>	<b>3,179.49</b>	<b>7,643.33</b>	<b>10,822.82</b>
Revenue from Own consumers (excluding FAC)	2,754.49	7,594.46	10,348.95	2,602.76	7,202.23	9,804.99
FAC revenue from Own consumers					1,215.45	1,215.45
Wheeling revenue from CO & OA consumers	440.80		440.80	406.41		406.41
CSS revenue		69.11	69.11		48.77	48.77
<b>Total Revenue</b>	<b>3,195.29</b>	<b>7,663.57</b>	<b>10,858.86</b>	<b>3,009.17</b>	<b>8,466.45</b>	<b>11,475.63</b>
<b>Gap / (Surplus)</b>	<b>(0.93)</b>	<b>(508.21)</b>	<b>(509.14)</b>	<b>170.32</b>	<b>(823.13)</b>	<b>(652.80)</b>

AEML-D submitted that on comparison of the estimated total ARR vis-à-vis approved ARR, the increase in Wires ARR by ~ Rs. 170 Crore is primarily on account of the following:

- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MTR Order due to increased capitalization ~ Rs. 80 Crore
- Increase in revised Normative O&M expenses vis-à-vis that approved in the MTR Order ~ Rs. 30 Crore
- Projected reduction in wheeling revenue due to projected sales being lower than approved ~ Rs. 185 Crore
- Estimated recovery of arrears of AIH charges ~ Rs. 120 Crore

AEML-D submitted that there is an estimated surplus in Supply Business for FY 2024-25 to the extent of ~ Rs. 820 Crore. As submitted above, there is a surplus of ~ Rs. 510 Crore as approved in the MTR Order. The variation of ~ Rs. 310 crore is primarily on account of the following:

- Projected increase in revenue due to FAC being levied as per the approval of the Commission from time to time as well as estimated revenue from FAC for the balance period till March 2025, which is offsetting the projected revenue in retail revenue due to projected sales being lower than approved sales ~ Rs. 800 Crore.
- Increase in power purchase cost ~ Rs. 300 Crore considering H1 provisional actuals and H2 estimates.
- Reduction on account of standby charges not paid by AEML-D but considered as cost in the approved ARR ~ Rs. 185 Crore.
- Increase in cost due to impact of Change in Law ~ Rs. 300 Crore.
- Increase in provisional depreciation, interest and RoE as compared to the expenses considered in MTR Order due to increased capitalization ~ Rs. 80 Crore.

### ***Commission's Analysis and Ruling***

Based on the components of the ARR approved in the above paragraphs, the Commission has approved the ARR for Wires Business and Supply Business for FY 2024-25 as shown in the Tables below:

**Table 4-68: ARR for Wires Business for FY 2024-25 approved by the Commission  
(Rs. Crore)**

Sl.	Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
1	Operation & Maintenance Expenses	1023.29	1054.28	1054.70
2	Depreciation	437.64	443.56	464.44
3	Interest on Loan Capital	216.49	268.86	264.13
4	Interest on Working Capital	55.40	43.98	27.61
5	Interest on Consumer Security Deposit	-	9.28	8.93
6	Provision for Bad and Doubtful debts	2.63	4.00	4.00
7	Contribution to contingency reserves	-	-	-
<b>8</b>	<b>Total Revenue Expenditure</b>	<b>1735.45</b>	<b>1823.96</b>	<b>1823.82</b>
9	Add: Return on Equity Capital	564.23	585.18	585.11
<b>10</b>	<b>Aggregate Revenue Requirement</b>	<b>2299.68</b>	<b>2409.14</b>	<b>2408.92</b>
11	Less: Non-Tariff Income	154.95	279.75	287.38
12	Less: Income from other business	3.96	3.49	3.49
13	Recovery of Past gap / (surplus)	1053.59	1053.59	1053.59

Sl.	Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
14	<b>Aggregate Revenue Requirement from Distribution Wires</b>	<b>3194.36</b>	<b>3179.49</b>	<b>3171.65</b>

**Table 4-69: ARR for Retail Supply Business for FY 2024-25 approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2024-25		
		MTR Order	AEML-D Petition	Approved after provisional truing up
1	Power Purchase Expenses (including Inter-State Transmission Charges)	6059.79	6177.32	5866.29
2	Impact of Change in Law	-	300.63	300.63
3	Operation & Maintenance Expenses	510.13	527.56	528.17
4	Depreciation	31.86	80.05	76.87
5	Interest on Loan Capital	7.89	22.46	22.62
6	Interest on Working Capital	-	13.64	-
7	Interest on Consumer Security Deposit	55.55	30.58	29.45
8	Provision for Bad and Doubtful debts	11.74	11.43	11.43
8	Contribution to contingency reserves	1.68	2.25	2.25
9	Intra-State Transmission Charges	588.54	588.54	588.54
10	MSLDC Fees & Charges	1.94	1.94	1.94
11	<b>Total Revenue Expenditure</b>	<b>7269.12</b>	<b>7756.40</b>	<b>7428.18</b>
12	Add: Return on Equity Capital	42.23	58.52	58.52
13	<b>Aggregate Revenue Requirement</b>	<b>7311.35</b>	<b>7814.92</b>	<b>7486.70</b>
14	Less: Non-Tariff Income	71.81	87.41	91.55
15	Recovery of past gap / (surplus)	(84.18)	(84.18)	(84.18)
16	<b>Aggregate Revenue Requirement from Retail Supply</b>	<b>7155.36</b>	<b>7643.33</b>	<b>7310.97</b>

## 4.16 REVENUE

### 4.16.1 Revenue from Wheeling charges from Change-over and Open Access

#### Consumers

#### *AEML-D's Submission*

The actual revenue from wheeling charges from change-over and OA consumers in H1 of 2024-25 along with the estimated revenue from the same in H2 of FY 2024-25 based on the Wheeling Charges approved by the Commission in the MTR Order dated 31-03-2023 in

Case No. 231 of 2022 is shown in the Table below:

**Table 4-70: Wheeling Revenue from Change-over and OA Consumers in FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Wheeling Revenue in Rs. Crore	MTR Order	H1 – Provisional actuals	H2 Estimates	Annual estimate
Changeover consumers		210.45	167.57	378.02
OA consumers		13.94	14.45	28.39
<b>Total</b>	<b>440.80</b>	<b>224.39</b>	<b>182.02</b>	<b>406.41</b>

#### ***Commission's Analysis and Ruling***

The Commission has computed the revenue based on the sales estimated as elaborated in the earlier Sections of this Chapter, and corresponding Wheeling Charges applicable to the respective category as approved in the MTR Order dated 31<sup>st</sup> March 2023, as shown in the Table below:

**Table 4-71: Wheeling Revenue from Change-over & Open Access Consumers in FY 2024-25 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Wheeling Revenue from Change-over & Open Access Consumers	440.80	406.41	406.41

#### **4.16.2 Revenue from Cross-Subsidy Surcharge (CSS)**

##### ***AEML-D's Submission***

The actual revenue from CSS from changeover and OA consumers in H1 of FY 2024-25 and the revenue from CSS from estimated changeover sales in H2 of FY 2024-25, bas the CSS approved by the Commission in the MTR Order dated 31-03-2023 in Case No. 231 of 2022, are shown in the table below:

**Table 4-72: Estimated Revenue from CSS in FY 2024-25 as submitted by AEML-D (Rs. Crore)**

CSS Revenue in Rs. Crore	MTR Order	H1 – Provisional actuals	H2 Estimates	Annual estimate
Changeover consumers		10.88	7.36	18.24
OA consumers		8.86	21.67	30.53
<b>Total</b>	<b>69.11</b>	<b>19.74</b>	<b>29.04</b>	<b>48.77</b>

***Commission's Analysis and Ruling***

The Commission has estimated the revenue from CSS from OA consumers and Changeover consumers based on the category wise cross subsidy surcharge applicable to estimated consumption. The revenue from CSS estimated for FY 2024-25 is as shown in the Table below.

**Table 4-73: Revenue from CSS in FY 2024-25 approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
Revenue from CSS	69.11	48.77	48.77

**4.16.3 Revenue from sale of Electricity*****AEML-D's Submission***

In H1 of FY 2024-25, AEML-D has charged tariffs as approved by the Commission in AEML-D's MTR Order. The actual revenue from energy sales along with the FAC charged as approved by the Commission from time to time in H1 of FY 2024-25 and the revenue expected from energy sales in H2 of FY 2024-25 is presented in the table below. AEML-D has estimated the revenue in second half of FY 2024-25 by applying the approved tariffs for FY 2024-25 to the estimated sales of second half of FY 2024-25. The actual revenue billed in H1 of FY 2024-25 and the revenue from estimated sales in H2 of FY 2024-25 (at approved tariffs) is summarized below:

**Table 4-74: Estimated Revenue from sale of power in FY 2024-25 as submitted by AEML-D**

Revenue from Own sales (Rs. Crore)	MTR Order	H1 – Provisional actuals	H2 Estimates	Annual estimate
Wheeling revenue	2,754.49	1,335.17	1,267.59	2,602.76
Retail tariff revenue excluding FAC	7,594.46	3,633.27	3,568.95	7,202.22
FAC		591.62	623.83	1,215.45
<b>Total</b>	<b>10,349.71</b>	<b>5,560.06</b>	<b>5,460.38</b>	<b>11,020.44</b>
Sales (MU)	11,819.43	5,546.32	5,437.97	10,984.29
ABR (Rs./kWh)	8.76	10.02	10.04	10.03

**Commission's Analysis and Ruling**

The Commission has considered the actual revenue earned by AEML-D in H1 of FY 2024-25 and computed the revenue based on estimated sales for H2 of FY 2024-25 and applicable Tariff approved for FY 2024-25 in MTR Order dated 31<sup>st</sup> March 2023 along with applicable category-wise FAC, as shown in the following Table:

**Table 4-75: Total Revenue in FY 2024-25 approved by Commission (Rs. Crore)**

Revenue from Own sales (Rs. Crore)	MTR Order	H1 – Provisional actuals	H2 Estimates	Approved after APR
Wheeling revenue	2,754.49	1,335.17	1,162.69	2,497.86
Retail tariff revenue excluding FAC	7,594.46	3,633.27	3,184.32	6,817.59
FAC		591.62	546.71	1,138.33
<b>Total</b>	<b>10,349.71</b>	<b>5,560.06</b>	<b>4,893.72</b>	<b>10,453.78</b>
Sales (MU)	11,819.43	5,546.32	4,889.95	10,436.27
ABR (Rs./kWh)	8.76	10.02	10.01	10.01

**4.17 REVENUE GAP/SURPLUS FOR FY 2024-25 FOR THE WIRES BUSINESS AND RETAIL SUPPLY BUSINESS****AEML-D's Submission**

The estimated Revenue Gap/(Surplus) for FY 2024-25 for the Wires Business and Supply Business is as shown in the Tables below:

**Table 4-76: Revenue Gap/(Surplus) for Wires Business for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
<b>Net ARR of Wires Business</b>	<b>3194.36</b>	<b>3179.49</b>
Revenue from Wheeling Charges from changeover and OA consumers	440.80	406.41
Revenue from Wheeling Charges from Own Consumers	2754.49	2602.76
<b>Revenue Gap / (Surplus) of Wires Business</b>	<b>(0.93)</b>	<b>170.32</b>

**Table 4-77: Revenue Gap/(Surplus) for Retail Supply Business for FY 2024-25 as submitted by AEML-D (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition
<b>Net ARR of Retail Supply Business</b>	<b>7155.36</b>	<b>7643.33</b>
Revenue from sale of electricity from own consumers (excluding FAC)	7594.46	7202.23
FAC revenue from own consumers	-	1215.45

Particulars	MTR Order	AEML-D Petition
Revenue from CSS	69.11	48.77
<b>Revenue Gap / (Surplus) of Retail Supply Business</b>	<b>(508.21)</b>	<b>(823.13)</b>

### *Commission's Analysis and Ruling*

Based on the ARR and revenue provisionally approved for FY 2024-25 in the earlier paragraphs, the Revenue Gap/(Surplus) for the Wires Business and Retail Supply Business for FY 2024-25 as provisionally approved by the Commission is shown in the Tables below:

**Table 4-78: Provisional Revenue Gap/(Surplus) for the Wires Business for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Net ARR of Wires Business</b>	<b>3194.36</b>	<b>3179.49</b>	<b>3171.65</b>
Revenue from Wheeling Charges from changeover and OA consumers	440.80	406.41	406.41
Revenue from Wheeling Charges from Own Consumers	2754.49	2602.76	2497.86
<b>Revenue Gap / (Surplus) of Wires Business</b>	<b>(0.93)</b>	<b>170.32</b>	<b>267.38</b>

**Table 4-79: Provisional Revenue Gap/(Surplus) for the Supply Business for FY 2024-25 as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	AEML-D Petition	Approved after provisional truing up
<b>Net ARR of Retail Supply Business</b>	<b>7155.36</b>	<b>7643.33</b>	<b>7310.97</b>
Revenue from sale of electricity from own consumers (excluding FAC)	7594.46	7202.23	6817.59
FAC revenue from own consumers	-	1215.45	1138.33
Revenue from CSS	69.11	48.77	48.77
<b>Revenue Gap / (Surplus) of Retail Supply Business</b>	<b>(508.21)</b>	<b>(823.13)</b>	<b>(693.72)</b>

The treatment of the above Revenue Gap/(Surplus) after provisional truing up for FY 2024-

25 is discussed in Chapter 6 of this Order.



## **5 AGGREGATE REVENUE REQUIREMENT FOR 5<sup>TH</sup> CONTROL PERIOD FROM FY 2025-26 TO FY 2029-30**

---

In accordance with Regulation 5.1 (a) (ii) of the MYT Regulations, 2024, AEML-D submitted the projected ARR for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, along with projected expenses for the Wires Business and Supply Business, separately. The Commission has discussed the expenditure allowed on each of the expense heads and the total expenses approved for FY 2025-26 to FY 2029-30 in the subsequent paragraphs.

### **5.1 SALES**

#### ***AEML-D's Submission***

AEML-D submitted that as per Regulation 6.5 of the RA Regulations, 2024, the Distribution Licensee shall make consumer category-wise sales / load forecast using one or combination of more than one methodology.

AEML-D submitted that to forecast energy sales over the next Control Period, a base figure for the current year, i.e., FY 2024-25 was required. Therefore, AEML-D, while carrying out its energy forecast for the RA Plan, applied the sales forecast methodology including the year 2024-25 and over the next Control Period till FY 2029-30. AEML-D has used trend analysis method to analyse the historical energy consumption patterns over AEML-D network as a whole including Changeover and Open Access consumers, spanning from Financial Years 2011-2012 to 2023-2024, albeit different past periods have been used for different consumer categories, considering the actual data and the steadiness of the same.

The energy sales are projected using the trendline equations of the form  $y = mx + c$  (where  $y$  represents projected energy sales for upcoming years,  $m$  denotes the slope,  $x$  signifies known energy sales in previous years, and  $c$  denotes the intercept) so formed for each consumer category. AEML-D has further submitted that in addition to the above, upcoming major load as per the anticipated plan of implementation has been considered, which includes METRO Projects, Bullet Train, Data Centre loads and other major commercial loads. The anticipated energy sales from these point loads have been added over and above the projected sales using trend lines. This is done because the large point loads are specific additions in load only to materialize in future but not present in the past data.

Accordingly, the energy sales have been forecasted for each year of the Control Period.

**Changeover Consumer Sales**

AEML-D submitted that AEML-D distribution network serves both AEML-D's own consumers as well as changeover consumers. The consumers of both the distribution licensees (AEML-D and TPC-D) keep migrating depending on the tariff competitiveness. The migration of consumers is so dynamic that it has varied between a maximum of around 33% of AEML Network sales and a minimum of around 12%. The projection of the same is also difficult as the migration from one licensee to another depends on the tariff competitiveness. Therefore, consumer migration at current levels has been considered in the current sales projection. However, based on the competitive dynamics, the migration of consumers may increase or decrease.

**Switchover of Consumers**

AEML-D submitted that future switchover of consumers depends on the tariff economics and cannot be predicted at this stage. Therefore, AEML-D has not considered switchover from AEML-D to TPC-D or vice-versa. However, depending upon various regulatory developments and tariff economics, the factor of switchover could have a significant impact on energy demand of AEML-D.

**Open Access sales**

AEML-D has submitted that at present OA consumption contributes to around 2% to 3% of AEML Network Sales. Till date OA consumers above Contract demand of 1 MW are operational. Also, before FY 2022-23, eligible consumers were also availing Open Access from Firm/Conventional sources. However, due to increase in the power market prices, most of OA consumers have shifted their purchase to RE sources as the price of RE is lower. As per Distribution Open Access Regulation 2<sup>nd</sup> Amendment, 2023, consumers with Contract Demand up to 100 kW can avail Green Open Access. However, till date there is not a single application received from any consumer below 1 MW. The penetration of OA depends on the tariff differential between DISCOM Tariff and price of power available to OA consumer. Hence, in future the trend for OA with low demand consumers may increase substantially.

For the projections of energy in the instant sales forecast, AEML-D has considered only the current level of OA.

**Distributed Energy Resources**

AEML-D submitted that the actual generation from RTS systems in FY 2023-24 has been ~ 36 MU. AEML-D stated that RTS potential may be achieved to a greater extent due to number of drivers like:

- Roof Top Solar potential in Greater Bombay is 1,724 MW – Report by IIT-B

- Residential building potential alone stands at 1,310 MW
- PM Surya Ghar Muft Bijli Yojana
- Group Net metering and Virtual Net Metering

However, AEML-D also submitted that the projection of increase in RTS share on the basis of above drivers is not logical as by when this factor will impact future energy sales is not possible to estimate at this stage resulting in uncertainty in projection.

The impact of growth of RTS in the past few years on energy sales is automatically factored in the projected sales, as energy sales have been projected using past trends. The penetration of RTS in future, however, depends on the viability of the same w.r.t the DISCOM tariff and hence impact of acceleration of RTS deployment will have consequential impact on AEML-D demand.

#### 5.1.1 Projection of Own sales

Based on the methodology as provided above, the projected Direct Sales for each year of the Control Period is shown in the table below:

**Table 5-1: Projected Own Sales for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU)**

Own sales (in MU)	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
<b>LT Category</b>					
LT I (A): Below Poverty Line	0.003	0.003	0.003	0.003	0.003
<b>LT I (B): Residential (Single Phase)</b>					
0-100	1,924.39	2,057.42	2,190.40	2,323.33	2,456.21
101-300	1,384.77	1,485.27	1,585.72	1,686.12	1,786.48
301-500	271.68	291.59	311.50	331.40	351.29
500 and above	105.60	112.84	120.08	127.32	134.55
<b>LT I (B): Residential (Three Phase)</b>					
0-100	383.20	409.38	435.55	461.71	487.87
101-300	577.49	617.03	656.55	696.07	735.56
301-500	318.79	340.29	361.79	383.28	404.77
500 and above	743.25	789.34	835.42	881.49	927.56
LT II (A): Non-Residential or Commercial - 0-20 kW	2,083.75	2,201.68	2,319.60	2,437.51	2,555.42
LT II (B): Non-Residential or Commercial - 20-50 kW	273.03	292.08	311.13	330.18	349.23
LT II (C): Non-Residential or Commercial - above 50 kW	799.64	870.35	941.06	1,011.77	1,082.48
LT III (A): LT Industrial up to 20 kW	473.66	529.74	585.51	641.88	697.95
LT III (B): LT Industrial above 20 kW	368.64	368.59	368.54	368.50	368.45

Own sales (in MU)	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
LT IV (A): Public Services - Govt. EI & Hospitals	34.83	37.33	39.84	42.34	44.84
LT IV (B): Public Services - Others	253.40	278.55	303.71	328.86	354.01
LT V: EV Charging Stations	21.81	29.86	37.92	45.97	54.02
LT VI (A): Agriculture - Pumpsets	0.08	0.08	0.08	0.08	0.08
LT VI (B): Agriculture - Others	0.26	0.27	0.29	0.30	0.32
<b>Sub-total</b>	<b>10,018.27</b>	<b>10,711.70</b>	<b>11,404.98</b>	<b>12,098.11</b>	<b>12,791.09</b>
<b>HT Category</b>					
HT I: Industry	758.32	887.32	1,252.83	1,618.31	1,747.27
HT II: Commercial	587.93	812.31	851.69	891.05	930.40
HT III: Group Housing Society	17.30	18.94	20.58	22.23	23.87
HT IV: Railways, Metro and Monorail	2.52	2.52	2.52	2.52	2.52
HT V (a): Public Services - Govt. EI & Hospitals	5.50	5.50	5.50	5.50	5.50
HT V (b): Public Service - Others	438.64	519.32	600.01	680.69	761.37
HT VI: EV Charging Stations	70.00	73.50	77.18	81.03	85.09
<b>Sub-total</b>	<b>1,880.20</b>	<b>2,319.42</b>	<b>2,810.30</b>	<b>3,301.33</b>	<b>3,556.01</b>
<b>EHT Category</b>					
EHT IV: Railways, Metro and Monorail	278.42	334.91	358.54	382.18	405.82
<b>Sub-total</b>	<b>278.42</b>	<b>334.91</b>	<b>358.54</b>	<b>382.18</b>	<b>405.82</b>
<b>Total</b>	<b>12,176.89</b>	<b>13,366.02</b>	<b>14,573.82</b>	<b>15,781.63</b>	<b>16,752.93</b>

### 5.1.2 Projection of Changeover Sales on TPC-D network

AEML-D submitted that it has been supplying a few consumers (residential category) on TPC-D network from FY 2020-21 onwards. The sales estimation made for own consumers, as shown above is inclusive of the AEML-D changeover consumers. The projected AEML-D changeover sales for the Control Period are as under:

**Table 5-2: Projected AEML-D Changeover Sales on TPC-D network for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU)**

AEML-D Changeover sales (in MU)	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
LT I (B): Residential					
0-100	0.05	0.05	0.05	0.05	0.05
101-300	0.08	0.08	0.08	0.08	0.08
301-500	0.06	0.06	0.06	0.06	0.06
500 and above	2.60	2.62	2.65	2.68	2.70
LT II (A): Non-Residential or Commercial - 0-20 kW	0.14	0.14	0.14	0.15	0.15

<b>AEML-D Changeover sales (in MU)</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY28-29</b>	<b>FY 29-30</b>
<b>Total</b>	<b>2.92</b>	<b>2.95</b>	<b>2.98</b>	<b>3.01</b>	<b>3.04</b>

### 5.1.3 Projection of TPC-D Changeover Sales on AEML-D network

The projected TPC-D changeover sales based on the methodology as provided above for the Control Period are as under:

**Table 5-3: Projected TPC-D Changeover Sales on AEML-D network for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU)**

<b>Changeover sales (in MU)</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY28-29</b>	<b>FY 29-30</b>
<b>LT Category</b>					
LT I (A): Below Poverty Line					
<b>LT I (B): Residential (Single Phase)</b>					
0-100	488.17	492.96	497.81	502.71	507.66
101-300	440.94	444.75	448.60	452.49	456.44
301-500	84.23	84.65	85.08	85.51	85.96
500 and above	23.09	23.20	23.31	23.43	23.55
<b>LT I (B): Residential (Three Phase)</b>					
0-100	85.02	85.59	86.16	86.75	87.34
101-300	126.21	126.87	127.55	128.24	128.95
301-500	60.28	60.43	60.59	60.75	60.92
500 and above	59.20	58.95	58.72	58.48	58.26
LT II (A): Non-Residential or Commercial - 0-20 kW	66.49	66.76	67.03	67.31	67.59
LT II (B): Non-Residential or Commercial - 20-50 kW	9.66	9.76	9.86	9.96	10.06
LT II (C): Non-Residential or Commercial - above 50 kW	11.94	12.06	12.18	12.30	12.42
LT III (A): LT Industrial upto 20 kW	12.08	11.98	11.89	11.80	11.72
LT III (B): LT Industrial above 20 kW	4.52	4.57	4.62	4.66	4.71
LT IV (A): Public Services - Govt. EI & Hospitals	1.75	1.77	1.79	1.80	1.82
LT IV (B): Public Services - Others	3.16	3.19	3.22	3.26	3.29
LT V: EV Charging Stations					
LT VI (A): Agriculture - Pumpsets					
LT VI (B): Agriculture - Others					
<b>Sub-total</b>	<b>1,476.73</b>	<b>1,487.49</b>	<b>1,498.40</b>	<b>1,509.46</b>	<b>1,520.67</b>
<b>HT Category</b>					
HT I: Industry					
HT II: Commercial	0.25	0.25	0.25	0.25	0.26
HT III: Group Housing Society					
HT IV: Railways, Metro and Monorail					
HT V (a): Public Services - Govt. EI & Hospitals					

Changeover sales (in MU)	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
HT V (b): Public Service - Others					
HT VI: EV Charging Stations					
<b>Sub-total</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.26</b>
<b>EHT Category</b>					
EHT IV: Railways, Metro and Monorail					
<b>Sub-total</b>					
<b>Total</b>	<b>1,476.98</b>	<b>1,487.74</b>	<b>1,498.66</b>	<b>1,509.72</b>	<b>1,520.93</b>

#### 5.1.4 Projection of OA Consumption

AEML-D has submitted that some of the consumers connected to the distribution network of AEML-D source power from elsewhere by availing Open Access (OA).

Based on the methodology as provided above, the projected sales for each year of the Control Period is shown in the table below:

**Table 5-4: Projected OA consumption for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU)**

Open Access (OA) sales (in MU)	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
<b>HT Category</b>					
HT I: Industry	164.38	166.02	167.68	169.36	171.05
HT II: Commercial	94.35	95.30	96.25	97.21	98.19
HT III: Group Housing Society					
HT IV: Railways, Metro and Monorail					
HT V (a): Public Services - Govt. EI & Hospitals					
HT V (b): Public Service - Others	14.90	15.04	15.20	15.35	15.50
HT VI: EV Charging Stations					
<b>Total</b>	<b>273.63</b>	<b>276.36</b>	<b>279.13</b>	<b>281.92</b>	<b>284.74</b>

#### Commission's Analysis and Ruling

Before projecting the energy sales for fifth Control Period, it is important to review the projections for FY 2022-23 and FY 2023-24 made in MTR Order as against the actual sales achieved during this period. Based on AEML-D's projections, the Commission had projected energy sales for own consumers of AEML-D as 9,975.93 MU for FY 2022-23 and 10,985.51 MU for FY 2023-24. As against this, the actual sales were 9,057.80 MU for FY 2022-23 and 9,863.18 MU for FY 2023-24. The actual sales from the approved sales for FY 2022-23 and FY 2023-24 are ~10% lower than the approved sales.

The Commission thus, observes that the growth rate at which the energy sales were projected actually did not materialize for FY 2022-23 and FY 2023-24, particularly for HT

and EHT category. Further, since, AEML-D operates as a parallel licensee to TPC-D, new consumers can avail electricity supply from either Licensee, hence, it would not be appropriate to consider such high growth in sales for either Licensee, based on anticipated new connections. Therefore, Commission in this Order has conservatively projected the energy sales, specially for HT and EHT category. Further, the Commission has not considered any extra sales on account of addition of specific new consumers and has projected the sales based on the normal growth rates, as there is no certainty regarding the sales from such new expected connections. As and when such sales accrue, the same may be claimed in the truing up for the respective year.

The Commission has considered the appropriate CAGR of actual sales for different periods observed in the past seven years, i.e., FY 2016-17 to FY 2023-24 for projecting the sales for FY 2024-25.

The sales for the Control Period have been projected by considering the FY 2024-25 estimated sales as the base. The category-wise CAGR considered for projecting the energy sales for each year of the Control Period from FY 2025-26 to FY 2029-30 is shown in the following Table:

**Table 5-5: Category-wise CAGR considered for projection of Energy Sales**

<b>Consumer Category</b>	<b>CAGR Considered for Consolidated Sales</b>	<b>Justification/Rationale</b>
LT I - Below Poverty Line	0%	CAGR for all 7 years coming negative. Hence, realistic growth of 0% considered.
LT I Residential (Single phase)	2.34%	5 Year CAGR considered
LT I Residential (Three phase)	5.62%	5 Year CAGR considered
LT II (a) – 0-20 kW	6.42%	Considered sales growth rate projected by AEML-D, as growth visible in last 3 years
LT II (b) – 20-50 kW	6.42%	Considered same growth rate as LT II (a), as growth visible in last 3 years
LT II (c) – above 50 kW	10.76%	Considered sales growth rate projected by AEML-D, as growth visible in last 3 years
LT III (a) - LT Industrial up to 20 kW	5.00%	Recent growth rate trend lower, hence, considered 5%.
LT III (b) - LT Industrial above 20 kW	0.00%	CAGR for 5 Year, 4 Year coming negative. Hence, realistic growth of 0% considered.

Consumer Category	CAGR Considered for Consolidated Sales	Justification/Rationale
LT IV (a): PS - Govt. EI & Hospitals	4.51%	5 Year CAGR considered
LT IV (b): PS - Others	12.35%	Considered AEML-D sales growth rate projected, as growth visible in last 3 years
LT V (a): Agriculture - Pumpsets	10.62%	5 Year CAGR considered
LT V (b): Agriculture - Others	6.62%	5 Year CAGR considered
LT VI: EV Charging Stations	20%	Steep increase in trend from previous year
EHT IV - HT Metro & Monorail	5%	Future load projection is not certain as it is long gestation project
HT I: HT-Industry	10.74%	5 Year CAGR considered
HT II: HT- Commercial	4.60%	5 Year CAGR considered
HT III: HT-Group Housing Society	0.00%	CAGR for all 7 Year coming negative. Hence, realistic growth of 0% considered.
HT IV - HT Metro & Monorail	0.00%	CAGR for all 7 Year coming negative. Hence, realistic growth of 0% considered.
HT V (a):PS - Govt. EI & Hospitals	0.00%	CAGR for all 7 Year coming negative. Hence, realistic growth of 0% considered.
HT V (b):PS - Others	18.43%	5 Year CAGR considered
HT VI: EV Charging Stations	20%	No Previous history but assuming the increase of share of EV in future.

(c) For grossing up change-over sales, the HT and LT Wheeling Losses approved for AEML-D in its MYT Order have been considered.

(d) The growth rate for sales of EHT category (Metro & Monorail) has been considered as 5% for each year of the fifth Control Period.

In the MTR Order, the Commission had approved sales for EHT category in line with projected by AEML-D as new connections for metro service were expected. The Commission had approved total energy sales of 300 MU each for FY 2023-24 and FY 2024-25 under this category, however, in reality, the actual sales materialized was only 49.86 MU in FY 2023-24 and 35.16 MU in H1 of FY 2024-25.



The Petitioner has mentioned in its Petition that upcoming major load are in pipeline as per the anticipated plan, which includes METRO Projects, Bullet Train, Data Centre loads and other major commercial loads. However, the Commission does not find any merit to include huge quantum of sales for Metro, Bullet Train and Data Centre for the Control Period as there is no certainty of the timeline for commissioning of these projects. Also, as Mumbai area comes under Parallel Licence scenario, there is no certainty that these new connections/consumers will choose AEML-D only as their supplier of choice.

Therefore, the Commission has conservatively considered 5% growth rate for the Control Period for EHT category, in the absence of any long-term trend.

- (e) For EV Charging stations - HT and LT category, the growth rate of 20% over the previous year has been considered for projecting sales for each year of the Control Period, in view of the smaller base and rapid increase in EV charging requirement.
- (f) The growth rate for Open Access sales and Changeover sales have been considered as 0.5% for the 5<sup>th</sup> Control Period.

In view of the above, the category-wise sales approved for 5<sup>th</sup> Control Period are given in the Tables below:

**Table 5-6: Category-wise Direct Sales approved for FY 2025-26 to FY 2029-30 (MU)**

Consumer Category & Consumption Slab	AEML-D Petition					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>EHT Category</b>										
EHT IV - Industry	-	-	-	-	-	-	-	-	-	-
EHT IV - Metro & Monorail	278.42	334.91	358.54	382.18	405.82	73.84	77.53	81.41	85.48	89.75
<b>HT Category</b>	278.42	334.91	358.54	382.18	405.82	73.84	77.53	81.41	85.48	89.75
HT I: HT-Industry	758.32	887.32	1,252.83	1,618.31	1,747.27	560.00	620.12	686.71	760.44	842.08
HTII : HT- Commercial	587.93	812.31	851.69	891.05	930.40	527.69	551.95	577.32	603.86	631.62
HT III: HT-Group Housing Society	17.30	18.94	20.58	22.23	23.87	14.01	14.01	14.01	14.01	14.01
HT V - HT Metro & Monorail	2.52	2.52	2.52	2.52	2.52	2.70	2.70	2.70	2.70	2.70
HT VI (a):PS - Govt. EI & Hospitals	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
HT VI (b):PS - Others	438.64	519.32	600.01	680.69	761.37	357.35	423.21	501.21	593.59	702.99
HT VIII: EV Charging Stations	70.00	73.50	77.18	81.03	85.09	11.46	13.75	16.50	19.80	23.76
<b>Sub-total</b>	<b>1,880.20</b>	<b>2,319.42</b>	<b>2,810.30</b>	<b>3,301.33</b>	<b>3,556.01</b>	<b>1,478.70</b>	<b>1,631.24</b>	<b>1,803.94</b>	<b>1,999.88</b>	<b>2,222.65</b>
<b>LT Category</b>										
LT I - Below Poverty Line	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003

Consumer Category & Consumption Slab	AEML-D Petition					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>LT -I Residential (Single Phase)</b>	<b>3,686.44</b>	<b>3,947.12</b>	<b>4,207.70</b>	<b>4,468.16</b>	<b>4,728.53</b>	<b>3,464.24</b>	<b>3,545.28</b>	<b>3,628.22</b>	<b>3,713.10</b>	<b>3,799.97</b>
0-100	1,924.39	2,057.42	2,190.40	2,323.33	2,456.21	1,840.72	1,883.78	1,927.85	1,972.95	2,019.11
101-300	1,384.77	1,485.27	1,585.72	1,686.12	1,786.48	1,297.29	1,327.64	1,358.70	1,390.48	1,423.01
301-500	271.68	291.59	311.50	331.40	351.29	239.89	245.50	251.25	257.12	263.14
500and above	105.60	112.84	120.08	127.32	134.55	86.34	88.36	90.43	92.55	94.71
<b>LT -I Residential (Three Phase)</b>	<b>2,022.73</b>	<b>2,156.04</b>	<b>2,289.31</b>	<b>2,422.55</b>	<b>2,555.76</b>	<b>1,798.55</b>	<b>1,899.56</b>	<b>2,006.24</b>	<b>2,118.91</b>	<b>2,237.91</b>
0-100	383.20	409.38	435.55	461.71	487.87	368.78	389.49	411.36	434.46	458.86
101-300	577.49	617.03	656.55	696.07	735.56	547.25	577.99	610.45	644.73	680.94
301-500	318.79	340.29	361.79	383.28	404.77	287.59	303.74	320.80	338.81	357.84
500and above	743.25	789.34	835.42	881.49	927.56	594.94	628.35	663.63	700.90	740.27
LT II (a) - 0-20 kW	2,083.75	2,201.68	2,319.60	2,437.51	2,555.42	2,092.10	2,226.48	2,369.50	2,521.70	2,683.67
LT II (b) - 20-50 kW	273.03	292.08	311.13	330.18	349.23	265.77	282.84	301.00	320.34	340.92
LT II (c) - above 50 kW	799.64	870.35	941.06	1,011.77	1,082.48	807.37	894.26	990.49	1,097.09	1,215.15
LT III (a) - LT Industrial upto 20 kW	473.66	529.74	585.81	641.88	697.95	363.58	381.76	400.85	420.89	441.93
LT III (b) - LT Industrial above 20 kW	368.64	368.59	368.54	368.50	368.45	368.68	368.68	368.68	368.68	368.68
LT IV (a): PS - Govt. EI & Hospitals	34.83	37.33	39.84	42.34	44.84	32.45	33.91	35.44	37.04	38.71
LT IV (b): PS - Others	253.40	278.55	303.71	328.86	354.01	256.44	288.11	323.69	363.67	408.59
LT V (a): Agriculture - Pumpsets	0.08	0.08	0.08	0.08	0.08	0.11	0.13	0.14	0.15	0.17
LT V (b): Agriculture - Others	0.26	0.27	0.29	0.30	0.32	0.29	0.31	0.33	0.36	0.38

Consumer Category & Consumption Slab	AEML-D Petition					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT VI: EV Charging Stations	21.81	29.86	37.92	45.97	54.02	16.90	20.27	24.33	29.20	35.03
<b>Sub-total</b>	<b>10,018.27</b>	<b>10,711.70</b>	<b>11,404.98</b>	<b>12,098.11</b>	<b>12,791.09</b>	<b>9,466.48</b>	<b>9,941.59</b>	<b>10,448.92</b>	<b>10,991.12</b>	<b>11,571.11</b>
<b>Total</b>	<b>12,176.89</b>	<b>13,366.02</b>	<b>14,573.82</b>	<b>15,781.63</b>	<b>16,752.93</b>	<b>11,019.02</b>	<b>11,650.36</b>	<b>12,334.27</b>	<b>13,076.48</b>	<b>13,883.51</b>

The category-wise Change-over sales by TPC-D on AEML-D network considered for FY 2025-26 to FY 2029-30 are given in the Table below:

**Table 5-7: Category-wise TPC-D Change-over Sales on AEML-D network approved for 5<sup>th</sup> Control Period (MU)**

Consumer Category & Consumption Slab	AEML-D					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>EHT Category</b>										
EHT IV - Industry	-	-	-	-	-	-	-	-	-	-
EHT IV - Metro	-	-	-	-	-	-	-	-	-	-
<b>HT Category</b>										
HT I: HT-Industry										
HTII : HT- Commercial	0.25	0.25	0.25	0.25	0.26	0.25	0.25	0.25	0.25	0.26
HT III: HT-Group Housing Society										
HT V - HT Metro & Monorail										
HT VI (a):PS - Govt. EI & Hospitals										
HT VI (b):PS - Others										
HT VIII: EV Charging Stations										

Consumer Category & Consumption Slab	AEML-D					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Sub-total</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.26</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.26</b>
<b>LT Category</b>										
LT I - Below Poverty Line										
<b>LT -I Residential (Single Phase)</b>										
0-100	573.18	578.55	583.97	589.46	595.00	577.46	580.35	583.25	586.16	589.10
101-300	567.15	571.62	576.15	580.74	585.38	564.35	567.17	570.00	572.85	575.72
301-500	144.51	145.08	145.66	146.27	146.88	139.73	140.43	141.13	141.84	142.55
500and above	82.29	82.16	82.03	81.91	81.81	79.72	80.11	80.51	80.92	81.32
<b>LT -I Residential (Three Phase)</b>										
0-100										
101-300										
301-500										
500and above										
LT II (a) - 0-20 kW	66.49	66.76	67.03	67.31	67.59	67.34	67.68	68.02	68.36	68.70
LT II (b) - 20-50 kW	9.66	9.76	9.86	9.96	10.06	9.84	9.89	9.94	9.99	10.04
LT II (c) - above 50 kW	11.94	12.06	12.18	12.30	12.42	11.93	11.99	12.05	12.11	12.17
LT III (a) - LT Industrial upto 20 kW	12.08	11.98	11.89	11.80	11.72	12.60	12.67	12.73	12.79	12.86
LT III (b) - LT Industrial above 20 kW	4.52	4.57	4.62	4.66	4.71	4.53	4.55	4.57	4.60	4.62
LT IV (a): PS - Govt. EI & Hospitals	1.75	1.77	1.79	1.80	1.82	1.80	1.81	1.82	1.83	1.84

Consumer Category & Consumption Slab	AEML-D					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT IV (b): PS - Others	3.16	3.19	3.22	3.26	3.29	3.07	3.08	3.10	3.11	3.13
LT V (a): Agriculture - Pumpsets	-	-	-	-	-	-	-	-	-	-
LT V (b): Agriculture - Others	-	-	-	-	-	-	-	-	-	-
LT VI: EV Charging Stations	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,476.73</b>	<b>1,487.49</b>	<b>1,498.40</b>	<b>1,509.46</b>	<b>1,520.67</b>	<b>1,472.37</b>	<b>1,479.73</b>	<b>1,487.13</b>	<b>1,494.57</b>	<b>1,502.04</b>
<b>Total</b>	<b>1,476.98</b>	<b>1,487.74</b>	<b>1,498.66</b>	<b>1,509.72</b>	<b>1,520.93</b>	<b>1,472.62</b>	<b>1,479.98</b>	<b>1,487.38</b>	<b>1,494.82</b>	<b>1,502.30</b>

The category-wise OA consumption approved for the 5<sup>th</sup> Control Period is given in the Table below:

**Table 5-8: Category-wise OA Consumption approved for 5<sup>th</sup> Control Period (MU)**

Particulars	AEML-D					Approved in this Order				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT I: HT-Industry	164.38	166.02	167.68	169.36	171.05	186.75	187.68	188.62	189.57	190.51
HTII: HT- Commercial	94.35	95.30	96.25	97.21	98.19	89.49	89.94	90.39	90.84	91.29
HT V (b):PS – Others	14.90	15.04	15.20	15.35	15.50	16.08	16.16	16.24	16.32	16.40
<b>Total</b>	<b>273.63</b>	<b>276.36</b>	<b>279.13</b>	<b>281.92</b>	<b>284.74</b>	<b>292.31</b>	<b>293.78</b>	<b>295.25</b>	<b>296.72</b>	<b>298.20</b>

## 5.2 Approach for PROJECTION OF NUMBER of Consumers for THE Control Period

Similar to Sales projections, the Commission has adopted the CAGR methodology for projecting category-wise number of Consumers of AEML-D. Wherever it is observed that the trend may be unsustainable, the growth factors have been corrected to arrive at more realistic projections.

The Commission has considered FY 2024-25 as the base year for projection of number of consumers from FY 2025-26 to FY 2029-30.

The CAGRs considered for projecting the number of consumers for the 5<sup>th</sup> Control Period is given in the below Table:

**Table 5-9: Category-wise CAGR considered for projection of No. of Consumers**

Consumer Category	CAGR Considered for Consolidated Sales	Justification/Rationale
LT I - Below Poverty Line	0.00%	CAGR for both 5 Year & 3 Year is negative. Hence, Nil growth
LT I Residential (Single phase)	0.85%	3 Year CAGR considered
LT I Residential (Three phase)	3.54%	3 Year CAGR considered
LT II (a) – 0-20 kW	0.94%	3 Year CAGR considered
LT II (b) – 20-50 kW	3.72%	3 Year CAGR considered
LT II (c) – above 50 kW	4.44%	3 Year CAGR considered
LT III (a) - LT Industrial up to 20 kW	0.21%	3 Year CAGR considered
LT III (b) - LT Industrial above 20 kW	0.00%	CAGR for both 5 Year & 3 Year is negative. Hence, Nil growth
LT IV (a): PS - Govt. EI & Hospitals	3.86%	3 Year CAGR considered
LT IV (b): PS - Others	17.16%	3 Year CAGR considered
LT V (a): Agriculture - Pumpsets	11.47%	3 Year CAGR considered
LT V (b): Agriculture - Others	8.45%	3 Year CAGR considered
LT VI: EV Charging Stations	25.00%	CAGR for both 5 Year & 3 Year is more than 100%. Also, the increase in trend is observed from last year. Hence, realistic growth of 25% is considered
EHT IV - HT Metro & Monorail	0.00%	As the base is very small (in FY 24-25 there are only 3 consumers)
HT I: HT-Industry	0.00%	CAGR for both 5 Year & 3 Year is negative. Hence, Nil growth
HT II: HT- Commercial	0.28%	5 Year CAGR considered

Consumer Category	CAGR Considered for Consolidated Sales	Justification/Rationale
HT III: HT-Group Housing Society	0.00%	5 Year CAGR considered
HT IV - HT Metro & Monorail	3.13%	5 Year CAGR considered
HT V (a):PS - Govt. EI & Hospitals	0.00%	CAGR for both 5 Year & 3 Year is negative. Hence, Nil growth
HT V (b):PS - Others	0.00%	CAGR for both 5 Year & 3 Year is negative. Hence, Nil growth
HT VI: EV Charging Stations	5.00%	No previous history

### Number of Consumers for the Control Period

The Commission has considered FY 2024-25 as the base year for projection of number of consumers from FY 2025-26 to FY 2029-30. Based on the number of consumers for FY 2024-25 and CAGR shown in the table above, Commission has projected the number of consumers for various categories as shown in the following table

**Table 5-10: Category-wise No. of Consumers projection for 5<sup>th</sup> Control Period**

Category	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
<b>LT Category</b>					
LT I (A): Below Poverty Line	104	104	104	104	104
<b>LT I (B): Residential (Single Phase)</b>	<b>1858514</b>	<b>1874321</b>	<b>1890262</b>	<b>1906339</b>	<b>1922553</b>
0-100	762612	769099	775640	782237	788890
101-300	915873	923663	931519	939441	947431
301-500	145139	146373	147618	148873	150140
500 and above	34890	35187	35486	35788	36092
<b>LT I (B): Residential (Three Phase)</b>	<b>346811</b>	<b>359093</b>	<b>371810</b>	<b>384977</b>	<b>398611</b>
0-100	65546	67867	70271	72759	75336
101-300	120164	124419	128826	133388	138112
301-500	81760	84655	87653	90757	93971
500 and above	79342	82151	85061	88073	91192
LT II (A): Non-Residential or Commercial - 0-20 kW	444206	448379	452591	456844	461136
LT II (B): Non-Residential or Commercial - 20-50 kW	7662	7947	8242	8549	8867
LT II (C): Non-Residential or Commercial - above 50 kW	7062	7376	7704	8046	8404
LT III (A): LT Industrial up to 20 kW	18271	18309	18348	18387	18426
LT III (B): LT Industrial above 20 kW	2847	2847	2847	2847	2847
LT IV (A): Public Services - Govt. EI & Hospitals	1168	1213	1260	1309	1359
LT IV (B): Public Services - Others	11580	13567	15894	18621	21816
LT V (A): Agriculture - Pumpsets	41	46	51	57	64
LT V (B): Agriculture - Others	13	14	15	17	18



Category	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
LT VI: EV Charging Stations	2749	3436	4295	5369	6711
<b>Sub-total</b>	<b>2701027</b>	<b>2736652</b>	<b>2773425</b>	<b>2811466</b>	<b>2850915</b>
<b>HT Category</b>					
HT I: Industry	131	131	131	131	131
HT II: Commercial	290	291	291	292	293
HT III: Group Housing Society	17	17	17	17	17
HT IV: Railways, Metro and Monorail	7	7	8	8	8
HT V (a): Public Services - Govt. EI & Hospitals	7	7	7	7	7
HT V (b): Public Service - Others	73	73	73	73	73
HT VI: EV Charging Stations	5	6	6	6	6
<b>Sub-total</b>	<b>530</b>	<b>532</b>	<b>533</b>	<b>534</b>	<b>536</b>
<b>EHT Category</b>					
EHT IV: Railways, Metro and Monorail	3	3	3	3	3
<b>Sub-total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>2701560</b>	<b>2737187</b>	<b>2773961</b>	<b>2812003</b>	<b>2851454</b>

### 5.3 DISTRIBUTION LOSSES AND ENERGY BALANCE

#### *AEML-D's Submission*

AEML-D submitted that as per RA Regulations, 2024, the distribution loss to be considered is as per the loss trajectory approved by the Commission or as per the actual loss for the previous year, whichever is lower.

AEML-D has achieved actual distribution loss of 5.45%, which is lower than the target loss approved by the Commission. Accordingly, AEML-D has considered distribution loss trajectory as 5.44% for FY 2025-26, 5.43% for FY 2026-27, 5.42% for FY 2027-28, 5.41% for FY 2028-29 and 5.40% for FY 2029-30.

The Energy Balance projected by AEML-D for the Control Period is shown below:

**Table 5-11: Energy balance for FY 2025-26 to FY 2029-30 submitted by AEML-D**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
Own Sales (MU)	12,176.89	13,366.02	14,573.82	15,781.63	16,752.93
Less: EHT Sales (MU)	278.42	334.91	358.54	382.18	405.82
Less: AEML changeover sales (MU)	2.92	2.95	2.98	3.01	3.04
Changeover Sales (MU)	1,476.98	1,487.74	1,498.66	1,509.72	1,520.93
OA Consumption (MU)	273.63	276.36	279.13	281.92	284.74
Total Sales (MU)	13,646.15	14,792.27	15,990.07	17,188.07	18,149.73
<b>Distribution Loss (%)</b>	<b>5.44%</b>	<b>5.43%</b>	<b>5.42%</b>	<b>5.41%</b>	<b>5.40%</b>

Particulars	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
Energy input at T-D (MU)	14,431.87	15,642.32	16,907.17	18,171.95	19,186.64

AEML-D has worked out the energy requirement for its own consumers from the above energy input. AEML-D has considered the HT loss as 1.44% and LT loss as 5.36% based on the technical losses at HT level and LT level for FY 2023-24, since the financial year has been completed. AEML-D has considered the InSTS losses as 3.26% for each year of the MYT Control Period, as per the MYT Petition of the State Transmission Utility (STU) under Case No. 208 of 2024.

From the energy balance, the energy requirement of AEML-D for its own consumers is worked out as below:

**Table 5-12: Energy Requirement for FY 2025-26 to FY 2029-30 as submitted by AEML-D (MU)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
Migrated HT Sales + OA consumption (MU)	273.87	276.61	279.38	282.17	285.00
HT Loss (%)	1.44%	1.44%	1.44%	1.44%	1.44%
HT grossed up energy at T<>D (MU)	277.89	280.67	283.47	286.31	289.17
Migrated LT Sale (MU)	1,476.73	1,487.49	1,498.40	1,509.46	1,520.67
LT Loss (%)	5.36%	5.36%	5.36%	5.36%	5.36%
LT grossed up energy at T<>D (MU)	1,560.41	1,571.78	1,583.31	1,594.99	1,606.84
Total T<>D energy attributable to Changeover sale & OA consumption (MU)	1,838.30	1,852.45	1,866.78	1,881.30	1,896.01
Net T<>D energy attributable to AEML-D sale (MU) – A	12,593.58	13,789.88	15,040.40	16,290.66	17,290.63
T-D energy attributable to AEML-D C/O sale (metered sales grossed up approved TPC-D wheeling losses) - B	2.93	2.96	2.99	3.02	3.05
EHT Sales - C	278.42	334.91	358.54	382.18	405.82
Total T<>D energy attributable to AEML-D sale (MU) – (A+B+C)	12,874.92	14,127.74	15,401.93	16,675.86	17,699.50
InSTS Loss (%)	3.26%	3.26%	3.26%	3.26%	3.26%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>13,308.79</b>	<b>14,603.83</b>	<b>15,920.95</b>	<b>17,237.81</b>	<b>18,295.95</b>

#### ***Commission's Analysis and Ruling***

AEML-D has achieved actual Distribution Loss lower than the target Distribution Loss in FY 2022-23 and FY 2023-24. The Commission observes that AEML-D has projected Distribution Loss for the 5<sup>th</sup> Control Period by considering a reduction of 0.01% in each year compared to previous year, over the actual loss level in FY 2023-24.

The Commission appreciates the fact that AEML-D has been able to achieve actual Distribution Loss lower than the target Distribution Loss, for which AEML-D has been able to retain its share of the efficiency gains. At the same time, overachievement of Distribution Loss in previous Control Period does not mean that the loss reduction trajectory to be set for the next Control Period should be less stringent.

The Commission has to determine the trajectory for Distribution Loss for the 5<sup>th</sup> Control Period in accordance with Regulation 7 of the MYT Regulations, 2024. The Commission has considered the Distribution Loss of 5.45% achieved by AEML-D for FY 2023-24, as the base loss level for approving the Loss trajectory for the next Control Period.

The Commission is of the view that there are other Distribution Licensees like BEST which operate in the city of Mumbai and are very much comparable to AEML-D in terms of HT:LT ratio and geography, which has achieved Distribution Losses of 4.12% in FY 2023-24. Therefore, there is enough scope for AEML-D to put in more efforts to achieve optimum Distribution Loss levels.

Further, it may be noted that the Commission has also been allowing significant Capitalization proposed by AEML-D for each year, which also includes the capex for reduction in Distribution Losses through meter replacement, cable replacement, etc., which will help in reducing the Technical Losses as well as Commercial Losses.

The Commission has therefore, conservatively approved the Distribution Loss reduction of 0.05% annually for each year of the 5<sup>th</sup> Control Period, taking the base distribution loss of 5.45% achieved in FY 2023-24. This will also give AEML-D sufficient incentive to reduce the Distribution Loss levels further and share the efficiency gains with the consumers. The following Table shows the approved Distribution Loss for the 5<sup>th</sup> Control Period:

**Table 5-13: Distribution Loss approved for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss	5.40%	5.35%	5.30%	5.25%	5.20%

AEML-D has proposed the AT&C Loss trajectory for the Control Period by considering collection efficiency as 100%. Accordingly, the Commission approves the AT&C loss trajectory for the 5<sup>th</sup> Control Period as shown in the Table below:

**Table 5-14: AT&C Loss approved for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
AT&C Loss	5.40%	5.35%	5.30%	5.25%	5.20%

For the Control Period from FY 2025-26 to FY 2029-30, the Commission has considered the Transmission Loss as approved in the InSTS Order dated 28<sup>th</sup> March 2025 in Case No. 208 of 2024 as shown in the Table below. The Direct Sales and Change-over Sales have been considered as approved earlier in this Chapter.

**Table 5-15: InSTS Loss approved for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
InSTS Loss	3.28%	3.26%	3.24%	3.22%	3.20%

The Commission has considered LT and HT Losses for FY 2025-26 as submitted by AEML-D in Form F1.3, for applicability for OA and Changeover consumers for the entire Control Period. The Commission approves the HT and LT Distribution Losses for the 5<sup>th</sup> Control Period, applicable for Change-over and OA consumption, as given in the Table below:

**Table 5-16: HT and LT losses approved for FY 2025-26 to FY 2029-30**

Particulars	AEML-D					Approved				
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
HT distribution Loss	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
LT distribution Loss	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%

***Note:** While overall Distribution Losses have been reduced, the break-up of HT and LT losses have been considered at same level, in the absence of authentic data; however, AEML-D has to reduce the losses as per the trajectory approved*

Accordingly, the Distribution Losses and Energy Balance approved by the Commission for FY 2025-26 to FY 2029-30 are shown in the Table below:

**Table 5-17: Energy Input requirement approved for FY 2025-26 to FY 2029-30**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Migrated HT Sales + OA consumption (MU)	292.56	294.03	295.50	296.97	298.46
HT Loss (%)	1.44%	1.44%	1.44%	1.44%	1.44%
HT grossed up energy at T<math>\leftrightarrow</math>D (MU)	296.84	298.32	299.81	301.31	302.82

Particulars	FY 25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30
Migrated LT Sale (MU)	1472.37	1479.73	1487.13	1494.57	1502.04
LT Loss (%)	5.36%	5.36%	5.36%	5.36%	5.36%
LT grossed up energy at T<>D (MU)	1555.76	1563.54	1571.36	1579.21	1587.11
Total T<>D energy attributable to Changeover sale & OA consumption (MU)	1,852.60	1,861.86	1,871.17	1,880.53	1,889.93
Net T<>D energy attributable to AEML-D sale (MU) – A	11,580.57	12,236.66	12,947.36	13,718.64	14,557.25
T-D energy attributable to AEML-D C/O sale - B	2.92	2.95	2.98	3.01	3.04
EHT Sales - C	73.84	77.53	81.41	85.48	89.75
Total T<>D energy attributable to AEML-D sale (MU) – (A+B+C)	11,657.33	12,317.14	13,031.75	13,807.13	14,650.05
InSTS Loss (%)	3.28%	3.26%	3.24%	3.22%	3.20%
<b>Total requirement of AEML-D (MU) at G-T (MU)</b>	<b>12,052.66</b>	<b>12,732.21</b>	<b>13,468.12</b>	<b>14,266.51</b>	<b>15,134.35</b>

## 5.4 RESOURCE ADEQUACY AND POWER PROCUREMENT PLANNING

### 5.4.1 Background

Under Rule 16 of Electricity (Amendment) Rules, 2022, the Ministry of Power, Government of India, in consultation with the CEA, issued the guidelines for Resource Adequacy in June 2023. As per these guidelines, the CEA is mandated to publish the national-level Planning Resource Margin (PRM) as a guide for all the States/UTs while undertaking their RA exercises. (clause 3.1) and also to publish the capacity credits for different resource types on a regional basis. (clause 3.1)

Each Distribution licensee shall undertake a Resource Adequacy Plan (RAP) for a 10-year horizon (Long-term Distribution Licensee Resource Adequacy Plan (LT-DRAP)) to meet their peak and electrical energy requirement. (clause 3.7). The distribution licensees shall refer to LT-NRAP if required for inputs like PRM, capacity credits, etc. while formulating their LT-DRAP and submitting their plans to CEA. (clause 3.7.1)

The Commission has notified the MERC (Framework for Resource Adequacy) Regulations, 2024, to enable the implementation of the RA Framework to reliably meet the projected demand within the State. The objective of the RA Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation and transmission resources for reliably meeting the projected demand in compliance with specified reliability standards for serving the load with an optimum generation mix.

These Regulations outline the development and preparation of an RA Plan for the Long-Term (LT-DRAP) for up to 10 years, Medium-term Distribution Resource Adequacy Plan (MT-DRAP) for up to 5 years, and Short-Term Resource Adequacy Plan (ST-DRAP) for up to one year by distribution licensees. The Regulation covers a mechanism for long-term, medium-term and short-term forecasting and demand assessment using scientific modelling tools, generation resource planning, procurement planning, and monitoring and compliance.

In compliance to the provisions of Regulation 5.4 of the MERC (Framework for Resource Adequacy) Regulations, 2024, AEML-D had submitted its RA Plan on 15 October 2024. The Commission scrutinized the proposal submitted by AEML-D and noted certain data discrepancies in demand forecasting and shortcomings in compliance to the provisions of the MERC RA Regulations 2024.

Further, the Commission had noted that, as per the MoP guidelines for RA, the CEA is mandated to publish a Long-term National Resource Adequacy Plan (LT-NRAP), which shall determine the optimal Planning Reserve Margin (PRM) requirement at the All-India level conforming to the reliable supply targets. The LT-NRAP shall allocate the share in the national peak for each State, and in States where there are multiple distribution licensees, the respective STU / SLDC shall allocate each distribution licensee's share in the national peak within 15 days of the publication of LT-NRAP.

Further, these guidelines also require NLDC to annually publish a one-year look-ahead Short-term National Resource Adequacy Plan (ST-NRAP). The Commission had also noted that, the CEA/NLDC are yet to publish the LT-NRAP and ST-NRAP results, including reliability indices (LOLP/NENS) and, PRM, CC factors, as per its Guidelines. Hence, allocation factors for the contribution of States to National CPD are not readily available for assessment. Meanwhile, the CEA had published a Discussion Paper dated 18 October 2024 for a methodology for demand contribution and CC factor assessment and invited comments.

In view of above developments at the national level on RA planning, critical observations on RA plans submitted by AEML-D and considering the forthcoming MYT proceedings as per MYT Regulations 2024, the Commission directed AEML-D to revisit the RA planning in light of the methodology specified by the CEA in the discussion paper published by CEA dated 18 October 2024 for computation of Capacity Credit of Generation Resources & Coincident Peak Requirement of Utilities under RA Framework. Further, AEML-D was also directed to revisit its ST-DRAP and LT-DRAP planning along with proposed power procurement and submit the same as a part of its MYT Tariff Petition for the 5th Control Period for stakeholder's consultation.

As per the Regulation No. 12.13 of MERC RA Regulations, 2024, for planning RA requirement, the distribution licensee is required to duly factor in the allocation of RA requirement to the distribution licensee as may be suggested by the STU/SLDC, as the case may be, based on average of share in state coincident peak demand (CPD) and share in state non-coincident peak demand (NCPD) for MT-RA and ST-RA.

Further, as per Regulation No. 16.3 of MERC RA Regulations, 2024, while approving the RA plans of distribution licensees, the Commission is required to seek inputs from STU/SLDC to ensure consistency with the state-level aggregation carried out by STU/SLDC.

In view of the above directions of the Commission, AEML-D submitted its revised RA Plan as a part of its MYT Tariff Petition for the 5th Control Period along with the MYT Petition.

#### **5.4.2 Scrutiny of the RA Planning as per the provisions of the MERC RA Regulations 2024**

##### **1.0 Demand Assessment and Forecasting**

###### ***AEML-D Submission***

AEML-D has projected sales for the Control Period based on the Short-term and Medium-term Distribution Resource Adequacy Plans (ST-DRAP and MT-DRAP) submitted to the Commission on 30 September, 2024. The RA Plan outlines a framework to ensure reliable power supply for consumers for the 5th Control Period (FY 2025-26 to FY 2029-30).

The RA plan provides analysis of AEML-D's demand forecast, generation resources, capacity credits, and strategies to meet Resource Adequacy Requirement (RAR) over the short-term and medium-term horizons, including integration of RE sources and compliance with Renewable Purchase Obligations (RPO).

As per the provisions of the Regulation 6.4 of the MERC RA Regulations, 2024, the demand forecasting carried out by utilizing the category wise consumption data for various categories. The category-wise demand has been projected based Trend Analysis. By this methodology, the historical energy consumption patterns over AEML-D network as a whole has been analyzed, i.e., including Changeover (CO) and Open Access (OA) consumers, spanning from Financial Years 2011-12 to 2023-24.

The RA plan has envisaged AEML-D's overall consumption to grow at 6% to 8%.

###### ***Commission's Analysis and Ruling***

With notification of Resource Adequacy Regulations, there has been remarkable shift in the planning approach to demand forecasting particularly, in terms of following aspects:

- a) **Hourly/Sub-hourly profiling:** Focus on hourly/sub-hourly demand assessment (MW) than merely energy projections (MWh) (*Ref. Reg 6.1, 6.2 and 7.1, 7.2*)
- b) **Planning Horizon:** Demand forecasts to cover across planning horizons Long term (10 year), Medium term (5 year) and Short term (upto 1 year) (*Ref. Reg 6 and 7*)
- c) **Best fit Methodologies:** Methodology for demand/energy forecast to include combination of various statistical methodologies, tools and econometric modelling approaches rather than CAGR based method and adopt best fit approach (*Ref. Reg 6.5, 6.7 and 7.3, 7.4*)
- d) **Scenario Planning:** Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) rather than deterministic scenario. EPS projections could be one of the scenario with due reference to influence of other factors (*Ref. Reg. 6.6 and 6.15*)
- e) **Integral approach to Demand side measures:** Demand and energy forecast to include energy efficiency, energy conservation and demand side measures their impacts as integral part of demand assessment in terms of change in load shape, load curve, variation in peak/off-peak hours, seasonal variations etc. (*Ref. Reg. 6.9, 6.10 and 7.6*)
- f) **Influence of State/National Policy measures:** Adoption of several state/national policy measures such as PM-Surya Ghar, PM-KUSUM/ MSKVY2.0, penetration of LED /BLED fan, EV policy, Green Hydrogen, Data Centre policy, captive policy, open access/ green energy open access policy etc. to be factored in the LT/MT/ST demand forecasts and energy forecasts (*Ref. Reg. 6.9 and 6.10*)

The Commission has scrutinized the Petitioner's submission as regards Demand / Energy forecasts with reference to provisions under MERC RA Regulations.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
1	<b>Demand Forecast and baseline for demand forecast and basis for projections</b>	<ul style="list-style-type: none"> <li>• ST: hourly/sub-hourly</li> <li>• MT: hourly</li> <li>• LT: monthly peak/off-peak load assessment and forecasts along with category-wise energy forecasts (<b>Reg 6.1</b>)</li> </ul>	<ul style="list-style-type: none"> <li>• Submitted the ST (FY 2025-26), MT (2025-30), LT (2025-34) Yearly Peak Demand for Solar and Non-Solar Hours.</li> <li>• Energy Sales forecast excl. open</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant to Reg 6.1 of MERC RA Regulations</li> <li>• <b>Sales for Base year (FY25)</b> as approved by Commission in <b>MTR Order</b> is <b>11819.43 MU</b> whereas AEML-D's</li> </ul>



S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
			<p>access is projected to grow from 10984 MU (FY25) to 16753 MU (FY30)</p> <ul style="list-style-type: none"> <li>Peak Demand forecast excl. open access is projected to grow from 2056 MW (FY26) to 3115 MW (FY30).</li> </ul>	<p>assessment for provisional true-up for (FY25) is 10984.29 MU in <b>MYT Petition</b>, same as in <b>RA Plan</b> submission (<b>Annexure 34</b> of MYT petition) Sales for <b>Base Year (FY25)</b> is reported as <b>10984.29 MU</b>, which is significantly lower than approved and the same influences the future projections.</p>
2	<b>Forecast Scenarios</b>	<ul style="list-style-type: none"> <li>Most probable,</li> <li>Business as usual,</li> <li>Aggressive</li> </ul> <b>(Reg 6.15)</b>	<ul style="list-style-type: none"> <li>Mentioned the Scenarios but considered only Most Probable scenario under RA Plan</li> </ul>	<ul style="list-style-type: none"> <li>Not Compliant to Reg 6.15 of MERC RA Regulations.</li> </ul>
3	<b>Category-Wise Demand Forecast</b>	<ul style="list-style-type: none"> <li>DLs are responsible for providing the category wise consumption data for consumer categories to various agencies for purpose of state level demand forecasts <b>(Reg 6.3)</b></li> <li>DL needs to do the demand forecast for all category of Consumers for which the Commission has</li> </ul>	<ul style="list-style-type: none"> <li>Submitted the Category wise energy consumption data and load forecast.</li> <li>Submitted forecast for MT and ST. i.e., from 2025-26 to 2034-35.</li> </ul>	<ul style="list-style-type: none"> <li>Compliant to Reg 6.3 and 6.4 of MERC RA Regulations.</li> </ul>

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
		determined separate Retail Tariff. <b>(Reg 6.4)</b>		
4	<b>Forecast methodology</b>	<ul style="list-style-type: none"> <li>• Comprehensive historical data and data profiles requirement</li> <li>• Premise for consumer category-wise factors</li> <li>• policies and drivers, and</li> <li>• Use of scientific and mathematical modelling tools <b>(Reg 6.5)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Trend Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Trendline equations &amp; statistical Model not mentioned</li> <li>• Not Provided statical validation for methodology</li> <li>• Non-Compliance to Reg 6.5 of MERC RA Regulations</li> </ul>
5	<b>Use of Statistical methods &amp; tools</b>	<ul style="list-style-type: none"> <li>• DLs to conduct statistical analysis and select the method for which standard deviation is lowest and R-square is highest. <b>(Reg 6.7)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of standard deviation and R-square not submitted.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Compliance to Reg 6.7 of MERC RA Regulations.</li> </ul>
6	<b>Factors influencing Demand forecasts</b>	<ul style="list-style-type: none"> <li>• EV Impact</li> <li>• Rooftop Solar</li> <li>• DSM &amp; Energy Efficiency Measures</li> <li>• GoM schemes like MSKVY 2.0 and other schemes</li> <li>• Agricultural Load Shift</li> <li>• Open Access /GEOA <b>(Reg 6.9 and 6.10)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Changeover Consumer Sale, Open Access sales, Demand Side Management and Energy Efficiency Measures</li> </ul>	<ul style="list-style-type: none"> <li>• Switchover of Consumers not considered</li> <li>• Partly Compliant to Reg 6.9 and 6.10 of MERC RA Regulations.</li> </ul>
7	<b>Load Research analysis</b>	<ul style="list-style-type: none"> <li>• ST: Load research analysis to be conducted with inputs from SLDC and detailed explanation for refinement.</li> <li>• MT: MT forecast may</li> </ul>	<ul style="list-style-type: none"> <li>• No such information about Load research, load survey and category-wise contribution to load curve has been submitted</li> </ul>	<ul style="list-style-type: none"> <li>• Not in line with requirement under Regulation 6.11.</li> <li>• This information is necessary, particularly when DL has proposed</li> </ul>

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
		be revised with a detailed explanation of refinement. <b>(Reg 6.11)</b>		revision in ToD slabs and ToD charges for various consumer categories.
8	<b>Assessment of Peak Demand</b>	<ul style="list-style-type: none"> <li>Determination of Peak Demand considering, average load factor, load diversity factor, seasonal variation factors for last three years and load forecasts (in MWh) <b>(Reg 6.14)</b></li> </ul>	<ul style="list-style-type: none"> <li>Considered 80% Adjusted Peak Demand of Peak demand Projection</li> <li>Load diversity factor 95% for computation of peak demand.</li> </ul>	<ul style="list-style-type: none"> <li>Complied with Regulation 6.14 of the MERC RA Regulations.</li> </ul>

The Commission observes that for sales projections in the MYT Petition, AEML-D has extensively relied on consumer-category-wise energy forecasts (MWh) using Trend analysis approach for Short/medium forecasts. The Commission notes that AEML-D has not submitted Hourly/sub-hourly Demand forecasts with the MYT Petitions. However, it has relied on the same to project future peak demand forecasts.

The Commission has noted that for HT Industry, there is surge in demand for FY 2027-28 and FY 2028-29. Demand is projected to increase by nearly 50% in FY 2027-28 compared to FY 2026-27, followed by a 33% rise in FY 2028-29 from the previous year. Afterward, the demand trend appears to stabilize. However, the submitted documents do not specify or provide reasons for this sudden increase in demand.

Similarly, for HT Commercial, there is a sudden rise in demand projected for FY 2026-27, with an increase of 37% compared to FY 2025-26. The Commission is of the opinion that AEML-D must clearly provide justification for assuming such variation and provide detailed computations for reaching these figures.

The forecast of demand (MW) and shift in hourly/sub-hourly Demand forecasts (MW) is equally important particularly in light of adoption of other policies measures such as GEOA, Rooftop PV, Demand side and EE/EC measures etc. It is important to understand the influence of all such factors on Hourly/Sub-hourly Demand, which is not known.

The Commission further observes that there is variation in the energy projections and growth rates thereof, as presented for EPS, RA planning exercise undertaken by CEA and yearly projections made during submissions for power procurement planning. The consistent approach for energy and demand projections would be necessary. The Commission expects that the annual RA rolling plan would ensure consistency in the approach for demand/energy forecasting exercise. The Commission directs that during the annual rolling plan exercise, the Petitioner should clarify the significant variation in forecasts for each consumer category with reasons and adopt corrective measures in its forecasting approach.

The Commission would encourage the Petitioner to explore use of various methodologies and statistical tools and use best fit approach for demand forecasting.

In view of the above, the Commission has modified the demand/sales forecasts, which is discussed in the subsequent sections of the MYT Order. AEML-D is directed to use the methodology and assessment of its demand/sales forecasts as per the MERC RA Regulations and undertake scenario analysis (business as usual, aggressive and most probable scenario), while submitting its RA plan for next year. AEML-D should also factor in adjustment in sales forecasts on account of EV, adoption of solar rooftop PV and other energy efficiency measures, etc. Further, AEML-D should submit detailed computations and submit hourly/Sub Hourly demand history as well as demand projections of the 3 scenarios. The comparison of sales forecasts proposed by AEML-D and approved by the Commission for 5<sup>th</sup> Control Period is summarized in subsequent Section.

## **1.1 Generation Resource Planning**

### ***AEML-D's submission***

For generation resource planning, AEML-D has submitted its Generation resource plan for the Short- and Medium-Term considering Solar, Wind, Hybrid (Wind-Solar), Hydro, RE+RTC, PSPs, BESS and Thermal based generating sources over the 5th Control Period. AEML-D has also considered Short term RE (1000 MW) and Banking (27 MW) as its firm Generation source. AEML-D has envisaged to convert the existing share of Power Purchase with the maximum RE by the end of the Control Period and accordingly submitted its Generation Resource Planning.

AEML-D has also proposed to manage the excess solar generation during daytime it has proposed to redesign category-wise ToD charges and rebates to encourage the use of daytime solar generation.

### ***Commission's Analysis and Ruling***

With notification of Resource Adequacy Regulations, there has been remarkable shift in the planning approach to Generation Resource Planning, particularly, in terms of following aspects:

- a) **Capacity Crediting of Generation Resources and its contribution to Solar/Non-Solar hours:** Focus on assessing the contribution of generation resources to meet the demand at various hours particularly, variable renewable generation resources such as wind/ solar, storage resources (*Ref. Reg 9.1, 9.3 and 10*)
- b) **Gestation period of various Generation Resource technologies and contracting arrangements:** Different technologies (such as wind, solar, PSP, BESS, nuclear, coal etc) have different gestation periods. Further, variety of contracting arrangements (e.g. RE-RTC, FDRE, Hybrid) are emerging and would have variety of characteristic generation profile and associated costs. (*Ref. Reg 9.1, 9.2, 9.4 and 10*)
- c) **Planning Reserve Margin:** Need to include PRM factor to comply with reliability indices (such as LOLP, NENS) notified by CEA and PRM to be evaluated thru iterative process to meet with reliability standards (*Ref. Reg 9.5, and 11*)
- d) **Assessment of Resource Adequacy Requirement (Shortfall/Surplus):** Identification of RA requirement and resource gap/surplus (both quantum and duration) is crucial. Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) for RA Gap/ Surplus assessment in LT/MT/ST rather than deterministic scenario. (*Ref. Reg. 12*)
- e) **Integrated approach guided by CEA/STU/SLDC for control area and distribution licensee:** In order to optimal planning of resources inputs from LT-NRAP and ST-NRAP to be published by CEA as also allocation of RA requirement to concerned Distribution Licensee by STU/SLDC RA(*Ref. Reg. 6.9 and 6.10*)

The Commission has scrutinized the Petitioner's submission as regards Assessment of Generation Resources and its proposed mix with reference to provisions under MERC RA Regulations.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
1	Capacity Credit	• Net Load based approach.	• DSPPL CC Factor: Last 5 Year average: 59 %.	• CEA Guidelines stipulate that as

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
		<ul style="list-style-type: none"> <li>• <b>RE CC</b> = Sum of RE Generation for top 250 Hrs/Sum of RE IC for top 250 Hrs.</li> <li>• CC factor is computed for each year of duration of past five-years and the resultant CC is the average of CC values of past 5 years.</li> <li>• <b>Thermal CC</b>: computed based on coal /gas availability, forced and planned outages</li> <li>• <b>Hydro CC</b>: computed based on water availability</li> <li>• <b>Storage CC</b>: Net Load Based Approach</li> <li>• <b>(Reg 10.2)</b></li> </ul>	<p>CC Factor for Solar Capacity is considered for Solar Hours.</p> <ul style="list-style-type: none"> <li>• SECI Solar: Estimated CC factor of 83% for Solar hours has been considered.</li> <li>• Wind Sources: 16% to 27% for Solar Hours and 22% to 35% in Wind Hours</li> <li>• Small Hydro sources: 11% for Solar Hours and 14% for Non-Solar Hours</li> <li>• Wind -Solar Hybrid: 90% for Solar Hours and 39% for Non-Solar Hours.</li> <li>• For thermal capacity: 91% for ADTPS, 100% for upcoming source for both Solar and Non-Solar Hours.</li> <li>• Storage System : 100%</li> </ul>	<p>part of its LT-NRAP study, CEA would specify CC factors for different technologies across region.</p> <ul style="list-style-type: none"> <li>• Further, CEA had advocated determination of separate CC factors for wind and solar technologies for Solar hours and Non-Solar hours separately.</li> </ul>
2	<b>Planning Reserve Margin</b>	<ul style="list-style-type: none"> <li>• PRM factor is computed based on the reliability Indices in terms of LoLP (0.2%) and NENS (0.05%) as specified by Authority or</li> </ul>	As per Regulation 11.2, PRM as declared by CEA is to be considered by DISCOM for RA Planning. However, as of now, Planning Reserve Margin has not yet been declared by CEA.	<ul style="list-style-type: none"> <li>• CEA has not specified any PRM numbers, however, it has specified Loss of Load Probability (LOLP) as 0.2% and Normalized</li> </ul>

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
		<p>Commission (Reg 11.2)</p> <ul style="list-style-type: none"> <li>Capacity planning by DLs /STU /MSLDC shall factor PRM while developing state-level Resource Plan (Reg 11.3)</li> </ul>	Therefore, AEML-D has assumed a PRM of 5%.	<p>Energy Not Served (NENS) at 0.05% in the RA guidelines.</p> <ul style="list-style-type: none"> <li>AEML-D shall explore the possibility to work out its PRM and submit as part of the next RA Plan.</li> </ul>
3	<b>RA Requirement and Allocation</b>	<ul style="list-style-type: none"> <li>DLs RA plan is based on the sum of adjusted contracted generation capacities, calculated with CC factors over time intervals (15 minutes to one hour) as specified by the Commission.</li> <li>(Reg 12.1)</li> </ul>	<ul style="list-style-type: none"> <li>The Petitioner has computed the Coincident Peak demand and Adjacent Peak Demand and considered Peak Demand of 5% Resource Adequacy Required for FY 2029-30</li> </ul>	<ul style="list-style-type: none"> <li>CEA has not yet published the LT-NRAP plan which is expected to outline RA requirement of each State to meet the National Peak along with planning for reserve requirements.</li> <li>However, CEA has published Discussion Paper which outline the methodology for allocation of RA requirement based on contribution to national coincident peak</li> </ul>

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
				<p>demand by different states, which provide fair indication of Maharashtra's contribution to the national peak.</p> <ul style="list-style-type: none"> <li>Similar exercise is required to undertaken at state level by STU/SLDC for allocation of RA requirement amongst distribution licensees at state level. The Commission expects that the exercise of RA requirement assessment for State and its allocation between distribution licensees shall be completed before Annual RA Rolling plan exercise for next year taking into consideration LT-NRAP studies to be published by</li> </ul>



S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks															
				CEA. <ul style="list-style-type: none"> <li>AEML-D must provide at least Hourly RAR computations at the time of next RA filing</li> </ul>															
4	<b>Resource Gap or Resource Surplus</b>	<ul style="list-style-type: none"> <li>Identify the resource gap by subtracting the RA plan from the demand forecast, addressing RA compliance for long-term, medium-term, and short-term as per the regulations. <b>(Reg 12.2)</b></li> <li>Submits the Resource Gap in 3 scenarios (Most Probable, Business as usual and Aggressive). <b>(Reg 12.3)</b></li> </ul>	<ul style="list-style-type: none"> <li>Submitted the Resource Gap/(Surplus) for ST DRAP and MT DRAP for Most probable scenario. AEML-D computed and submitted resource gap for ST and MT For FY 26 – 441 MW, FY 27 - 533 MW, FY 28 – 717 MW, FY 29 – 874 MW and FY 30 – 1004 MW for Solar Hours. For Non-Solar Hours resource gap for ST and MT For FY 26 – 713 MW, FY 27 - 822 MW, FY 28 – 1003 MW, FY 29 – 1155 MW and FY 30 – 1285 MW</li> <li>With proposed Capacities Resource Gap/(Surplus) for AEML-D becomes</li> </ul> <table border="1"> <tr> <td>F</td><td>F</td><td>F</td><td>F</td><td>F</td></tr> <tr> <td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr> <tr> <td>26</td><td>27</td><td>28</td><td>29</td><td>30</td></tr> </table>	F	F	F	F	F	Y	Y	Y	Y	Y	26	27	28	29	30	<ul style="list-style-type: none"> <li>Non-Compliant to Reg 12.2 of MERC RA Regulations as RAR computations not provided for Business as usual and Aggressive Scenario.</li> <li>Thus, issue of optimal capacity mix needs to be studied carefully with scenario analysis.</li> <li><b>Prima facie, AEML-D has envisaged contracting significant amount of power to meet its Resource requirement.</b></li> </ul>
F	F	F	F	F															
Y	Y	Y	Y	Y															
26	27	28	29	30															

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks																				
			<table> <tr> <td colspan="5">Solar Hours</td></tr> <tr> <td>-59</td><td>-2</td><td>-83</td><td>-1</td><td>-6</td></tr> <tr> <td colspan="5">Non-Solar Hours</td></tr> <tr> <td>-37</td><td>-3</td><td>-47</td><td>0</td><td>265</td></tr> </table>	Solar Hours					-59	-2	-83	-1	-6	Non-Solar Hours					-37	-3	-47	0	265	
Solar Hours																								
-59	-2	-83	-1	-6																				
Non-Solar Hours																								
-37	-3	-47	0	265																				
5	<b>Plan to contract capacity meet RA Requirement</b>	<ul style="list-style-type: none"> <li>Plan Contract capacities to meet Resource Adequacy Requirements (RAR), ensuring coverage of peak demand plus PRM. (Reg 12.9)</li> </ul>	<ul style="list-style-type: none"> <li>AEML-D has submitted proposed contract capacities to meet RAR to cover peak demand.</li> </ul>	<ul style="list-style-type: none"> <li><b>AEML-D needs to evaluate overall cost implications of its contracted power portfolio and capacity addition plans which otherwise would be sub-optimal.</b></li> <li>Most of storage capacity (PSP) addition is projected for FY30.</li> <li>In order to optimize the cost of power procurement during evening peak/ non-solar hours, AEML-D should evaluate and explore Storage (incl. BESS) solutions (2hr/4hr) to</li> </ul>																				

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
				store surplus solar generation to be utilized during non-solar (evening peak) rather than procuring expensive power from market during non-solar (evening peak) hours.

The Commission observes that AEML-D is planning to have larger share of RE based power procurement in the 5th Control Period. Hence, the Commission would highlight that one of the important objectives of RA Regulations is resource planning with optimal resource mix to optimize overall cost of power for the utility and its end consumers while reliably meeting the forecasting load requirements. The relevant extract of objective of MERC RA Regulations, 2024 is provided as under:

*2.1 The objective of these Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation and transmission resources for **reliably meeting the projected demand** in compliance with **specified reliability standards** for serving the load with an **optimum generation mix**.*

*Provided that the planning of transmission resources shall be consistent with "MERC (State Grid Code) Regulations, 2020" and amendments thereof. (**emphasis added**)*

Further, having contracted surplus capacity over and above its RA requirement then it is essential that the same is utilized or dispatched in optimal manner.

In order to optimize the cost of power procurement during evening peak/ non-solar hours, AEML-D should evaluate and explore Storage (incl. BESS) solutions (2hr/4hr) to store

surplus solar generation to be utilized during non-solar (evening peak) hours rather than procuring expensive power from market during non-solar (evening peak) hours. AEML-D should explore and evaluate development of distributed storage solutions and its procurement plan through competitive route at early date.

Specific schemes of Demand side management measures could act as optimal resource and the AEML-D should develop DSM schemes for various consumer categories as such effective load management tool. AEML-D should devise and formulate strategies for effective implementation of its proposed DSM Schemes as per Demand side management framework. It should also encourage and facilitate consumers who wish to invest in energy storage and support the grid during non-solar (evening peak) hours provided it is viable business opportunity. Specific schemes under Demand Side Management framework can be designed and submitted for further regulatory scrutiny and approval.

### 3.0 Power Procurement Planning

#### ***AEML-D's submission***

AEML-D has considered the MoD based principle for its power purchase planning, where it has envisaged to tie up more Renewable based generation contracts such as RE -RTC, PSPs and Wind-Solar Hybrid.

#### ***Commission's Analysis and Ruling***

The Commission has scrutinized the AEML-D's submission as regards Power Procurement Planning and its proposed mix with reference to provisions under MERC RA Regulations.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner’s Submissions				Commission’s Observations and Remarks								
1	<b>Composition of LT, MT and ST along with details of procurement of existing and planned capacity</b>	<ul style="list-style-type: none"><li>Percentage Shares of LT, MT and ST are as follows: LT = 70%, MT = 20% and ST = 10% (Remaining of LT and MT)</li><li><b>(Reg 12.10)</b></li><li>Submission of the</li></ul>	<ul style="list-style-type: none"><li>AEML-D has submitted that it has sufficiently contracted capacity to meet the RA Requirement of short term and long term.</li><li>Tie up proposed</li></ul> <table><tr><th>TYPE</th><th>Power Supply From</th><th>Quantum (MW)</th><th>Duration in Yr</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>				TYPE	Power Supply From	Quantum (MW)	Duration in Yr					<ul style="list-style-type: none"><li>Complied with provisions 12.10 of the Regulations.</li><li>In order to assess the judicious mix of sources with optimal tenure, the MSLDC should also establish trading</li></ul>
TYPE	Power Supply From	Quantum (MW)	Duration in Yr												

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner’s Submissions				Commission’s Observations and Remarks																
		<p>list of all existing generating stations (Conventional + RE) along with RA plan. <b>(Reg 17.4)</b></p> <ul style="list-style-type: none"><li></li></ul>	<table><tr><td>MTPP</td><td>April-25</td><td>500</td><td>2</td></tr><tr><td>RE+Thermal (RTC)</td><td>June-27</td><td>1500</td><td>25</td></tr><tr><td>PSP</td><td>FY 2029-30</td><td>250</td><td>25</td></tr><tr><td>Bilateral+Banking for Peak Power</td><td>immediate</td><td>250</td><td>4</td></tr></table>	MTPP	April-25	500	2	RE+Thermal (RTC)	June-27	1500	25	PSP	FY 2029-30	250	25	Bilateral+Banking for Peak Power	immediate	250	4	<p>arrangement for short term, medium term optimally manage its contracted capacity and reduced burden of fixed cost of power through tied up through long term thermal sources.</p>			
MTPP	April-25	500	2																				
RE+Thermal (RTC)	June-27	1500	25																				
PSP	FY 2029-30	250	25																				
Bilateral+Banking for Peak Power	immediate	250	4																				
2	<b>Firm Capacity</b>	<ul style="list-style-type: none"><li>Demonstration of 100% tie-up for the first year and a minimum 90% tie-up for the second year to meet the requirement of their contribution towards meeting state peak.<b>(Reg 15.6)</b></li></ul>	<ul style="list-style-type: none"><li>AEML-D in its RA plan submission has confirmed that it has initiated MTPP Transaction of 500 MW to meet its shortfall. The transaction will start to provide supply from April 2025</li></ul>				<ul style="list-style-type: none"><li>Assessment of Firm capacity is linked to contracted capacity, technology/ type of resource and its Capacity credit factor.</li><li>CEA is yet to publish its CC factors under LT-NRAP for various resources across regions. However, it has indicated CC factors in its Discussion Paper published and also provided CC factors separately for Wind and Solar technologies during Solar and</li></ul>																

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	Petitioner's Submissions	Commission's Observations and Remarks
				<p>Non-Solar hours separately. AEML-D has considered CC factors separately for Solar and Non-Solar Hours.</p> <ul style="list-style-type: none"> <li>• Upon publication of the LT-NRAP study by CEA and CC factors thereof, DL should undertake comprehensive exercise for assessment of Firm Capacity, and RA Gap/Surplus during Annual RA Rolling plan exercise.</li> </ul>

AEML-D has also complied with Regulation 12.2 of the MER RA Regulation for the computation of its Resource Gap for Short Term and Medium submitted as part of the RA Plan.

The Commission has undertaken detailed evaluation of yearly load profile of demand, yearly generation profile of non-firm generating sources (such as wind, solar, hydro, hybrid, bilateral, storage) and estimated Net Load requirement to be met through contracted (existing and planned) thermal generating resources. yearly dispatch simulations considering merit order dispatch principles as outlined under MERC State Grid Code are required to be followed by distribution licensee during actual operations during 5th Control period.

Further, the Commission has ensured that the power procurement planning based on merit order and hourly dispatch also factors in the renewable energy purchase obligation targets (RPO) as specified under MERC RPO Regulations. Further, the yearly shortfall/ surplus is

expected to be traded in the optimal manner and cost/revenue implications of the same have also been factored in while projecting the power purchase planning for the 5th Control Period.

A detailed estimation of the source-wise projected quantum and cost along with basis for cost assumptions thereof, has been covered extensively under this Order.

In pursuance of foregoing and also in accordance with the provisions under MERC RA Regulations, 2024, the Commission hereby directs the Petitioner to submit the Annual RA Rolling Plan during each year of the Control Period strictly in accordance with the provisions outlined under MERC RA Regulations and CEA Guidelines for Resource Adequacy in the matter. The Petitioner shall also factor in the guidelines, CC factors, reliability indices (LOLP, NENS) and PRM as may be stipulated by CEA from time to time. Petitioner should provide detailed model assumptions and computations to STU/SLDC in timely manner to enable them undertake state level assessment of RA compliance as well as reserve planning for at the state level.

Some of the specific actions that are required to be followed by Petitioner are outlined below:

- a) AEML-D should provide realistic estimation of hourly demand and energy forecast upon verifying/validating the base year consumption and growth factor assumptions thereof.
- b) AEML-D should undertake load survey for various consumer categories and assess the impact in change in load shape due to load side measures, adoption of new ToD tariff regime, agriculture load shift to day-time hours, demand side measures, proliferation of EV, RTPV, GEOA, industrial load growth, growth in data centres etc.
- c) AEML-D should explore advancing the procurement of storage resources (2 hr / 4 hr) to meet Non-solar (evening peak) requirement and such procurement through competitive route as well as distributed storage facilities.
- d) AEML-D should encourage and facilitate consumers who intend to invest in storage facilities and support grid during non-solar (evening peak) hours and design and develop DSM schemes to facilitate the same.
- e) AEML-D should explore advance tie up / contracting arrangement with generating stations and other distribution licensees for trade of surplus power to optimize and reduce the burden of the fixed cost of contracted thermal generating stations.

In addition, following actions in line with requirements of Annual RA Rolling plan exercise shall be adhered to by Petitioner:

- a) AEML-D shall submit demand forecasts to MSLDC by 30th April of each year for the ensuring year(s).
- b) AEML-D shall perform MT-DRAP and ST-DRAP exercise by 31st August of each year for the ensuring year(s).
- c) The monthly/weekly/day-ahead/intraday power procurements/sale by the Petitioner and generator schedule shall be made available on the websites of Petitioner.
- d) AEML-D shall establish a planning cell for Resource Adequacy as per Regulation 23.1 of Resource Adequacy Regulation.
- e) Another round the clock dedicated cell shall also be constituted by Petitioner for power purchase/sell in real-time, and also undertake intra-day, day ahead, week ahead power procurement through Power Exchanges or any other means as per Regulation 23.2 of Resource Adequacy Regulation.

## **5.5 POWER PURCHASE QUANTUM AND COST**

### ***AEML-D's Submission***

AEML-D submitted its Resource Adequacy plan (ST-DRAP & MT-DRAP) for the period FY 2025-26 to FY 2029-30 to the Commission for its approval. The said Resource Adequacy (RA) Plan was also submitted to MSLDC and STU. The said Plan was later revised by AEML-D pursuant to the observations of the Commission made vide letter ref. no. MERC/RA/2024-25/0692 dated 18-11-2024, which required AEML-D to revisit the RA Plan based on the methodology specified by the CEA. Thereafter, the Commission passed another Order in Case No. 140 of 2024, whereby it directed AEML-D to enter into a PPA with Adani Power Limited (from Adani Dahanu Thermal Power Station) for the duration of the MYT Control Period. Accordingly, as per the said direction of the Commission, the power procurement forecast, and the RA Plan has been modified to include availability of power from APL (ADTPS). AEML-D submitted that it has forecasted power procurement plan based on the above RA Plan (ST-DRAP and MT-DRAP).

AEML-D submitted that it shall continue procurement of power from its long-term and medium-term contracts and renewable energy contracts. In addition, AEML-D also plans to procure power from certain other sources. After taking into account these sources, the shortfall in power requirement has been estimated to be met through purchase from contracted short-term sources and Power Exchange.

### **5.5.1 Procurement from ADTPS (APL)**

AEML-D submitted that on the direction of the Commission in Case No. 140 of 2024, AEML-D has projected power purchase from Adani Power Limited's ADTPS for each year



of the Control Period. AEML-D has considered the annual fixed cost and the variable per unit cost of generation as considered by Adani Power Limited (previously AEML-G) in its Petition.

### 5.5.2 Procurement from ADTPS (APL)

AEML-D submitted that on the direction of the Commission in Case No. 140 of 2024, AEML-D has projected power purchase from Adani Power Limited's ADTPS for each year of the Control Period. AEML-D has considered the annual fixed cost and the variable per unit cost of generation as considered by Adani Power Limited (previously AEML-G) in its Petition.

### 5.5.3 Backing Down of ADTPS (APL)

AEML-D has considered backing down of ADTPS to its technical minimum for estimating the shortfall and surplus for each year of the Control Period. However, since backing down of sources depends on the instructions of SLDC, the actual backing down of ADTPS might be very different from what is estimated here.

### *Commission's Analysis and Ruling*

The total installed capacity of ADTPS is allocated to AEML-D. However, rather than considering the generation quantum approved for APL (ADTPS) in its MYT Order for the 5<sup>th</sup> Control Period vide Order dated 28<sup>th</sup> March 2025 in Case No. 188 of 2024, the Commission has considered the power purchase quantum as estimated by AEML-D, which is the purchaser and the Generator has to schedule power as per the requirement of AEML-D. The Fixed Charges in Rs. Crore and Variable Charges in Rs/kWh have been considered as approved in the above-said MYT Order of APL.

The following Table shows the quantum and cost of APL considered in power purchase of AEML-D, for the 5<sup>th</sup> Control Period:

**Table 5-18: Power Purchase from ADTPS approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	2,100.00	2,100.00	2,106.00	2,100.00	2,100.00
Fixed Charges (Rs. Crore)	423.80	439.71	455.85	469.19	481.85
Variable Charges (Rs. /kWh)	4.51	4.64	4.78	4.92	5.07
Variable Charges (Rs. Crore)	947.10	974.40	1,006.67	1,033.20	1,064.70
Total Charges (Rs. Crore)	1,370.90	1,414.11	1,462.52	1,502.39	1,546.55
Per unit Rate (Rs/kWh)	6.53	6.73	6.94	7.15	7.36

### 5.5.4 Dhursar Solar Power Private Limited (DSPPL)

#### *AEML-D's Submission*

AEML-D has projected energy purchase from its long-term contract with DSPPL at the approved rate of Rs. 10.30 per unit for each year of the Control Period.

### ***Commission's Analysis and Ruling***

The Commission has considered the submission made by AEML-D with regard to quantum of power purchase from DSPPL. The Commission has considered the rate approved for purchase from DSPPL at the rate of Rs. 10.30/kWh for the entire Control Period. The Commission accordingly approves the Solar Power Purchase from DSPPL for the 5<sup>th</sup> Control Period as shown in the Table below:

**Table 5-19: Power Purchase from DSPPL approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	56.83	56.83	57.02	56.83	56.83
PP Rate (Rs. /kWh)	10.30	10.30	10.30	10.30	10.30
PP Cost (Rs. Crore)	58.54	58.54	58.73	58.54	58.54

### **5.5.5 JSW Renewable Energy**

#### ***AEML-D's Submission***

AEML-D has projected energy purchase from its long-term contract with JSW RE at the rate of Rs. 5.81 per unit as per the PPA. The said PPA is valid till 29-06-2026 and accordingly, the projection is made for the first two years of the Control Period till the validity of the PPA.

### ***Commission's Analysis and Ruling***

The Commission has accepted the RE power purchase quantum projected by AEML-D from its long-term contract with JSW RE for FY 2025-26 and FY 2026-27 till validity of PPA, i.e., 29-06-2026. The rate is considered as per the PPA at the rate of Rs. 5.81/kWh. The Commission accordingly approves the Power Purchase quantum and rate as shown in the Table below:

**Table 5-20: Power Purchase from JSW Renewable approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	49.01	12.98	-	-	-
PP Rate (Rs. /kWh)	5.81	5.81	-	-	-
PP Cost (Rs. Crore)	28.47	7.54	-	-	-

### **5.5.6 Tembhur Power**

#### ***AEML-D's Submission***

AEML-D has projected energy purchase from its long-term contract with Tembhur Power at the rate of Rs. 4.26 per unit as per the PPA. It is observed that the plant is generally shut for a couple of months after monsoon due to the heavy rains experienced in the area of the location of the plant. Thus, AEML-D has projected that the power would generate for a

period of 9 months. Hence, energy purchase of 9 MU per annum is considered, based on the e-mail received from Tembhu projecting the generation at ~ 1 MU per month.

### ***Commission's Analysis and Ruling***

The Commission approves the quantum and rate as projected in line with AEML-D from its long-term contract with Tembhu Power at the rate of Rs. 4.26 per unit as per the PPA. The Commission accordingly approves the Power Purchase quantum and rate as shown in the Table below:

**Table 5-21: Power Purchase from Tembhu hydro approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	9.00	9.00	9.03	9.00	9.00
PP Rate (Rs. /kWh)	4.26	4.26	4.26	4.26	4.26
PP Cost (Rs. Crore)	3.83	3.83	3.85	3.83	3.83

### **5.5.7 Hybrid RE Power Purchase**

#### ***AEML-D's Submission***

AEML-D has entered into a long-term contract for procurement of 700 MW Wind-Solar Hybrid Power at approved rate of Rs. 3.24 per unit. The Hybrid RE plant of 700 MW has been fully commissioned in October 2022. Hence, the power purchase from this source has been projected taking into consideration the actual generation received over a period of time and as per the typical generation profile provided by the developer.

### ***Commission's Analysis and Ruling***

The Commission has adopted the tariff of Rs. 3.24 per kWh for purchase of 700 MW Hybrid RE power from this source. The Commission has accepted AEML-D's projection of quantum of purchase from this source, as the same is projected as per the actual generation received over a period of time and as per the typical generation profile provided by the developer.

The quantum and cost of power purchase from Hybrid RE source approved by the Commission for FY 2025-26 to FY 2029-30 is shown in the Table below:

**Table 5-22: Power Purchase from Hybrid RE approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	3067.60	3067.60	3,077.15	3067.60	3067.60
PP Rate (Rs. /kWh)	3.24	3.24	3.24	3.24	3.24
PP Cost (Rs. Crore)	993.90	993.90	997.00	993.90	993.90

### **5.5.8 Medium-Term Power Purchase**

#### ***AEML-D's Submission***

AEML-D submitted that it had earlier entered into a MTPP agreement which was valid till 14-10-2024. Subsequently, AEML-D has entered into Firm bilateral purchase for the period from 16-10-2024 till December 2024 and has estimated to enter into similar arrangement from January 2025 till March 2025.

AEML-D has now initiated the process of bidding for MTPP for 500 MW for a period of twenty-six months from April 2025 (FY 2025-26) to May 2027 (FY 2027-28) and will approach the Commission for its approval at a later date.

Accordingly, AEML-D has projected power purchase from the proposed MTPP at the rate of Rs. 5.50 per unit for the afore-mentioned period. The said rate is considered inclusive of GNA charges. AEML-D has submitted that the rate of power purchase from the proposed source is considered based on the recent Order issued by the Commission in Case No. 135 of 2024 dated 20-09-2024 in the matter of “Petition of Brihanmumbai Electric Supply and Transport Undertaking seeking approval of Agreement for procurement of power and adoption of Tariff discovered through competitive bidding for procurement of 125 MW round the clock power for medium term”. The rate approved was Rs. 5.56/kWh.

#### ***Commission's Analysis and Ruling***

In its MYT Petition, AEML-D had submitted that the process of bidding for MTPP for 500 MW for a period of twenty-six months from April 2025 (FY 2025-26) to May 2027 (FY 2027-28) was ongoing. Very recently, AEML-D has filed a Petition for adoption of the competitively discovered tariff and approval of the MTPP PPA, as under:

- 100 MW RTC power tied-up with Jindal Power Ltd. – Shirpur TPP @ Rs. 5.36/kWh for the period from 01.04.2025 to 31.05.2027;
- 125 MW RTC power tied-up with Dhariwal Infrastructure Ltd. @ Rs. 5.47/kWh for the period from 01.04.2025 to 31.05.2027;
- 50 MW RTC power tied-up with Tata Power Trading Co. Ltd. (TPTCL) @ Rs. 5.47/kWh for the period from 01.04.2025 to 31.05.2027.

Thus, against the bid quantum of 500 MW, AEML-D has been successful in tying up Medium-Term power for 275 MW at a rate lower than the rate of Rs. 5.50/kWh envisaged at the time of filing the Petition, though the quantum of power has reduced. Though the above-said Petition is yet to be processed by the Commission, the Commission deems it fit to consider the above-discovered rates and quantum for the purpose of approving the power purchase for the Control Period, as this is more authentic data as compared to the estimation

made in the Petition. At the same time, it is clarified that consideration of such quantum and rate in this MYT Order for the purpose of determination of ARR and Tariff does not amount to deemed approval of the PPAs and adoption of the rates discovered through competitive bidding. The Commission shall process the Petition filed by AEML-D under the due regulatory procedure.

Accordingly, the Commission has considered the quantum of 100 MW @ Rs. 5.36/kWh (Jindal Power) and quantum of 175 MW @ Rs. 5.47/kWh (Dhariwal + TPTCL), as against the quantum of 500 MW @ Rs. 5.50/kWh proposed in AEML-D's MYT Petition.

Also, the Commission has observed that AEML-D has considered the entire 500 MW at 100% PLF based on past trend, which cannot be considered at projection stage. Also, in this case incentive will also have to be projected. Therefore, the Commission has considered the quantum of power purchase at 85% PLF for the period from 1<sup>st</sup> April 2025 to 31<sup>st</sup> May 2027, which shall be trued up at actuals. Further, the Commission has considered the rate of power as discovered through competitive bidding.

The quantum and cost of power purchase from MTPP source approved by the Commission for FY 2025-26 to FY 2027-28 is shown in the Table below:

**Table 5-23: Power Purchase from MTPP approved for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>PP Quantum (MU)</b>					
Jindal Power – 100 MW	744.60	744.60	122.40	-	-
Dhariwal + TPTCL – 175 MW	1303.05	1303.05	214.20	-	-
<b>Sub-total</b>	<b>2047.65</b>	<b>2047.65</b>	<b>336.60</b>	-	-
<b>PP Cost (Rs. Crore)</b>					
Jindal Power – 100 MW	399.11	399.11	65.61	-	-
Dhariwal + TPTCL – 175 MW	712.77	712.77	117.17	-	-
<b>Sub-total</b>	<b>1111.87</b>	<b>1111.87</b>	<b>182.77</b>	-	-
<b>PP Rate (Rs. /kWh)</b>					
Jindal Power – 100 MW	5.36	5.36	5.36	-	-
Dhariwal + TPTCL – 175 MW	5.47	5.47	5.47	-	-
<b>Total</b>	<b>5.43</b>	<b>5.43</b>	<b>5.43</b>	-	-

### 5.5.9 RE+Thermal RTC

#### *AEML-D's Submission*

AEML-D submitted that it has filed Case No. 140 of 2024 in August 2024 before the Commission seeking approval of deviations under Long-Term procurement of power of 1500 MW (750 MW + additional 750 MW under Green Shoe Option). Accordingly, Commission vide Order dated 26-12-2024 in the said Case No. 140 of 2024 has accepted

the deviations sought by AEML-D. Therefore, AEML-D shall proceed with initiating bidding with the modified bid documents and expects to attract participation from the bidders. Therefore, AEML-D has projected power procurement from RE-RTC source in the ensuing Control Period. Also, the proposed MTPP is till May 2027 (FY 2027-28), the power purchase from RE-RTC is projected to be from June 2027 (FY 2027-28). AEML-D has projected power purchase at the rate of Rs. 5.50 per unit, the basis for which has been provided in the earlier section.

### ***Commission's Analysis and Ruling***

AEML-D filed Petition before the Commission seeking approval of deviations under Long-Term procurement of power 1500 MW (750 MW + additional 750 MW under Green Shoe Option) from grid connected Renewable Energy Power Projects, complemented with Power from any other Source on Round the Clock (RTC) basis, under Tariff-based Competitive Bidding process. Accordingly, Commission vide Order dated 26-12-2024 in Case No. 140 of 2024 has accepted the deviations sought by AEML-D.

However, the Commission has directed AEML-D through its Order in Case no. 140 of 2024, to enter PPA with ADTPS (500 MW) for the period from 01.04.2025 to 31.03.2030. Along with, the Commission has also directed to revisit the RE RTC quantum in view of PPA with ADTPS up to FY30.

Since, AEML-D has extended the PPA with ADTPS under the Commission's direction till FY 2029-30, the generation from ADTPS will be available to AEML-D. Hence, the Commission has considered purchase of only 50% of the quantum as projected by AEML-D for 10 months of FY 2027-28 (after expiry of MTPP PPAs), and full FY 2028-29 and FY 2029-30 from RE+Thermal RTC. The Commission has considered the rate as Rs. 4.50/kWh, based on the result of recent competitive bidding.

The Commission thus, approves the quantum and cost of power purchase from RE+Thermal RTC as follows:

**Table 5-24: Power Purchase from RE+Thermal RTC approved for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	-	-	3395.54	4152.72	4198.63
PP Rate (Rs. /kWh)	-	-	4.50	4.50	4.50
<b>PP Cost (Rs. Crore)</b>	<b>-</b>	<b>-</b>	<b>1527.99</b>	<b>1868.72</b>	<b>1889.38</b>

### 5.5.10 Solar Power Purchase from SECI

#### *AEML-D's Submission*

AEML-D has filed a Petition being Case No. 166 of 2024 before the Commission for adoption of tariff discovered under competitive bidding process conducted vide RFS No. SECI/C&P/IPP/11/0009/22-23 dated 31-03-2023 issued by Solar Energy Corporation of India (SECI) for procurement of 50 MW ISTS connected solar power under ISTS – Tranche – XI. The PSA has been signed with SECI for power purchase from 01-04-2026 and the tariff considered is Rs. 2.67/kWh.

#### *Commission's Analysis and Ruling*

The Commission has considered the power procurement from FY 2026-27 onwards as per submission made by AEML-D and the Petition filed before the Commission for adoption of tariff discovered under competitive bidding process. However, the final rate shall depend on the Order issued by the Commission on the above-said Petition. As per the PSA signed with SECI for power purchase from 01-04-2026 and the tariff at Rs. 2.67/kWh, the Commission has considered the quantum and rate as projected by AEML-D for the period from FY 2026-27 to FY 2029-30.

The Commission thus, approves the quantum and cost of power purchase from SECI as follows:

**Table 5-25: Power Purchase from SECI approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	-	115.88	116.23	115.88	115.88
PP Rate (Rs. /kWh)	-	2.67	2.67	2.67	2.67
PP Cost (Rs. Crore)	-	30.94	31.03	30.94	30.94

### 5.5.11 Wind Power - JSW Neo Energy Limited

#### *AEML-D's Submission*

AEML-D has submitted that it has filed a Petition before the Commission for adoption of tariff for procurement of 250 MW Wind power under Tariff-based competitive bidding process on long term basis with JSW Neo Energy Limited. AEML-D has considered the tariff at Rs. 3.65/kWh. The plant commissioning is expected by January 2027. Hence, the RE power purchase is projected by AEML-D from FY 2026-27 onwards.

#### *Commission's Analysis and Ruling*

The Commission considered the projection and the rate of power as per submission made by AEML-D and the Petition filed by AEMLD for adoption of tariff. However, the final rate shall depend on the Order issued by the Commission on the above-said Petition



Accordingly, the Commission approves the quantum and rate of power for the Control period as per Table below:

**Table 5-26: Power Purchase from JSW Neo Energy Limited approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	-	114.32	740.15	738.54	738.54
PP Rate (Rs. /kWh)	-	3.65	3.65	3.65	3.65
PP Cost (Rs. Crore)	-	41.73	270.15	269.57	269.57

### 5.5.12 Short-Term Power Purchase of RE Non-Solar

#### *AEML-D's Submission*

AEML-D submitted that it has already mentioned in the earlier Truing-up section of FY 2023-24 and Provisional Truing-up of FY 2024-25, that AEML-D has entered into LOIs for purchase of short-term RE (Non-solar power) up to 500 MW. Further, AEML-D is in the process of expanding this portfolio and is looking to enter into Agreements with other such short-term RE generators in the State of Maharashtra. Accordingly, AEML-D estimated that it shall be able to contract for 1,000 MW of power from such short-term RE (Non-solar) sources and shall be able to renew these contracts appropriately to sustain them over the new Control Period. Accordingly, for each year of the Control Period, energy requirement corresponding to 1000 MW RE (Non-solar power) has been considered at the rate of Rs. 2.97/kWh.

#### *Commission's Analysis and Ruling*

The Commission observed that the cost of power from short term Non-solar RE purchase has been estimated by AEML-D based on the existing short-term contracts tied-up by AEML-D in the Control Period. However, in the Petition, AEML-D has considered the capacity as 1000 MW, though it has tied up only 600 MW. The Commission is of the view that such over-projection of power purchase from cheaper sources may result in artificially suppressing the power purchase costs and consequently the ARR and tariff. Hence, the Commission has considered only 60% of the purchase quantum projected by AEML-D, at the rate prevalent at present, for the fifth Control period.

The Commission thus approves the quantum and cost of power purchase from short term Non-solar RE as follows:

**Table 5-27: Power Purchase from Short term Non-solar RE approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	1066.97	1066.97	1069.28	1066.97	1066.97



Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Rate (Rs. /kWh)	2.97	2.97	2.97	2.97	2.97
PP Cost (Rs. Crore)	316.89	316.89	317.58	316.89	316.89

### 5.5.13 Banking Power

#### *AEML-D's Submission*

AEML-D has projected the banking quantum for FY 2025-26 as per the terms and conditions of the existing Banking arrangements. Further, AEML-D has proposed to enter into Banking arrangements for catering to its peak demand in the peak season (evening hours) and returning of the power in the off-peak season (generally July to September). The return of power banked with AEML-D will be from the existing portfolio of AEML-D and hence, no separate cost for the same is being considered. However, at the time of banking of the power, T-GNA charges shall be incurred and hence T-GNA charges of ~ Rs. 0.50/unit are considered.

#### *Commission's Analysis and Ruling*

The Commission has analysed the submission related to banking projected by AEML-D. Accordingly, the Commission has computed the reverse and forward banking which is as below:

Banking MU Summary	Reverse [received by AEML-D] (MU)	Forward [given by AEML-D] (MU)	Net (MU)
FY 24-25 H2	306.60		306.60
FY26	737.35	(271.36)	465.98
FY27	1,156.68	(832.96)	323.71
FY28	516.55	(1,306.67)	(790.12)
FY29	235.46	(583.53)	(348.07)
FY30	-	(265.99)	(265.99)

The Commission in line with AEML-D submission has also not considered any separate cost for forward banking as the return of power banked with AEML-D will be from the existing portfolio of AEML-D. The Commission has asked AEML-D in the Data Gap regarding clarification of T-GNA charges to be considered, to which AEML-D replied that it is Rs. 0.51/kWh and accordingly the Commission has considered T-GNA charges at the time of banking of the power of Rs. 0.51/unit.

The Commission thus, approves the quantum and cost of banking for the Control period as follows:

**Table 5-28: Banking approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Reverse (MU)	737.35	1156.68	516.55	235.46	-
Forward (MU)	(271.36)	(832.96)	(1306.67)	(583.53)	(265.99)
Net (MU)	465.98	323.71	(790.12)	(348.07)	(265.99)
Cost (Rs. Crore)	37.60	58.99	26.34	12.01	-

#### 5.5.14 Battery Energy Storage System (BESS)

##### *AEML-D's Submission*

AEML-D has submitted that the Commission has given in-principle approval to AEML-D for 'Commissioning of 51 MW / 65.7 MWh Battery Energy Storage System' for Rs. 219.97 Crore vide letter reference MERC/CAPEX/2023-24/0386 dated 24-07-2023. Based on the same, AEML-D has projected the 'Discharge' and 'Charge' quantum for each year of the Control Period.

AEML-D for FY 2029-30 has projected the purchase of power either through PSP (500 MW + 250 MW Green Shoe option Energy Storage Capacity - for 8 Hours discharge with maximum 5 hours continuous discharge, for 40 years from ISTS/InSTS connected Pumped Hydro Storage Plants) OR through installation of additional BESS capacity. Once, the details of the same as and when finalised, AEML-D will appropriately approach the Commission for its approval.

##### *Commission's Analysis and Ruling*

The Commission has considered the quantum as projected by AEML-D for both 'Charge' and 'Discharge'. As the Commission has already approved the cost of BESS project in the Capex, thus Commission has not considered any cost in the power purchase pertaining to BESS.

##### **PSP/BESS (FY 2029-30)**

The Commission for projection purpose has provisionally considered the quantum and cost related to PSP power purchase in line with AEML-D.

The Commission thus, approves the quantum and cost of BESS/PSP for the Control period as follows:

**Table 5-29: BESS approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PSP - Charge (MU)	-	-	-	-	(1963.48)
PSP - Discharge (MU)	-	-	-	-	1460.00
BESS (Net of Discharge & Charge)	(12.05)	(12.05)	(12.08)	(12.05)	(12.05)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cost (Rs. Crore)	-	-	-	-	470.12

### 5.5.15 Short-Term Power Purchase

#### *AEML-D's Submission*

AEML-D has projected the hourly demand and generation availability from various sources as described above and determined the surplus and shortfall in energy on an hourly basis for FY 2025-26 to FY 2029-30. AEML-D has considered the energy shortfall to be met through purchase from short-term sources at the rate of Rs. 5/kWh for FY 2025-26 to FY 2028-29 and any surplus sale also at the rate of Rs. 5/kWh.

For FY 2029-30, majority of the shortfall power during the evening hours will be met through PSP/BESS. Further, the shortfall during other hours of the day and power required for pumping/charging will be during the Solar hours. Hence, the rate considered for FY 2029-30 is Rs. 4.50/kWh. The rate of sale of surplus power is also assumed to be Rs. 4.50/kWh for FY 2029-30.

#### *Commission's Analysis and Ruling*

The Commission has computed the balance amount of energy required after taking into account all the long-term/medium-term sources tied-up by AEML-D for FY 2025-26 to FY 2029-30, which has been considered as purchase from short-term sources. The Commission has considered the rate of Rs. 4.33 per unit, based on the actual avg. rate in IEX for FY 2024-25, i.e., from Apr 1, 2024 till 5th March 2025.

Also, the Commission has not considered any quantum as surplus sale for the fifth Control period as the Commission has adjusted the entire quantum shortfall out of total quantum power procurement requirement at G-T periphery as the purchase of short term quantum as discussed in this section.

The following Table shows the power purchase quantum and cost considered from short-term sources:

**Table 5-30: Short Term Power Purchase Cost approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
PP Quantum (MU)	3201.66	3829.32	3363.30	3319.08	4562.42
PP Rate (Rs. /kWh)	4.33	4.33	4.33	4.33	4.33
PP Cost (Rs. Crore)	1386.32	1658.10	1456.31	1437.16	1975.53

### **5.5.16 Imbalance Pool**

#### ***AEML-D's Submission***

No increment/ decrement to the DSM pool has been estimated for FY 2025-26 to FY 2029-30, as the same would be included in the hourly deficit/ surplus as forecast and thus, no associated cost has been considered. Actuals, if any, would be submitted at the time of truing up.

#### ***Commission's Analysis and Ruling***

The Commission has not considered any quantum and cost from the DSM Pool for FY 2025-26 to FY 2029-30, as the same cannot be estimated, and shall be considered at the time of truing up for the respective years.

### **5.5.17 Standby Charges**

#### ***AEML-D's Submission***

AEML-D submitted that as stated in the earlier Section on truing up for FY 2022-23, it has stopped availing the Standby facility from MSEDCL. In view of the same, AEML-D has not projected the Standby Charges for each year of the Control Period.

#### ***Commission's Analysis and Ruling***

As the matter of payment of Standby Charges is being decided by the Commission separately, in accordance with the directions of the Hon'ble APTEL, the Commission has not considered any cost related to Standby Charges in the ARR of AEML-D for FY 2025-26 to FY 2029-30. However, this is subject to the final decision of the Commission in Case No. 01/MP/2024 after due regulatory proceedings and after hearing all the Parties concerned.

### **5.5.18 Transmission Charges**

#### ***AEML-D's Submission***

AEML-D has considered the Transmission Charges based on the InSTS MYT Petition of STU filed under Case No. 208 of 2024. However, the Commission may be noted that the proposed transmission charges are significantly higher than the current, leading to a tariff increase for distribution utilities.

#### ***Commission's Analysis and Ruling***

The Commission has considered the Transmission Charges for FY 2025-26 to FY 2029-30 in line with the share of AEML-D as approved in the InSTS Order dated 28<sup>th</sup> March 2025 in Case No. 208 of 2024 for FY 2025-26 to FY 2029-30. The following Table shows the approved Transmission Charges for AEML-D:

**Table 5-31: Transmission Charges approved by the Commission 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	884.14	689.37	754.33	790.57	818.55

#### 5.5.19 SLDC Charges

##### *AEML-D's Submission*

AEML-D has considered the SLDC Charges based on the MYT Petition of MSLDC filed under Case No. 186 of 2024.

##### *Commission's Analysis and Ruling*

The Commission has considered the MSLDC Charges for FY 2025-26 to FY 2029-30 in line with the share of AEML-D as approved in the MSLDC Order dated 28<sup>th</sup> March 2025 in Case No. 186 of 2024 for FY 2025-26 to FY 2029-30. The following Table shows the approved MSLDC Charges for AEML-D:

**Table 5-32: MSLDC Charges approved by the Commission 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
SLDC Charges	2.07	2.15	2.48	2.78	3.05

#### 5.5.20 STU Fees & Charges

##### *AEML-D's Submission*

STU fees and charges are considered as per the MYT Petition filed by the STU for determination of fees and charges as per MYT Regulations 2024, under Case No. 183 of 2024.

##### *Commission's Analysis and Ruling*

The Commission has considered the STU Fees & Charges for FY 2025-26 to FY 2029-30 in line with the share of AEML-D as approved in the STU Order dated 28<sup>th</sup> March 2025 in Case No. 183 of 2024 for FY 2025-26 to FY 2029-30. The following Table shows the approved STU Fees & Charges for AEML-D:

**Table 5-33: STU Fees & Charges approved by the Commission 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
STU Fees & Charges	0.59	0.64	0.66	0.65	0.62

### 5.5.21 GNA & T-GNA Charges

#### *AEML-D's Submission*

AEML-D has submitted that the summation of the monthly GNA bills received for the period October 2023 to September 2024 amounts to ~ Rs. 134 crore on annual basis for the GNA capacity of ~ 728 MW and thus, for FY 2025-26, the GNA charges are projected at ~ Rs. 134 Crore. For the period from FY 2026-27 onwards, AEML-D has applied for additional GNA for 50 MW RE Solar (SECI). Thus, prorating the same, the projected GNA charges are ~ Rs. 144 Crore for capacity of ~ 778 MW.

Further additional GNA will be applied based on RE-RTC/PSP plant location, depending on whether the source is Intra-State or Inter-State. At present the quantum of power on which TGNA charges will be applicable cannot be estimated as it depends on whether the source is Intra-State or Inter-State and hence, TGNA charges have not been considered in the ARR. Once the actuals are known, the same will be included as part of power purchase cost at the time of truing-up.

#### *Commission's Analysis and Ruling*

The Commission has considered the GNA charges as projected by AEML-D for the Control period in line with AEML-D, however, the prudence check of the same will be done at the time of truing up of that particular year.

The following Table shows the approved GNA Charges for AEML-D for the Control period:

**Table 5-34: GNA Charges approved by the Commission 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
GNA Charges	134.00	144.00	144.00	144.00	144.00

### 5.5.22 Summary of Power Purchase

#### *AEML-D's Submission*

AEML-D submitted the following power purchase quantum and cost for the Control period based on the discussions made in above sections:

**Table 5-35: Power Purchase Cost Projected by AEML-D for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)
ADTPS	2,100.00	1,642.08	7.82	2,100.00	1,655.65	7.88	2,106.00	1,736.29	8.24	2,100.00	1,807.00	8.60	2,100.00	1,862.90	8.87
DSPPL	56.83	58.54	10.30	56.83	58.54	10.30	57.02	58.73	10.30	56.83	58.54	10.30	56.83	58.54	10.30
JSW Renewable	49.01	28.47	5.81	12.98	7.54	5.81									
Tembhu	9.00	3.83	4.26	9.00	3.83	4.26	9.03	3.85	4.26	9.00	3.83	4.26	9.00	3.83	4.26
Wind-Solar Hybrid	3,067.60	993.90	3.24	3,067.60	993.90	3.24	3,077.15	997.00	3.24	3,067.60	993.90	3.24	3,067.60	993.90	3.24
Short Term RE	1,778.29	528.15	2.97	1,778.29	528.15	2.97	1,782.14	529.30	2.97	1,778.29	528.15	2.97	1,778.29	528.15	2.97
Banking															
BESS (net)	(12.05)			(12.05)			(12.08)			(12.05)			(12.05)		
JSW Neo Wind				114.32	41.73	3.65	740.15	270.15	3.65	738.54	269.57	3.65	738.54	269.57	3.65
SECI Solar				115.88	30.94	2.67	116.23	31.03	2.67	115.88	30.94	2.67	115.88	30.94	2.67
MTPP	4,380.00	2,409.00	5.50	4,380.00	2,409.00	5.50	732.00	402.60	5.50						
RE-RTC							6,791.09	3,735.10	5.50	8,305.44	4,567.99	5.50	8,397.25	4,618.49	5.50
Banking	737.35	37.60	0.51	1,156.58	58.99	0.51	516.55	26.34	0.51	235.46	12.01	0.51			
Banking	138.93	7.09	0.51												
Banking	(410.30)			(832.96)			(1,306.67)			(583.53)			(265.99)		
PSP / BESS													(503.48)	470.12	
Short term purchase	1,771.44	885.72	5.00	2,871.64	1,435.82	5.00	1,690.55	845.27	5.00	1,674.05	837.03	5.00	3,127.08	1,407.19	4.50
Surplus sale	(357.31)	(178.66)	5.00	(214.37)	(107.18)	5.00	(378.21)	(189.11)	5.00	(247.70)	(123.85)	5.00	(313.00)	(140.85)	4.50
GNA / TGNA		134.00			144.00			144.00			144.00			144.00	
<b>Total</b>	<b>13,308.79</b>	<b>6,549.74</b>	<b>4.92</b>	<b>14,603.83</b>	<b>7,260.90</b>	<b>4.97</b>	<b>15,920.95</b>	<b>8,590.56</b>	<b>5.40</b>	<b>17,237.81</b>	<b>9,129.11</b>	<b>5.30</b>	<b>18,295.95</b>	<b>10,246.77</b>	<b>5.60</b>
Transmission chares		843.91			750.43			886.79			1,004.47			1,101.46	
SLDC charges		2.35			3.27			4.77			5.80			6.55	
STU fees & charges		0.54			0.56			0.56			0.57			0.56	
<b>Total</b>	<b>13,308.79</b>	<b>7,396.54</b>	<b>5.56</b>	<b>14,603.83</b>	<b>8,015.16</b>	<b>5.49</b>	<b>15,920.95</b>	<b>9,482.69</b>	<b>5.96</b>	<b>17,237.81</b>	<b>10,139.95</b>	<b>5.88</b>	<b>18,295.95</b>	<b>11,355.34</b>	<b>6.21</b>

**Commission's Analysis and Ruling**

Based on the analysis elaborated above, the Commission has approved the Power Purchase quantum and cost for FY 2025-26 to FY 2029-30 as given in the Table Below:

**Table 5-36: Power Purchase Quantum and Cost approved by the Commission for FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)
ADTPS	2,100.00	1,370.90	6.53	2,100.00	1,414.11	6.73	2,106.00	1,462.52	6.94	2,100.00	1,502.39	7.15	2,100.00	1,546.55	7.36
DSPPL	56.83	58.54	10.30	56.83	58.54	10.30	57.02	58.73	10.30	56.83	58.54	10.30	56.83	58.54	10.30
JSW Renewable	49.01	28.47	5.81	12.98	7.54	5.81									
Tembhu	9.00	3.83	4.26	9.00	3.83	4.26	9.03	3.85	4.26	9.00	3.83	4.26	9.00	3.83	4.26
Wind-Solar Hybrid	3,067.60	993.90	3.24	3,067.60	993.90	3.24	3,077.15	997.00	3.24	3,067.60	993.90	3.24	3,067.60	993.90	3.24
Short Term RE	1,066.97	316.89	2.97	1,066.97	316.89	2.97	1,069.28	317.58	2.97	1,066.97	316.89	2.97	1,066.97	316.89	2.97
BESS (net)	(12.05)	-	-	(12.05)	-	-	(12.08)	-	-	(12.05)	-	-	(12.05)	-	-
JSW Neo Wind				114.32	41.73	3.65	740.15	270.15	3.65	738.54	269.57	3.65	738.54	269.57	3.65
SECI Solar				115.88	30.94	2.67	116.23	31.03	2.67	115.88	30.94	2.67	115.88	30.94	2.67
MTPP – Jindal	744.60	399.11	5.36	744.60	399.11	5.36	122.40	65.61	5.36	-	-	-	-	-	-
MTPP – Dhariwal + TPTCL	1,303.05	712.77	5.47	1,303.05	712.77	5.47	214.20	117.17	5.47	-	-	-	-	-	-
RE-RTC							3395.54	1527.99	4.50	4,152.72	1,868.72	4.50	4,198.63	1,889.38	4.50
Banking	737.35	37.60	0.51	1156.68	58.99	0.51	516.55	26.34	0.51	235.46	12.01	0.51	-	-	-
Banking	(271.36)			(832.96)	-	-	(1306.67)	-	-	(583.53)	-	-	(265.99)	-	-
PSP / BESS													(503.48)	470.12	3.22
Short term purchase	3201.66	1,386.32	4.33	3829.32	1658.10	4.33	3363.30	1,456.31	4.33	3319.08	1,437.16	4.33	4562.42	1,975.53	4.33
Surplus sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GNA / TGNA		134.00			144.00			144.00			144.00			144.00	
<b>Total</b>	<b>12,052.66</b>	<b>5,442.33</b>	<b>4.52</b>	<b>12,732.21</b>	<b>5840.44</b>	<b>4.59</b>	<b>13,468.12</b>	<b>6,478.28</b>	<b>4.81</b>	<b>14,266.51</b>	<b>6,637.96</b>	<b>4.65</b>	<b>15,134.35</b>	<b>7,699.25</b>	<b>5.09</b>
Transmission chares		884.14			689.37			754.33			790.57			818.55	



Particulars	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)	Quantum (MU)	Cost (Rs. Crore)	Rate (Rs./u)
SLDC charges		2.07			2.15			2.48			2.78			3.05	
STU fees & charges		0.59			0.64			0.66			0.65			0.62	
<b>Total</b>	<b>12,052.66</b>	<b>6,329.14</b>	<b>5.25</b>	<b>12,732.21</b>	<b>6,532.61</b>	<b>5.13</b>	<b>13,468.12</b>	<b>7,235.75</b>	<b>5.37</b>	<b>14,266.51</b>	<b>7,431.96</b>	<b>5.21</b>	<b>15,134.35</b>	<b>8,521.48</b>	<b>5.63</b>

### 5.5.23 RPO for Fifth Control Period

#### AEML-D's Submission

AEML-D submitted that as per the RPO Regulations, 2024, AEML-D is in the process of making arrangements for meeting the RPO targets and the expected fulfilment of the RPO during the Control Period is as follows:

**Table 5-37: RPO for FY 2025-26 to FY 2029-30 as submitted by AEML-D**

	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>
<b>Energy MU at G&lt;T level</b>	<b>13,308.79</b>	<b>14,603.83</b>	<b>15,920.95</b>	<b>17,237.81</b>	<b>18,295.95</b>
	<b>Target RPO</b>				
Wind RPO	192.98	287.70	390.06	508.52	636.70
HPO	162.37	195.69	226.08	244.78	243.34
Distributed RPO	279.48	394.30	525.39	672.27	823.32
Other RPO	3,758.40	4,372.39	5,037.39	5,705.72	6,224.28
Total RPO	4,393.23	5,250.08	6,178.92	7,131.28	7,927.64
RPO obligation excluding Distributed RPO (A)	4,113.75	4,855.77	5,653.53	6,459.01	7,104.32
	<b>Estimated achievement</b>				
Distributed RPO *	279.48	394.30	525.39	672.27	823.32
Balance ST Non-solar RE after meeting Distributed RPO obligation (a)	1,498.80	1,383.98	1,256.75	1,106.01	954.97
DSPPL (b)	56.83	56.83	57.02	56.83	56.83
JSW RE (c)	49.01	12.98			
Tembhu (d)	9.00	9.00	9.03	9.00	9.00
Wind Solar Hybrid (e)	3,067.60	3,067.60	3,077.15	3,067.60	3,067.60
SECI Solar (f)		115.88	116.23	115.88	115.88
JSW Neo Wind (g)		114.32	740.15	738.54	738.54
RE component (51%) of RE RTC (h)			3,463.45	4,235.78	4,282.60
<b>Other RPO + Wind + HPO (B) = (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	<b>4,681.24</b>	<b>4,760.58</b>	<b>8,719.79</b>	<b>9,329.64</b>	<b>9,225.42</b>
Shortfall / (surplus) of Other RPO + Wind + HPO (A-B)	(567.49)	95.19	(3,066.26)	(2,870.63)	(2,121.10)

*\*AEML-D submitted that Short-term RE purchase is projected to be from less than 10 MW RE plants, hence Distributed RPO is considered as met fully. Balance quantum is considered as being met towards Other RPO.*

Further, AEML-D submitted that as elaborated in the Section pertaining to provisional truing-up for FY 2024-25, the opening shortfall for FY 2024-25 may be considered at

3,412.88 MU and there is estimated standalone surplus of ~ 191.66 MU for FY 2024-25. Considering the above, the RPO status at the end of the Control Period is as follows:

**Table 5-38: RPO status at the end of Control Period as submitted by AEML-D**

Particulars	MU
Opening shortfall for FY 2024-25	3,412.88
Estimated standalone surplus for FY 2024-25	(191.66)
Projected cumulative surplus for the Control Period (from above table)	(8,530.29)
Net projected surplus at the end of the Control Period	(5,309.08)

AEML-D requested the Commission to permit AEML-D to cumulatively meet the shortfall (till the close of FY 2023-24) till the end of the next Control Period. However, by the end of the Control Period, there will be no shortfall towards meeting the RPO targets as can be seen from the above table.

### **ESO Obligation**

The Commission, in the amended RPO Regulations, 2024 has introduced new Regulation 7.7 related to the 'Energy Storage Obligation' (ESO). The storage percentage of total energy consumed as per the said amendment is as follows:

**Table 5-39: ESO for FY 2025-26 to FY 2029-30 as submitted by AEML-D**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
ESO target	2%	2.5%	3%	3.5%	4%
ESO target (MU)	266.18	365.10	477.63	603.32	731.84
Estimated achievement (MU)	48.18	48.18	48.31	48.18	1,508.18
BESS	48.18	48.18	48.31	48.18	48.18
PSP / BESS					1,460.00
Shortfall / (surplus)	218.00	316.92	429.32	555.14	(776.34)
Cumulative shortfall for the Control Period					743.03
FY 2024-25 shortfall					182.43
Total shortfall					925.46

As per submission by AEML-D, AEML-D is optimistic that it will be able to bridge the shortfall and requested the Commission to consider the same.

### ***Commission's Analysis and Ruling***

From FY 2024-25 onwards, the RPO shall be regulated as per RPO Regulations, 2024. The RPO Regulations, 2024, specify the RPO targets in four categories, viz., Wind RPO, HPO, Distributed RPO, and 'Other RPO'. Accordingly, the RPO Target for individual basket and total RPO for the Control Period is as below Table:

**Table 5-40: RPO Target for FY 2025-26 to FY 2029-30**

<b>FY</b>	<b>Wind RPO</b>	<b>HPO</b>	<b>Distributed RPO</b>	<b>Other RPO</b>	<b>Total RPO</b>
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%

As stated in the Chapter on Provisional Truing up for FY 2024-25, Regulation 12.3 of RPO Regulations, 2024, specifies as below:

“

*Provided further that, post FY 2023-24, any cumulative shortfall in RE procurement shall not be carried forward for next year and shall be adjusted by imposing reduction in Aggregate Revenue Requirement for Distribution Licensees and imposing penalty for other Obligated Entities:*

*Provided also that, if Obligated Entity is able to demonstrate that even after taking all possible measures including procurement of RECs, it is not able to meet RPO target, then the Commission may reduce the penalty amount or allow carry forward of shortfall subject to conditions as may be stipulated in that Order.”(emphasis added)*

Hence, AEML-D has to ensure that it complies with the RPO targets for FY 2024-25 as well as the past shortfall in FY 2024-25 itself, else, the Commission will be constrained to impose the penalty as specified above, at the time of truing up of FY 2024-25.

Hence, the Commission has not carried forward the RPO shortfall of the present Control Period to the next Control Period, and has accounted for only the RPO requirement for each year of the Control Period, as shown in the Table below:

**Table 5-41: RPO Target vs. Estimated Achievement for FY 2025-26 to FY 2029-30 as approved by the Commission**

<b>Particulars</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>
<b>Energy MU at G&lt;&gt;T level</b>	<b>12,052.66</b>	<b>12,732.21</b>	<b>13,468.12</b>	<b>14,266.51</b>	<b>15,134.35</b>
	<b>Target RPO</b>				
Wind RPO	174.76	250.82	329.97	420.86	526.68
HPO	147.04	170.61	191.25	202.58	201.29
Distributed RPO	253.11	343.77	444.45	556.39	681.05
Other RPO	3403.67	3812.02	4261.31	4722.22	5148.70
<b>Total RPO</b>	<b>3978.58</b>	<b>4577.23</b>	<b>5226.98</b>	<b>5900.63</b>	<b>6557.71</b>
<b>Estimated achievement</b>					
Wind RPO	-	-	-	-	-

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
HPO	-	-	-	-	-
Distributed RPO	279.48	394.30	525.39	672.27	823.32
<b>Other RPO</b>					
Balance ST Non-solar RE after meeting Distributed RPO obligation (a)	787.49	672.67	541.58	394.70	243.65
DSPPL (b)	56.83	56.83	57.02	56.83	56.83
JSW RE (c)	49.01	12.98			
Tembhu (d)	9.00	9.00	9.03	9.00	9.00
Wind Solar Hybrid (e)	3,067.60	3,067.60	3,077.15	3,067.60	3,067.60
SECI Solar (f)		115.88	116.23	115.88	115.88
JSW Neo Wind (g)		114.32	740.15	738.54	738.54
RE component (51%) of RE RTC (h)			1731.73	2,117.89	2,141.30
<b>Other RPO (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	3969.93	4049.27	6272.90	6500.44	6372.80
<b>Other RPO + Wind + HPO (B) + Distributed RPO</b>	<b>4249.41</b>	<b>4443.57</b>	<b>6798.29</b>	<b>7172.71</b>	<b>7196.12</b>
Standalone shortfall/(surplus)	<b>(270.83)</b>	<b>133.66</b>	<b>(1571.31)</b>	<b>(1270.65)</b>	<b>(638.41)</b>

### ESO Obligation

The Commission has calculated the ESO as per amended RPO Regulations, 2024 Regulation 7.7 related to the 'Energy Storage Obligation' (ESO). The Commission has approved the ESO for the FY 2024-25 to FY 2029-30 as below the Table:

**Table 5-42: ESO for FY 2024-25 to FY 2029-30 as approved by the Commission**

Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
ESO target	1.5%	2%	2.5%	3%	3.5%	4%
ESO target (MU)	173.37	241.05	318.31	404.04	499.33	605.37
Estimated achievement (MU)	0	12.05	12.05	12.05	12.05	1975.53
Shortfall / (surplus)	173.37	229.00	306.26	391.96	487.28	(1370.16)
Cumulative shortfall/(surplus) for the Control Period						217.72

## **5.6 OPERATION AND MAINTENANCE EXPENSES**

### *AEML-D's Submission*

#### **O&M Expenses for Wires Business**

AEML-D submitted that Regulations 93.1 and 93.2 of the MYT Regulations, 2024 provide for normative O&M for Wires Business by considering the average GFA and the closing

number of wheeling consumers. The relevant extract from the Regulations regarding allowance of normative O&M cost is as follows:

*“93.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Distribution Wires Business as specified in the norms below for each year of the Control Period:*

*Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Distribution Wires Business (in INR Crore) shall be multiplied by the O&M Norms in terms of “percentage of Average GFA”, for the respective years.*

*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.*

....

<b>AEML-D</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>
<i>O&amp;M (% of Average GFA – Wires)</i>	9.56%	9.99%	10.44%	10.91%	11.40%
<i>O&amp;M (INR Lakhs/’000 Consumers)</i>	3.23	3.38	3.53	3.69	3.85

....”

AEML-D submitted that, for the purpose of considering average GFA, the closing GFA as at the end of FY 2024-25 is considered as the opening GFA for FY 2025-26. Asset addition for each year of the Control Period is considered equal to the capitalisation proposed for the respective years. Closing GFA is worked out accordingly, without considering any retirement of assets. The average GFA is then worked out and the O&M norms for GFA pertaining to Wires Business is applied to arrive at the normative O&M for Wires Business pertaining to average GFA. The normative O&M cost pertaining to GFA is worked out as shown in the Table below:

**Table 5-43: Projected O&M based on Average GFA for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

<b>Particulars</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>
Opening GFA	11,263.06	12,462.38	13,849.38	15,348.90	17,035.63
Addition during the year	1,199.31	1,387.01	1,499.52	1,686.72	1,588.67
Closing GFA	12,462.38	13,849.38	15,348.90	17,035.63	18,624.30
Average GFA	11,862.72	13,155.88	14,599.14	16,192.26	17,829.96
O&M as % of average GFA	9.56%	9.99%	10.44%	10.91%	11.40%
<b>Normative O&amp;M Cost</b>	<b>1,134.08</b>	<b>1,314.27</b>	<b>1,524.15</b>	<b>1,766.58</b>	<b>2,032.62</b>

Further, for the purpose of considering the closing wheeling consumers, the following steps have been followed:

For own consumers, AEML-D has estimated the closing balance of own consumers for FY 2024-25. For estimating the closing balance of own consumers for each year of the Control Period, AEML-D has worked out category-wise 3-year and 5-year CAGR of consumer growth from FY 2016-17 to FY 2023-24 and accordingly, the category-wise CAGR is considered. This is then applied to FY 2024-25 closing category-wise consumers to arrive at the closing category-wise own consumers for each year of the Control Period.

For changeover consumers, AEML-D has considered the closing balance of changeover consumers for FY 2023-24 for each year of the Control Period.

The normative O&M cost pertaining to number of consumers is worked out as shown in the Table below:

**Table 5-44: Projected O&M cost based on number of consumers for Wires Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Closing balance of own consumers (Nos.)	27,07,576	27,50,154	27,94,897	28,42,017	28,91,756
Closing balance of changeover consumers (Nos.)	5,41,867	5,41,867	5,41,867	5,41,867	5,41,867
Closing balance of total wheeling consumers (Nos.)	32,49,443	32,92,021	33,36,764	33,83,884	34,33,623
O&M (INR Lakhs/'000 Consumers)	3.23	3.38	3.53	3.69	3.85
<b>Normative O&amp;M Cost (Rs. Crore)</b>	<b>104.96</b>	<b>111.27</b>	<b>117.79</b>	<b>124.87</b>	<b>132.19</b>

The normative O&M expenses projected by AEML-D for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Wires Business is as follows:

**Table 5-45: Normative O&M Expenses for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business, as submitted by AEML-D (Rs. Crore)**

Particulars/ (Rs. Crore)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M – GFA	1,134.08	1,314.27	1,524.15	1,766.58	2,032.62
Normative O&M – Consumers	104.96	111.27	117.79	124.87	132.19
<b>Total Normative O&amp;M Cost</b>	<b>1,239.03</b>	<b>1,425.54</b>	<b>1,641.94</b>	<b>1,891.44</b>	<b>2,164.81</b>

### O&M Expenses for Retail Supply Business

AEML-D submitted that Regulations 103.1 and 103.2 of the MYT Regulations, 2024 provide for normative O&M for Retail Supply Business by considering the average GFA and the closing balance of total retail supply consumers. The relevant extract from the Regulations is as under:

*“103.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Retail Supply of electricity as specified in the norms below for each year of the Control Period:*

*Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Retail Supply Business (in INR Crore) shall be multiplied by the O&M Norms in terms of “percentage of Average GFA”, for the respective years.*

*103.2 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 Retail Supply Consumers, if any, of the Retail Supply Business, for the respective financial year.*

.....

<b>AEML-D</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>
<i>O&amp;M (% of Average GFA – Wires)</i>	7.66%	8.01%	8.37%	8.74%	9.13%
<i>O&amp;M (INR Lakhs/’000 Consumers)</i>	19.33	20.19	21.10	22.05	23.04

.....”

AEML-D submitted that, for the purpose of considering average GFA, the closing GFA as at the end of FY 2024-25 is considered as the opening GFA for FY 2025-26. Asset addition for each year of the Control Period is considered equal to the capitalisation proposed for the respective years. Closing GFA is worked out accordingly, without considering any retirement of assets. The average GFA is then worked out and the O&M norms for GFA pertaining to Retail Supply Business is applied to arrive at the normative O&M for Retail Supply Business pertaining to average GFA. The normative O&M cost pertaining to GFA is worked out as shown in the Table below:

**Table 5-46: Projected O&M based on Average GFA for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore)**

<b>Particulars</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>
Opening GFA	1,155.55	1,373.52	1,374.17	1,374.17	1,374.17
Addition during the year	221.97	0.65	-	-	-
Closing GFA	1,373.52	1,374.17	1,374.17	1,374.17	1,374.17
Average GFA	1,262.53	1,373.84	1,374.17	1,374.17	1,374.17
O&M as % of average GFA	7.66%	8.01%	8.37%	8.74%	9.13%
<b>Normative O&amp;M Cost</b>	<b>96.71</b>	<b>110.04</b>	<b>115.02</b>	<b>120.10</b>	<b>125.46</b>



Further, AEML-D submitted that the O&M norms pertaining to number of consumers in Supply Business is applied on the closing balance of own supply consumers to arrive at the normative O&M for Retail Supply Business pertaining to consumers.

The normative O&M cost pertaining to number of consumers is worked out as shown in the Table below:

**Table 5-47: Projected O&M expenses based on number consumers for Retail Supply Business for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Closing balance of own consumers (Nos.)	27,07,576	27,50,154	27,94,897	28,42,017	28,91,756
O&M (INR Lakhs/'000 Consumers)	19.33	20.19	21.10	22.05	23.04
<b>Normative O&amp;M Cost (Rs. Crore)</b>	<b>523.37</b>	<b>555.26</b>	<b>589.72</b>	<b>626.66</b>	<b>666.26</b>

The normative O&M expenses projected by AEML-D for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Retail Supply Business is as follows:

**Table 5-48: Normative O&M Expenses for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M – GFA	96.71	110.04	115.02	120.10	125.46
Normative O&M – Consumers	523.37	555.26	589.72	626.66	666.26
<b>Total Normative O&amp;M Cost</b>	<b>620.08</b>	<b>665.30</b>	<b>704.74</b>	<b>746.77</b>	<b>791.72</b>

### ***Commission's Analysis and Ruling***

The Commission has computed the normative O&M expenses with respect to average GFA and consumers growth for the 5<sup>th</sup> Control Period, i.e., from FY 2025-26 to FY 2029-30 in accordance with Regulations 93 and 103 of MYT Regulations, 2024 for Wires Business and Retail Supply Business, respectively.

The details of the average approved GFA and consumer growth pertaining to 5<sup>th</sup> Control Period are explained in detail in the respective sections.

Accordingly, the Commission has approved the normative O&M expenses for Wires Business for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as shown in the Table below:

**Table 5-49: Normative O&M expense for Wire Business for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>O&amp;M Norms</b>					
O&M (% of Avg. GFA)	9.56%	9.99%	10.44%	10.91%	11.40%
O&M (Rs. Lakh/'000 consumers)	3.23	3.38	3.53	3.69	3.85
<b>Parameters</b>					
Opening GFA	10,855.18	11,810.46	12,765.74	13,721.02	14,676.30
Closing GFA	11,810.46	12,765.74	13,721.02	14,676.30	15,643.58
Average GFA	11,332.82	12,288.10	13,243.38	14,198.66	15,159.94
<b>Normative O&amp;M Expenses related to GFA (A)</b>	<b>1,083.42</b>	<b>1,227.58</b>	<b>1,382.61</b>	<b>1,549.07</b>	<b>1,728.23</b>
No. of own consumers	27,01,560	27,37,187	27,73,961	28,12,003	28,51,454
No. of changeover consumers	5,41,867	5,41,867	5,41,867	5,41,867	5,41,867
Total No. of Wheeling consumers	32,43,427	32,79,054	33,15,828	33,53,870	33,93,321
<b>Normative O&amp;M Expenses related to No. of consumers (B)</b>	<b>104.76</b>	<b>110.83</b>	<b>117.05</b>	<b>123.76</b>	<b>130.64</b>
<b>Normative O&amp;M Expenses of Wires Business (A+B)</b>	<b>1,188.18</b>	<b>1,338.41</b>	<b>1,499.66</b>	<b>1,672.83</b>	<b>1,858.88</b>

Similarly, the normative O&M expenses for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business is as follows:

**Table 5-50: Normative O&M expense approved for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply business (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>O&amp;M Norms</b>					
O&M (% of Avg. GFA)	7.66%	8.01%	8.37%	8.74%	9.13%
O&M (Rs. Lakh/'000 consumers)	19.33	20.19	21.10	22.05	23.04
<b>Parameters</b>					
Opening GFA	1,151.55	1,373.52	1,374.17	1,374.17	1,374.17
Closing GFA	1,373.52	1,374.17	1,374.17	1,374.17	1,374.17
Average GFA	1,262.53	1,373.84	1,374.17	1,374.17	1,374.17
<b>Normative O&amp;M Expenses related to GFA (A)</b>	<b>96.71</b>	<b>110.04</b>	<b>115.02</b>	<b>120.10</b>	<b>125.46</b>
No. of own consumers	27,01,560	27,37,187	27,73,961	28,12,003	28,51,454
<b>Normative O&amp;M Expenses related to No. of consumers (B)</b>	<b>522.21</b>	<b>552.64</b>	<b>585.31</b>	<b>620.05</b>	<b>656.97</b>

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M Expenses of Retail Supply Business (A+B)	618.92	662.68	700.32	740.15	782.44

## 5.7 TOTEX For Smart Meter Implementation

### *AEML-D's Submission*

AEML-D submitted that the Commission has approved the total capex of ~ Rs. 2,104 Crore for implementation of the Smart Metering in AEML-D licence area vide the following DPRs:

- (i) Smart metering DPR of Rs. 480 crore for East Division on 22-10-2019 and
- (ii) Smart metering DPR of Rs. 1624 crore for other Divisions on 28-06-2023.

Considering the actual capitalization incurred in FY 2022-23 and FY 2023-24 and the estimated capitalization for FY 2024-25, the expected number of meter installations by the end of March 2025 is shown in the table below:

Approved DPRs	Approved Count	Installation Count (expected)	Balance Count
East Division dated 22-10-2019	6,99,157	6,99,157	Nil
Other Divisions dated 28-06-2023	20,57,411	2,11,114	18,46,297

AEML-D submitted that country-wide, the Smart Metering projects are being executed through the TOTEX model, over the Capex model as it holds the supplier accountable for the life of project. AEML-D has now considered to implement the balance Smart Meter installation spread over a period of four years from FY 2025-26 till FY 2028-29 under the TOTEX model. Further, AEML-D submitted that for new connections to be released on an annual basis for each year of the Control Period, ~ 1,00,000 Smart Meters are projected for each year under the TOTEX model.

AEML-D has undertaken Cost Benefit Analysis of the Smart Metering project to be executed through TOTEX Model vis-à-vis the Capex Model considering the following points:

- a. AEML-D has considered the cost of Smart Meters (for single-phase, three-phase, etc.) as per the DPR approval dated 28-06-2023 and has calculated the cost in case the Smart Metering project for the balance quantity (18,46,297) is executed under Capex model.
- b. For the Capex model, Depreciation, Interest on loan, RoE and O&M expenses have been calculated as per the parameters specified in the MYT Regulations, 2024.

- c. In the TOTEX model, AEML-D has considered the per meter per month Opex cost and one time Capex cost as discovered in the recent MSEDCL tender for Smart Metering under the TOTEX model for the purpose of this Petition. However, the actual rate shall be as per the bidding to be undertaken by AEML-D.

The comparison of the Net Present Value (NPV) of cost to consumers over a period of 10 years, in case Smart Metering is carried out under the TOTEX Model vs. the Capex Model, is as under:

**Table 5-51: Comparison of NPV of cost to consumers in TOTEX vs. Capex Model**

Particulars (Rs. Crore)	TOTEX Model	Capex Model	Difference
NPV of capex cost to consumers		1,432	766
NPV of O&M cost to consumers		740	
<b>Total Cost</b>	<b>1,407</b>	<b>2,172</b>	<b>766</b>

Considering all of the above, the cost being claimed in the ARR under the TOTEX model as a single line item is provided below:

**Table 5-52: Claim against TOTEX Scheme as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
TOTEX for smart meter installation (replacement and new connection)	89.55	165.65	241.76	317.90	320.61

AEML-D requested the Commission to consider the same and approve the smart meter installation under the TOTEX model.

#### ***Commission's Analysis and Ruling***

The Commission had approved the Smart Metering Scheme of AEML-D vide the following DPRs:

- (i) Smart Metering DPR of Rs. 480 crore for East Division on 22-10-2019, and
- (ii) Smart Metering DPR of Rs. 1624 crore for other Divisions on 28-06-2023 .

AEML-D has submitted that the Smart Metering in East Division has been completed but in other Divisions, AEML-D has submitted that at the end of FY 2024-25, 18,46,297 nos. of existing consumers would be left for conversion to Smart Meter. AEML-D has considered Capex of Rs. 1509.99 Crore cost for conversion of Smart Meter, which is derived from Approved DPR of Smart Meter of AEML-D. For TOTEX Model AEML-D has considered discovered rates of MSEDCL Smart Meter TOTEX Scheme, which is discovered through Competitive Bidding.

The Commission notes that AEML-D, for obtaining the Commission's approval for the Smart Metering DPR submitted justification to support its contention that the Capex Model would be more beneficial to the consumers than TOTEX Model. However, in the MYT Petition, AEML-D has submitted certain computations to claim that TOTEX model is beneficial than the Capex Model. The Commission notes that AEML-D has compared MSEDCL transparently discovered rates with its Capex expense, which is not an appropriate comparison.

The Commission sought clarification from AEML-D regarding the changed justification submitted to the Commission at the time of Capex approval and now in the MYT Petition. However, AEML-D has not submitted the necessary clarifications. Further, AEML-D's contention that country-wise, most States have opted for the TOTEX Model is misleading, as most Distribution Licensees in other States are Public Sector undertakings and are implementing the Smart Metering installation under the provisions and funding provided as part of Revamped Distribution Sector Scheme (RDSS), under which the TOTEX Model is compulsory. However, AEML-D is not installing the Smart Meters under RDSS and is under no such compulsion to install the Smart Meters under the TOTEX Model. Also, intuitively, the Capex Model is expected to be cheaper than the TOTEX Model. Further, certain assumptions adopted by AEML-D to justify the TOTEX Model vis-à-vis the Capex Model do not appear to be appropriate.

However, in the absence of any alternate projection of expenses under the Capex Model being submitted by AEML-D, the Commission has provisionally considered the recovery of expenses related to the Smart Metering installation under the TOTEX Model, for the purpose of approval of ARR and Tariff in this MYT Order. However, AEML-D should submit the necessary justification for adopting the TOTEX Model to the Commission, once there is clarity regarding the quotations received and the explanation for the changed approach from earlier.

Hence, for TOTEX Scheme for replacement with Smart Meters, the provisional approval of the Commission against AEML-D's claim has been provided below:

**Table 5-53: TOTEX Scheme – replacement with Smart Meters provisionally approved by Commission (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
TOTEX for replacement of electronic meters with smart meters as submitted by AEML-D	73.61	136.18	198.74	261.34	250.51

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
TOTEX for replacement of electronic meters with smart meters as approved by the Commission	73.61	136.18	198.74	261.34	250.51

The Commission notes that AEML-D has considered connection to 1 Lakh new Consumers in AEML-D area for next 4 years. The Commission understands that this is an estimate only, and the actual number of new consumers added may be lower also. The Commission has considered the no. of consumer addition as considered in the projection of Sales and Revenue (40594 for FY 2025-26, 42578 for FY 2026-27, 44744 for FY 2027-28, 47119 for FY 2028-29 and 49739 for FY 2029-30) and computed the TOTEX Scheme cost accordingly. Thus, the provisional approval of TOTEX Scheme for New Connection is given below:

**Table 5-54: TOTEX Scheme – new connection Smart Meters as approved by Commission (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
TOTEX for installation of Smart meters for new connection as submitted by AEML-D	15.93	29.48	43.02	56.56	70.10
TOTEX for installation of Smart meters for new connection as approved by the Commission	6.47	11.97	17.46	22.96	28.46

Also, the Commission notes that AEML-D has considered the entire expense under the Supply Business. However, the Commission notes that some portion of the expense is against the Wires Business. The Commission has segregated the expense of Wire Business for this Scheme and approves the same for FY 2025-26 to FY 2029-30 as below:

**Table 5-55: TOTEX Scheme Expense for Wires Business as approved by Commission (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
TOTEX for replacement of electronic meters with smart meters	1.28	1.92	2.56	3.20	2.56
TOTEX for installation of Smart meters for new connection	0.11	0.17	0.22	0.28	0.34
<b>Total</b>	<b>1.40</b>	<b>2.09</b>	<b>2.79</b>	<b>3.48</b>	<b>2.90</b>

The Commission has approved expense of Supply Business for this Scheme for FY 2025-26 to FY 2029-30 as below:

**Table 5-56: TOTEX Scheme Expense for Wire Business as approved by Commission (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
TOTEX for replacement of electronic meters with smart meters	72.33	134.25	196.18	258.14	247.95
TOTEX for installation of Smart meters for new connection	6.36	11.80	17.24	22.68	28.12
<b>Total</b>	<b>78.69</b>	<b>146.05</b>	<b>213.42</b>	<b>280.82</b>	<b>276.07</b>

## 5.8 CAPITAL EXPENDITURE AND CAPITALISATION

### *AEML-D's Submission*

AEML-D submitted that there were several DPRs, which were approved subsequent to the issuance of the MTR Order. Also, post the notification of the Capex Regulations, 2022, and the submission of the Rolling Plan as required under the Capex Regulations, 2022, several DPRs have been submitted for which in-principle approval has been received. Also, certain other DPRs have been submitted to the Commission, which are included as part of the Rolling Plan for in-principle approval. Further, there are several Schemes which form part of the Rolling Plan, DPRs for which shall be submitted by AEML-D in due course.

The capitalization projected for FY 2025-26 to FY 2029-30 is shown in the Table below:

**Table 5-57: Projected Capitalization for FY 2025-26 and FY 2029-30 (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Capitalization Wires</b>	<b>1199.31</b>	<b>1387.01</b>	<b>1499.52</b>	<b>1686.72</b>	<b>1588.67</b>
Approved DPR	349.33	77.00	10.82	0.00	0.00
DPR submitted, awaiting approval	538.41	659.81	756.45	713.65	565.24
DPR proposed to be submitted	191.51	530.20	612.25	853.07	891.43
Non-DPR	120.00	120.00	120.00	120.00	132.00
<b>Capitalization Supply</b>	<b>221.97</b>	<b>0.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Approved DPR	221.97	0.65	0.00	0.00	0.00
DPR submitted, awaiting approval	0.00	0.00	0.00	0.00	0.00
DPR proposed to be submitted	0.00	0.00	0.00	0.00	0.00
Non-DPR	0.00	0.00	0.00	0.00	0.00

### **Brief Description of the works to be carried out**

AEML-D has proposed Capital Expenditure and Capitalization in the following Schemes:

**1. 33/11 kV Distribution Substation (DSS)**

- a. Installation and commissioning of new 33-22/11 kV DSS for meeting natural load growth and relieving existing DSS and / or for re-routing of 11 kV feeders to optimise distance of DSS from load centres
- b. Augmentation of capacity at existing 33-22/11 kV DSS
- c. Laying of 33 kV cables for diversion/reconfiguration of existing network
- d. Replacement of old and obsolete equipment/ cables
- e. Any other associated works

**2. 11 kV Mains Network Strengthening**

- a. Installation & commissioning of new 11/0.433 kV Consumer Substations (CSS) along with the associated 11kV feeders, for system strengthening in response to natural load growth and for new supply as per relevant regulatory framework.
- b. 11kV network improvement schemes to relieve over-loaded infrastructure.
- c. Up-gradation of cable network.
- d. Replacement of old and obsolete switchgears (Oil-type RMU) / cables
- e. Any other associated works

**3. Low Tension Mains**

- a. Laying of new LT feeders and installation of LT pillars for system improvement and new supply.
- b. LT network improvement schemes to relieve loaded infrastructure.
- c. Replacement of old and obsolete equipment/ cables
- d. Any other associated works.

**4. Low Tension Services****5. Street Lights****6. Tools and Instruments (Non-DPR Scheme)****7. Information Technology (Non-DR Scheme)****8. Others****9. R&D, Safety and DSM*****Commission's Analysis and Ruling***

The Commission has undertaken prudence check of the capitalisation proposed during the Control Period. The Commission has considered the Capitalization for the Control Period based on the DPR schemes approved by the Commission till date. The Commission has considered the DPR approved cost for approving capitalization for the Control Period.



The Commission also observes that AEML-D has proposed capitalisation against DPR schemes that are submitted to the Commission, but yet to be approved by the Commission. The summary of proposed capitalisation against such DPR schemes yet to be approved for Wires Business and Supply Business is given in the Table below:

**Table 5-58: Capitalisation against DPR schemes yet to be approved by the Commission (Rs. Crore)**

Particulars	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
Wires Business	729.92	1190.01	1368.70	1566.72	1456.67
Supply Business	0.00	0.00	0.00	0.00	0.00

In such case where a considerable portion of the projected Capitalisation is yet to be approved by the Commission, the Commission has to consider the historical trend of capital Schemes (both DPR and Non-DPR) to project the Capitalisation of AEML-D in the next Control Period, in accordance with Regulation 24.6 of MYT Regulations, 2024, as reproduced below:

*“24.6 For the purpose of approval of projected capital expenditure plan and capitalisation plan for Control Period, the Commission shall take into consideration **historical trend of capitalisation of approved capital schemes (DPR and Non-DPR)**, projected growth in the distribution network, consumer base & demand, expected growth in generation capacity addition and transmission network augmentation requirement, ongoing/pending capital schemes, status update of in-principal approved schemes, status of tie-up of funds for various capex schemes proposed by generation company, transmission licensee, distribution licensee, STU, SLDC, as the case may be.”...(emphasis added)*

Accordingly, the Commission has computed the last 3 year average of AEML-D's last 3 year's Capitalisation in DPR and Non-DPR Schemes to project the Capitalisation of the next Control Period. The average of AEML-D's last 3 years actual capitalisation in DPR and Non-DPR Schemes is provided as below:

**Table 5-59: Average of AEML-D's last 3 years actual capitalisation in DPR and Non-DPR Schemes (Rs. Crore)**

Type of Business	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average of last 3 Years
Wire Business	DPR Scheme	907.25	747.24	851.36	835.28
	Non-DPR Scheme	98.44	45.81	68.57	70.94
Supply Business	DPR Scheme	0.00	266.12	128.83	131.65
	Non-DPR Scheme	2.78	11.71	0.35	4.95

The Commission notes that the amount of Capitalisation that is approved and projected but yet to be approved by the Commission for Wires business of AEML-D is very high for FY 2025-26 to FY 2029-30 as compared to average of past 3 year's capitalisation. Hence, the Commission has decided to limit the capitalisation of AEML-D to average of past 3 year's capitalisation for DPR Schemes for Wires Business, i.e., Rs. 835.28 Crore. AEML-D has also claimed Rs. 120 Crore against Non-DPR Schemes for FY 2025-26 to FY 2028-29 and proposed Rs. 132 Crore in 2029-30. The Commission provisionally allows the same as it is within the Limit of Non-DPR to DPR ratio as per Regulation 24.9 of MYT Regulations, 2024. The same is reproduced below:

*"24.9 The cumulative amount of capitalisation against non-DPR schemes for any Year shall **not exceed 30%** or such other limit as may be stipulated by the Commission through an Order, of the cumulative amount of capitalisation approved against DPR schemes for that Year: "...(**emphasis added**)"*

The Commission also notes that AEML-D in FY 2025-26 has higher approved DPR of Rs. 221.97 Crore for its Supply Business than the average 3 year Capitalisation of Rs. 131.65 Crore for DPR Schemes of Supply Business. Hence, no additional capitalisation has been considered towards DPR Schemes yet to be submitted.

The Commission further notes that AEML-D has claimed minor Capex of Rs. 0.65 Crore for FY 2025-26 and Nil Capex between FY 2026-27 to FY 2029-30. Hence, the Commission has allowed the same in this Order.

It is to be noted that mere consideration of capital expenditure/capitalisation in the MYT Order does not mean that the same is approved. No Scheme shall be undertaken unless the same is approved by the Commission under the separate in-principle approval process or qualifies under Non-DPR scheme in accordance with MERC (Approval of Capital Investment Schemes), 2022.

The capitalisation approved by the Commission for FY 2025-26 to FY 2029-30 is summarised in the Table below:

**Table 5-60: Capitalisation approved 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
<b>Capitalization Wires *</b>	<b>955.28</b>	<b>955.28</b>	<b>955.28</b>	<b>955.28</b>	<b>967.28</b>
Approved DPR	349.33	77.00	10.82	-	-
DPR submitted awaiting approval / yet to be submitted	485.89	758.29	824.46	835.28	835.28
Non-DPR	120.00	120.00	120.00	120.00	132.00
<b>Capitalization Supply</b>	<b>221.97</b>	<b>0.65</b>	-	-	-
Approved DPR	221.97	0.65	-	-	-
DPR submitted awaiting approval / yet to be submitted	-	-	-	-	-
Non-DPR	-	-	-	-	-

## 5.9 Depreciation

### *AEML-D's Submission*

AEML-D submitted that it has computed the depreciation for each year of the Control Period (FY 2025-26 to FY 2029-30) based on the following:

- Depreciation on the opening GFA as on 30-09-2024 (considering the provisional asset addition in H1 of FY 2024-25) is available for the full financial year and the same has been considered. Depreciation rates on the said GFA for each year of the Control Period is applied as per the Annexure-1 of the MYT Regulations, 2024, being “Existing Assets”.
- Depreciation on the estimated asset addition during H2 of FY 2024-25 is computed on annual basis considering the rate of Plant and Machinery as per Annexure-1 of the MYT Regulations, 2024 being “Existing Assets”.
- For the Control Period, the asset addition during each year of the Control Period is primarily related to DSS Commissioning, Services, 11 kV and 33 kV cable laying, etc. and thus, presently depreciation rate of the head Plant & Machinery has been considered. The rates are considered as per Annexure-2 of the MYT Regulations, 2024
- Depreciation on assets added in each year out of the DPRs approved prior to the issuance of MYT Regulations, 2024 is applied as per Annexure-1 of the MYT Regulations, 2024. Depreciation on assets added in each year of the Control Period out of the DPRs yet to be approved post issuance of MYT Regulations, 2024 is applied as per Annexure-2 of the MYT Regulations, 2024.

- No asset retirement has been estimated for the Control Period; hence, the actual retirement of assets shall be accounted during truing up.
- Depreciation on consumer contribution is considered at Rs. 13.90 crore at the same level as that for FY 2023-24 and subtracted from the total claim of depreciation in accordance with the MYT Regulations, 2024.
- As per the Guidelines for Voltage-wise allocation of assets and cost issued by the Commission and which are part of the MYT Regulations, 2024, the depreciation on assets Common to Business has been re-allocated between Wires and Supply based on the principles considered in the Guidelines.

The projected depreciation for Wires Business and Supply Business for FY 2025-26 to FY 2029-30 is shown in the Tables below:

**Table 5-61: Depreciation for FY 2025-26 to FY 2029-30 as submitted by AEML-D**  
(Rs. Crore)

Particulars	FY 2025-26	FY 2026- 27	FY 2027- 28	FY 2028-29	FY 2029- 30
Wires (net of depreciation on Consumer Contribution)	469.28	512.25	556.98	603.72	657.80
Supply	53.69	57.73	56.10	55.46	52.81
Total	522.97	569.98	613.08	659.18	710.62

### ***Commission's Analysis and Ruling***

The Commission has computed the Depreciation for FY 2025-26 to FY 2029-30 in accordance with Regulation 28 of the MYT Regulations, 2024 for the Distribution Wires and Retail Supply Business for both "Existing Assets" and "New Assets" separately. The Commission has considered "Existing Assets" as considered by AEML-D and computed the Depreciation based on Annexure-1 of the MYT Regulations, 2024. All other assets post this criteria has been considered as "New Assets" as considered by AEML-D and the Depreciation on the same is computed based on Annexure-2 of the MYT Regulations, 2024.

The Commission has considered the closing GFA for FY 2024-25 as approved in this Order, as the opening GFA for FY 2025-26, and the addition of GFA equivalent to the capitalisation approved. For quantum of Asset under Existing Asset and New Asset, the Commission has allowed quantum of asset considered under Existing asset and New Asset at the same proportion of capitalisation allowed for that year. The Commission has

computed the Depreciation on existing assets on the average GFA for the year by applying the weighted average Depreciation rate as claimed by AEML-D.

For New Assets, the Commission has applied the weighted average Depreciation rate of 4.22% as claimed by AEML-D.

The Depreciation approved by the Commission for Wires Business and Supply Business for the Control Period is shown in the Tables below:

**Table 5-62: Depreciation approved for Wires Business for FY 2025-26 to FY 2029-30 (Rs. Crore)**

Particulars	FY 2025-26			FY 2026-27		
	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total
Opening GFA	10,855.18	-	10,855.18	11,090.02	720.44	11,810.46
Addition *	234.84	720.44	955.28	53.01	902.27	955.28
Closing GFA	11,090.02	720.44	11,810.46	11,143.03	1622.72	12,765.75
Depreciation Rate (%)	3.93%	4.22%		3.85%	4.22%	
<b>Depreciation</b>	<b>430.78</b>	<b>15.20</b>	<b>445.98</b>	<b>427.72</b>	<b>49.44</b>	<b>477.16</b>

Particulars	FY 2027-28			FY 2028-29			FY 2029-30		
	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total
Opening GFA	11,143.03	1622.72	12,765.75	11,149.92	2571.10	13,721.02	11,149.92	3526.38	14,676.30
Addition *	6.89	948.39	955.28	-	955.28	955.28	-	967.28	967.28
Closing GFA	11,149.92	2571.10	13,721.02	11,149.92	3526.38	14,676.30	11,149.92	4,493.66	15,643.58
Depreciation Rate (%)	3.71%	4.22%		3.54%	4.22%		3.41%	4.22%	
<b>Depreciation</b>	<b>413.79</b>	<b>88.49</b>	<b>502.28</b>	<b>394.20</b>	<b>128.66</b>	<b>522.86</b>	<b>379.82</b>	<b>169.22</b>	<b>549.04</b>

**Table 5-63: Depreciation approved for Supply Business for FY 2025-26 and FY 2029-30 (Rs. Crore)**

Particulars	FY 2025-26			FY 2026-27		
	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total
Opening GFA	1,151.55	-	1,151.55	1,373.52	-	1,373.52

Particulars	FY 2025-26			FY 2026-27		
	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total
Addition *	221.97	-	221.97	0.65	-	0.65
Closing GFA	1,373.52	-	1,373.52	1,374.17	-	1,374.17
Depreciation Rate (%)	4.44%	-		4.24%	-	
<b>Depreciation</b>	<b>56.00</b>	<b>0.00</b>	<b>56.00</b>	<b>58.19</b>	<b>0.00</b>	<b>58.19</b>

Particulars	FY 2027-28			FY 2028-29			FY 2029-30		
	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total	Existing Asset	New Asset	Total
Opening GFA	1,374.17	-	1,374.17	1,374.17	-	1,374.17	1,374.17	-	1,374.17
Addition	-	-	-	-	-	-	-	-	-
Closing GFA	1,374.17	-	1,374.17	1,374.17	-	1,374.17	1,374.17	-	1,374.17
Depreciation Rate (%)	4.10%	-	4.10%	4.07%	-	4.07%	3.88%	-	3.88%
<b>Depreciation</b>	<b>56.37</b>	<b>0.00</b>	<b>56.37</b>	<b>56.37</b>	<b>0.00</b>	<b>56.37</b>	<b>56.37</b>	<b>0.00</b>	<b>56.37</b>

## 5.10 INTEREST ON LONG-TERM LOAN

### *AEML-D's Submission*

AEML-D submitted that according to Regulation 30.5 of the MERC MYT Regulations, 2024 the rate of interest shall be the weighted average rate of interest computed on the basis of actual long term loan portfolio at the beginning of each year. As provided in the section pertaining to the provisional truing-up for FY 2024-25, the weighted average interest rate considering the opening balance of loans for FY 2024-25 works out to 9.28% and accordingly, AEML-D has calculated the interest on loans for each year of the Control Period considering the said interest rate.

Further, 70% of the capitalization (net of Consumer Contribution projected at Rs. 43.36 crore, being the actuals for FY 2023-24) has been considered as normative loan addition. Further, no reduction of normative loan due to asset retirement has been considered. The same shall be considered at the time of truing up.

Repayment is considered equivalent to depreciation as per Regulation 30.3 of the MYT Regulations, 2024. The interest on loan is computed considering the average loan balance, as shown in the Tables below:

**Table 5-64: Interest on Long-Term Loan for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	3,048.47	3,388.36	3,816.66	4,278.99	4,825.62
Addition of new loans	809.17	940.55	1,019.31	1,150.35	1,081.71
Repayment	469.28	512.25	556.98	603.72	657.80
Closing Balance	3,388.36	3,816.66	4,278.99	4,825.62	5,249.53
Interest Rate (%)	9.28%	9.28%	9.28%	9.28%	9.28%
<b>Interest on Loans</b>	<b>298.55</b>	<b>334.18</b>	<b>375.49</b>	<b>422.29</b>	<b>467.30</b>

**Table 5-65: Interest on Long-Term Loan for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	299.41	401.10	343.82	287.72	232.26
Addition of new loans	155.38	0.46	-	-	-
Repayment	53.69	57.73	56.10	55.46	52.81
Closing Balance	401.10	343.82	287.72	232.26	179.44
Interest Rate (%)	9.28%	9.28%	9.28%	9.28%	9.28%
<b>Interest on Loans</b>	<b>32.49</b>	<b>34.55</b>	<b>29.29</b>	<b>24.12</b>	<b>19.10</b>

### ***Commission's Analysis and Ruling***

The opening loan for FY 2025-26 has been considered equal to the closing loan as approved in the provisional Truing-up for FY 2024-25, in earlier Chapter of this Order.

The Commission has considered the debt amount added for each year of the next Control Period equal to 70% of the capitalisation approved. The loan repayments have been considered equal to the depreciation approved for the respective years. The interest rate has been considered equal to the rate of interest considered for FY 2024-25 and the interest on long-term loan has been computed on the normative average loan for FY 2025-26 to FY 2029-30.

The interest expenses on long-term loans approved by the Commission FY 2025-26 to FY 2029-30 are summarised in the Tables below:

**Table 5-66: Interest on Long-Term Loan for Wires Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	2,933.83	3,156.54	3,348.08	3,514.50	3,660.34
Addition of new loans	668.70	668.70	668.70	668.70	668.70
Repayment	445.98	477.16	502.28	522.85	549.04
Closing Balance	3,156.54	3,348.08	3,514.50	3,660.34	3,780.00
Interest Rate (%)	9.28%	9.28%	9.28%	9.28%	9.28%
<b>Interest on Loans</b>	<b>282.59</b>	<b>301.81</b>	<b>318.42</b>	<b>332.91</b>	<b>345.23</b>

**Table 5-67: Interest on Long-Term Loan for Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	302.59	401.97	344.23	287.86	231.90
Addition of new loans	155.38	0.46	-	-	-
Repayment	56.00	58.19	56.37	55.96	53.38
Closing Balance	401.97	344.23	287.86	231.90	178.52
Interest Rate (%)	9.28%	9.28%	9.28%	9.28%	9.28%
<b>Interest on Loans</b>	<b>32.69</b>	<b>34.62</b>	<b>29.33</b>	<b>24.12</b>	<b>19.04</b>

## 5.11 INTEREST ON WORKING CAPITAL

### *AEML-D's Submission*

AEML-D submitted that it has computed the normative interest on working capital in accordance with the Regulations 32.3 (a) and 32.3 (b) of MYT Regulations, 2024.

As elaborated in the previous section pertaining to provisional truing-up for FY 2024-25, the annual addition in CSD is estimated at Rs. 62.96 Crore and the same has been allocated between the Wires Business and Retail Supply Business in the ratio of 23%:77%, which is the same ratio used in FY 2023-24, i.e., annual addition of Rs. 14.48 Crore in Wires Business and Rs. 48.48 Crore in Retail Supply Business is projected for each year of the Control Period. This projected addition is added to the closing balance of CSD at the end of the previous year to arrive at the closing balance of CSD at the end of each respective year of the Control Period.



As per MYT Regulations, 2024, the Base Rate has been defined as one-year MCLR of SBI plus 150 basis points. As on the date of filing this Petition, the SBI one-year MCLR plus 150 basis points works out to 10.45%.

The normative interest on working capital as per MYT Regulations, 2024 for Wires Business and Retail Supply Business is shown in the Tables below:

**Table 5-68: IoWC for Wires Business for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-230 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1 month normative O&M	103.25	118.80	136.83	157.62	180.40
1% of opening GFA	112.63	124.62	138.49	153.49	170.36
1.5 months of expected revenue	443.47	361.10	393.12	456.41	513.58
Less: Amount held as security deposit	159.38	174.04	188.69	203.34	217.99
<b>Total Working Capital Requirement</b>	<b>499.97</b>	<b>430.49</b>	<b>479.96</b>	<b>564.18</b>	<b>646.35</b>
Interest Rate	10.45%	10.45%	10.45%	10.45%	10.45%
<b>Interest on Working Capital</b>	<b>52.25</b>	<b>44.99</b>	<b>50.13</b>	<b>58.96</b>	<b>67.54</b>

**Table 5-69: IoWC for Retail Supply Business for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1 month normative O&M	51.67	55.44	58.73	62.23	65.98
1% of opening GFA	11.52	13.74	13.74	13.74	13.74
1.5 months of expected revenue	915.05	1,122.79	1,319.63	1,415.61	1,572.30
Less: Amount held as security deposit	525.55	573.86	622.17	670.48	718.80
Less: 1 month power purchase	616.38	667.93	790.22	845.00	946.28
<b>Total Working Capital Requirement</b>	<b>(163.69)</b>	<b>(49.83)</b>	<b>(20.30)</b>	<b>(23.89)</b>	<b>(13.06)</b>
Interest Rate	10.45%	10.45%	10.45%	10.45%	10.45%
<b>Interest on Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### ***Commission's Analysis and Ruling***

The Commission has computed the IoWC for the Wires Business and Retail Supply Business in accordance with Regulations 32.3 (a) and 32.3 (b) of the MYT Regulations, 2024. The Commission has considered the rate of interest for computation of IoWC as 10.50% considering the applicable MCLR of SBI plus 150 basis points, in accordance with

the MYT Regulations, 2024. The Commission has considered the CSD based on the closing balance for FY 2024-25 plus the expected increase in security deposit for each year of the Control Period from FY 2025-26 to FY 2029-30, as projected by AEML-D. However, AEML-D should ensure that it collects CSD equivalent to 2 months average billing of the previous year, in accordance with the MERC Supply Code Regulations, 2021. Further, the Commission has allocated the CSD between Wires Business and Retail Supply Business in the ratio of 23:77 as submitted by AEML-D.

The IoWC approved by the Commission for the Wires and the Supply Business for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 is shown in the Tables below:

**Table 5-70: IoWC for Wires Business for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1 month normative O&M	99.02	111.53	124.97	139.40	154.91
Maintenance Spares at 1% of opening GFA	108.55	118.10	127.66	137.21	146.76
1.5 months of expected revenue	361.29	295.72	312.74	356.13	388.16
Less: Amount held as security deposit	313.24	327.90	342.55	357.20	371.85
<b>Total Working Capital Requirement</b>	<b>255.61</b>	<b>197.46</b>	<b>222.83</b>	<b>275.55</b>	<b>317.98</b>
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
<b>Interest on Working Capital</b>	<b>26.84</b>	<b>20.73</b>	<b>23.40</b>	<b>28.93</b>	<b>33.39</b>

**Table 5-71: IoWC for Supply Business for 5<sup>th</sup> Control Period, from 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1 month normative O&M	51.58	55.22	58.36	61.68	65.20
1% of opening GFA	11.52	13.74	13.74	13.74	13.74
1.5 months of expected revenue	878.77	862.20	968.47	1,063.30	1,205.20
Less: Amount held as security deposit	1,032.88	1,081.19	1,129.50	1,177.81	1,226.13
Less: 1 month power purchase	527.38	544.33	602.92	619.28	710.07
<b>Total Working Capital Requirement</b>	-	-	-	-	-
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
<b>Interest on Working Capital</b>	-	-	-	-	-

## 5.12 INTEREST ON CONSUMER SECURITY DEPOSIT

### *AEML-D's Submission*

Regulation 30.11 of the MYT Regulations, 2024 provides that interest shall be allowed on the amount held in cash as CSD from retail consumers at the Bank Rate as declared by RBI as on 1<sup>st</sup> April of the year. However, the Commission in its MTR Order dated 31 March 2023 in Case No. 231 of 2022 had considered the Bank Rate prevalent as on the date of filing the Petition, rather than the Bank Rate prevalent as on 1<sup>st</sup> April. Also, the interest rate was applied on the average balance of the CSD.

Accordingly, considering the prevailing Bank Rate of RBI of 6.75%, AEML-D has considered interest rate of 6.75% for projecting the interest on CSD for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, as given below:

**Table 5-72: Interest on CSD for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening CSD	144.73	159.38	174.04	188.69	203.34
Closing CSD	159.38	174.04	188.69	203.34	217.99
Bank Rate	6.75%	6.75%	6.75%	6.75%	6.75%
<b>Interest on Avg. CSD</b>	<b>10.26</b>	<b>11.25</b>	<b>12.24</b>	<b>13.23</b>	<b>14.22</b>

**Table 5-73: Interest on Security Deposit for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening CSD	477.24	525.55	573.86	622.17	670.48
Closing CSD	525.55	573.86	622.17	670.48	718.80
Bank Rate	6.75%	6.75%	6.75%	6.75%	6.75%
<b>Interest on Avg. CSD</b>	<b>33.84</b>	<b>37.11</b>	<b>40.37</b>	<b>43.63</b>	<b>46.89</b>

### *Commission's Analysis and Ruling*

The Commission has approved the Interest on CSD for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business and Retail Supply Business considering the prevalent Bank Rate @ 6.50% on the average CSD amount as considered by AEML-D to arrive at the Interest on CSD for each year of the Control Period as shown in the Tables below:

**Table 5-74: Interest on CSD for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Consumer Security Deposit	9.88	10.84	11.79	12.74	13.69

**Table 5-75: Interest on CSD for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Consumer Security Deposit	32.59	35.73	38.87	42.01	45.15

### 5.13 RETURN ON EQUITY

#### *AEML-D's Submission*

AEML-D submitted that the intent of the MYT Regulations, 2024 is to allow both the base RoE and performance linked RoE in the MYT Order. However, the performance linked RoE component shall be reviewed at the time of truing up of respective years based on actual performance and accordingly allowed. Hence at this stage, AEML-D has claimed RoE for each year of Control Period considering RoE rate of 15.50% for Wires Business and 17.50% for Supply Business.

Regulation 34.1 of the MYT Regulations, 2024 is reproduced herein below:

*“34.1 The Income Tax for the Generating Company or ESSD or Licensee or MSLDC or STU for the regulated business shall be allowed on Return on Equity, including Performance Linked Return on Equity at the income tax rate applicable for the respective financial year, through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.5:*

*Provided that, at the time Multi Year Tariff Projections, the Income tax rate shall be allowed as the latest available Income Tax Rate approved by the Commission, whereas, at the time of true-up the Income Tax rate shall be approved based on the actual Income Tax paid by the Generating Company or ESSD or Licensee or MSLDC or STU, subject to prudence check;”*

AEML-D submitted that as per the latest completed year (FY 2023-24), AEML as a whole has paid income tax at MAT rate of 17.47%. Accordingly, for grossing up the RoE of respective years, AEML-D has considered the MAT rate of 17.47% on provisional basis. This is without prejudice to the contention of AEML-D in Appeal No. 516 of 2023 that tax rate for grossing up of RoE should be determined on standalone basis for each regulated entity on regulatory PBT basis.

30% of the capitalization (net of Consumer Contribution projected at Rs. 43.36 crore, being the actuals for FY 2023-24) has been considered as equity addition. Further, since no asset retirement is projected, no reduction of equity due to asset retirement has been considered. The same shall be considered at the time of truing up for the respective years.

The table below show the projected return on equity for each year of the Control Period for Wires business and Supply business:

**Table 5-76: Return on Equity for Wires Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of year	3,608.67	3,955.45	4,358.55	4,795.39	5,288.40
Capitalization during the year	1,199.31	1,387.01	1,499.52	1,686.72	1,588.67
Consumer Contribution and Grants during the year	43.36	43.36	43.36	43.36	43.36
Equity portion of capitalization during the year	346.79	403.09	436.85	493.01	463.59
Regulatory Equity at the end of year	3,955.45	4,358.55	4,795.39	5,288.40	5,751.99
Return on Regulatory Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%
Pretax Return on Equity after considering Income Tax rate (%)	18.78%	18.78%	18.78%	18.78%	18.78%
<b>Return on Regulatory Equity</b>	<b>710.33</b>	<b>780.75</b>	<b>859.62</b>	<b>946.94</b>	<b>1,036.78</b>

**Table 5-77: Return on Equity for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of year	349.45	416.04	416.23	416.23	416.23
Equity portion of capitalization during the year	66.59	0.20	-	-	-
Regulatory Equity at the end of year	416.04	416.23	416.23	416.23	416.23
Return on Regulatory Equity (%)	17.50%	17.50%	17.50%	17.50%	17.50%
Pretax Return on Equity after considering Income Tax rate (%)	21.20%	21.20%	21.20%	21.20%	21.20%
<b>Return on Regulatory Equity</b>	<b>81.16</b>	<b>88.24</b>	<b>88.26</b>	<b>88.26</b>	<b>88.26</b>

### ***Commission's Analysis and Ruling***

The Commission has computed the RoE for the next Control Period in accordance with Regulation 29 of the MERC MYT Regulations, 2024. The Closing Equity of FY 2024-25 has been considered as Opening Equity of FY 2025-26 and onwards. Addition to equity is

considered equal to 30% of the capitalization approved in this Order for the respective year as specified in the MYT Regulations, 2024.

The base rate of RoE has been considered as 15.5% for Wires Business and 17.50% for Retail Supply Business. The MAT rate of 17.47% has been considered for grossing up the base rate of RoE for FY 2025-26 to FY 2029-30.

The pre-tax ROE approved by the Commission for the Wires Business and Supply Business for FY 2025-26 to FY 2029-30 is shown in the Tables below:

**Table 5-78: Return on Equity for Wires Business for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of year	3,608.21	3,881.79	4,155.36	4,428.94	4,702.51
Consumer Contribution and Grants during the year	43.36	43.36	43.36	43.36	43.36
Equity portion of capitalization during the year	273.57	273.57	273.57	273.57	277.17
Regulatory Equity at the end of year	3,881.79	4,155.36	4,428.94	4,702.51	4,979.69
Return on Regulatory Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%
Pretax Return on Equity after considering Income Tax rate (%)	18.78%	18.78%	18.78%	18.78%	18.78%
<b>Return on Regulatory Equity</b>	<b>703.37</b>	<b>754.75</b>	<b>806.13</b>	<b>857.51</b>	<b>909.23</b>

**Table 5-79: Return on Equity for Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of year	349.45	416.04	416.23	416.23	416.23
Equity portion of capitalization during the year	66.59	0.20	-	-	-
Regulatory Equity at the end of year	416.04	416.23	416.23	416.23	416.23
Return on Regulatory Equity (%)	17.50%	17.50%	17.50%	17.50%	17.50%
Pretax Return on Equity after considering Income Tax rate (%)	21.20%	21.20%	21.20%	21.20%	21.20%
<b>Return on Regulatory Equity</b>	<b>81.16</b>	<b>88.24</b>	<b>88.26</b>	<b>88.26</b>	<b>88.26</b>

## 5.14 PROVISION FOR BAD AND DOUBTFUL DEBTS

### *AEML-D's Submission*

Regulation 94.1 of the MYT Regulations, 2024 pertaining to ARR for Wires Business states as follows:

*“In the MYT Order, for each Year of the Control Period, the Commission may allow a provision for writing off of bad and doubtful debts up to 1.5% of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the latest Audited Accounts of the Distribution Licensee in accordance with the procedure laid down by the Licensee, subject to prudence check.”*

Similar provision exists for ARR of Supply Business as well, in Regulation 105.1 of the MYT Regulations, 2024.

As per the latest audited accounts for FY 2023-24, 1.5% of the receivables (Rs. 1,029.08 crore) amounts to Rs. 15.43 crore. As per the books of accounts there is no segregation between Wires Business and Supply Business, and hence, the same has been segregated in the ratio of revenue of Wires Business and Supply Business (~ 26:74) for FY 2023-24.

Accordingly, AEML-D has projected the provision for bad and doubtful debts for each year of the Control Period, from FY 2025-26 to FY 2029-30 for Wires Business and Retail Supply Business as shown in the Table below:

**Table 5-80: Provision for Bad Debts for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Provision for Bad debts- Wires	4.00	4.00	4.00	4.00	4.00
Provision for Bad debts- Supply	11.43	11.43	11.43	11.43	11.43

### *Commission's Analysis and Ruling*

The Commission has considered the provision for bad and doubtful debts in line with the figures approved in Provisional Truing-up for FY 2024-25. The following Table shows the provision for bad and doubtful debts approved by the Commission for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30:



**Table 5-81: Provision for Bad Debts for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Provision for Bad debts- Wires	4.00	4.00	4.00	4.00	4.00
Provision for Bad debts- Supply	11.43	11.43	11.43	11.43	11.43

## 5.15 CONTRIBUTION TO CONTINGENCY RESERVE

### *AEML-D's Submission*

Regulation 35.1 of the MYT Regulations, 2024 provides that a Contribution to Contingency Reserves (CR) of a sum not less than 0.25 per cent and not more than 0.50 per cent of the original cost of fixed assets shall be allowed as Contribution to Contingency Reserve. AEML-D has calculated the contribution to contingency reserve for the Control Period from FY 2025-26 to FY 2029-30 as 0.25% of the opening GFA of that year for its Supply Business. AEML-D has not proposed any contribution to Contingency Reserves for its Wires business as has also been proposed by it and approved by the Commission for previous years.

The summary of contribution to contingency reserve for FY 2025-26 to FY 2029-30 is shown in the Table below:

**Table 5-82: Contribution to Contingency Reserve for Supply Business for FY 2025-26 to FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	1,151.55	1,373.52	1,374.17	1,374.17	1,374.17
Contribution to CR	2.88	3.43	3.44	3.44	3.44

### *Commission's Analysis and Ruling*

The Commission has computed the Contribution to Contingency Reserves at 0.25 % of the Opening GFA for the Supply Business in accordance with the MYT Regulations, 2024 and based on the capitalisation approved for FY 2025-26 to FY 2029-30. The Commission from MTR Order dated 31 March, 2023 has not considered the Contribution to Contingency Reserves for the Wires Business for FY 2025-26 to FY 2029-30, as claimed by AEML-D.

The Contribution to Contingency Reserves approved by the Commission is shown in the Tables below:



**Table 5-83: Contribution to Contingency Reserve approved for Retail Supply Business for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of GFA	1,151.55	1,373.52	1,374.17	1,374.17	1,374.17
% Contribution	0.25%	0.25%	0.25%	0.25%	0.25%
<b>Contribution to Contingency Reserve</b>	<b>2.88</b>	<b>3.43</b>	<b>3.44</b>	<b>3.44</b>	<b>3.44</b>

## 5.16 NON-TARIFF INCOME

### *AEML-D's Submission*

AEML-D submitted that it has projected the NTI for each year of the Control Period by considering 5% increase over the earlier year, excluding the income receivable from AEML SEEPZ Limited (ASL) and AIH receivable for maintenance of Street Light. For AIH estimation, for FY 2025-26 to FY 2027-28, since Rs. 40 Crore arrears have been estimated to be received p.a. from FY 2022-23 to FY 2024-25, this Rs. 40 Crore for FY 2024-25 is projected to be received separately in FY 2025-26 with 5% escalation.

AEML-D submitted that ~ Rs. 120 crore arrears towards AIH for street light maintenance for the period from FY 2025-26 to FY 2027-28 has been estimated as part of NTI in FY 2027-28. Similar logic is extended to FY 2028-29, when further arrears of Rs. 40 crore p.a. is projected to be received in FY 2027-28.

Further, as regards compensation for O&M services provided to ASL, AEML-D submitted that, presently, it has considered compensation at a rate of Rs. 0.70/unit on the sales projected by ASL in its MYT Petition for each year of the Control Period. The sales considered by ASL is 116.83 MU, 123.10 MU, 129.37 MU, 135.65 MU and 141.92 MU for each year of the Control Period, respectively.

The projected NTI for each year of the Control Period for Wires Business and Retail Supply Business is shown in the Tables below:

**Table 5-84: Non-Tariff Income for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Wires Business as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income-escalation	204.29	214.50	225.23	278.49	292.41
Income from ASL	5.46	5.80	6.17	6.55	6.95
Income from AIH charges			120.00		

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total NTI – Wires	209.74	220.30	351.39	285.04	299.36

**Table 5-85: Non-Tariff Income for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 for Retail Supply Business as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income-escalation	89.05	93.51	98.18	103.09	108.25
Income from ASL	2.72	2.81	2.89	2.94	2.98
<b>Total NTI – Supply</b>	<b>91.77</b>	<b>96.32</b>	<b>101.07</b>	<b>106.04</b>	<b>111.23</b>

### ***Commission's Analysis and Ruling***

The Commission has observed that, despite AEML-D's claim of arrears on AIH for streetlights for the period from FY 2022-23 to FY 2024-25, amounting to Rs. 120 Crore (Rs. 40 Crore p.a.) in FY 2024-25, it has computed the Non-Tariff Income for FY 2025-26 by estimating the receipt of arrears pertaining to FY 2024-25, amounting to Rs. 40 Crore, to be received separately in FY 2025-26 with a 5% escalation. Similarly, despite AEML-D's claim of arrears on AIH for streetlights for the period from FY 2025-26 to FY 2027-28, amounting to Rs. 120 Crore (Rs. 40 Crore p.a.) in FY 2027-28, it has computed the Non-Tariff Income for FY 2028-29 by estimating the receipt of arrears pertaining to FY 2027-28, amounting to Rs. 40 Crore, to be received separately in FY 2028-29 with a 5% escalation. The Commission is of the view that AEML-D is claiming arrears pertaining to FY 2024-25 and FY 2027-28 twice.

Further, it has been observed that AEML-D has claimed a fixed compensation rate of Rs. 0.70 per unit for O&M services rendered to ASL throughout the Control Period. However, the Commission does not agree with this proposition. The Commission has provisionally determined that the compensation for O&M services provided to ASL shall be escalated using the average inflation factor for FY 2023-24 based on 30% of WPI inflation and 70% of CPI inflation of past 5 years, which works out to 5.53% reduced by efficiency factor of 1%, which is an annual escalation of 4.53% for each year of the Control Period. Accordingly, the Commission has arrived at the revised O&M Service Charges for each year of the Control Period as shown in the Table below:

**Table 5-86: O&M Service Charges for services rendered to AEML-SEEPZ, as approved by the Commission (Rs./kWh)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Service Charges (Rs./kWh)	0.76	0.80	0.84	0.87	0.91

Furthermore, the Commission in its MYT Order for ASL dated 28<sup>th</sup> March 2025 in Case No. 215 of 2024 has approved sales of 128.43 MU, 134.10 MU, 140.06 MU, 146.32 MU and 152.90 MU for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30, respectively. Accordingly, the Commission has arrived at the revenue for rendering O&M services to ASL for each year as shown in the Table below:

**Table 5-87: Revenue from services rendered to AEML-SEEPZ, as approved by the Commission (Rs./kWh)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Sales of ASL, as approved by the Commission	128.43	134.10	140.06	146.32	152.90
O&M Service Charges (Rs./kWh)	0.76	0.80	0.84	0.87	0.91
<b>Revenue from O&amp;M of ASL (Rs. Crore)</b>	<b>9.82</b>	<b>10.72</b>	<b>11.70</b>	<b>12.78</b>	<b>13.96</b>

Moreover, the Commission has estimated the Non-Tariff Income for each year of the Control Period from FY 2025-26 to FY 2029-30 by escalating the NTI approved for previous year by 5%, excluding the amount received from ASL towards the services rendered. After arriving at the estimated income considering 5% escalation, the estimated amount receivable from ASL towards the services rendered for each year is added to the same.

The Non-Tariff Income approved for the Wires Business and Supply Business for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

**Table 5-88: Non-Tariff Income for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Wires Business, as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income-escalation	169.45	177.92	186.82	196.16	205.97
Income from ASL	6.56	7.22	7.97	8.82	9.77
Income from AIH charges			120.00		
<b>Total NTI – Wires</b>	<b>176.00</b>	<b>185.14</b>	<b>314.79</b>	<b>204.97</b>	<b>215.73</b>

**Table 5-89: Non-Tariff Income for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-Tariff Income-escalation	92.97	97.62	102.50	107.62	113.01

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Income from ASL	3.27	3.50	3.73	3.96	4.19
<b>Total NTI – Supply</b>	<b>96.24</b>	<b>101.12</b>	<b>106.23</b>	<b>111.59</b>	<b>117.20</b>

## 5.17 INCOME FROM OTHER BUSINESS

### *AEML-D's Submission*

AEML-D submitted that there is no fixed pattern on the y-o-y increase in Income from Other Business (IFOB). Therefore, continuing the rationale adopted in the provisional truing-up for FY 2024-25, AEML-D has projected the IFOB at 5% increase over the earlier year.

The summary of the Income from Other Business for each year of the Control Period is shown in the table below:

**Table 5-90: Income from Other Business submitted by AEML-D for 5<sup>th</sup> Control Period from 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
Income from Other Business	3.66	3.84	4.03	4.24	4.45

### *Commission's Analysis and Ruling*

The Commission has approved the Income from Other Business for Wires Business as estimated by AEML-D for each year of the Control Period from FY 2025-26 to FY 2029-30, as shown in the Table below.

**Table 5-91: Income from Other Business for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 for Wires Business as approved by Commission (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Income from Other Business	3.66	3.84	4.03	4.24	4.45

## 5.18 PAST PERIOD ADJUSTMENT

### 5.18.1 True-Up Surplus of ADTPS

#### *AEML-D's Submission*

AEML-D submitted that the true-up surplus amount of Rs. 47.48 Crore pertaining to ADTPS, which was to be considered as part of FY 2023-24 (in the MTR Order), is now

considered, along with the associated holding cost, as part of gap / (surplus) in FY 2025-26 in the ARR of Retail Supply Business.

The holding cost is considered at the respective rates for that year, based on the normative interest on working capital, i.e., SBI MCLR plus 150 basis points. For FY 2024-25 and FY 2025-26 (mid-year), AEML-D has considered a rate of 10.45%, i.e., the rate of interest as on the date on which Petition is filed.

Accordingly, AEML-D has computed the principal amount along with the holding cost till FY 2025-26 as shown in the Table below:

**Table 5-92: True-up surplus of ADTPS, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	(47.48)	(47.48)
Addition	(47.48)	-	-
Recovery	-	-	(47.48)
Closing Balance	(47.48)	(47.48)	-
Average Balance	(23.74)	(47.48)	(23.74)
Holding Cost Rate (%)	10.07%	10.45%	10.45%
Holding Cost	(2.39)	(4.96)	(2.48)
<b>Principal plus holding cost</b>			<b>(57.31)</b>

### ***Commission's Analysis and Ruling***

The Commission vide Corrigendum Order dated 21 April 2023 in Case No. 231 of 2022 had stated as under:

*“However, by oversight, approved standalone ARR for Supply Business for FY 2023-24 in Table 6-24 of AEML-D's MTR has been considered as Rs. 6608.78 crore, which is arrived at by deducting Rs. 68.39 Crore towards 'Non-Tariff Income' from ARR of Rs. 6677.17 Crore. Thus, deduction of Rs. 47.48 Crore towards 'True-up surplus of AEML-G' has not been considered in Table 6-24. As tariff has been determined based on Supply ARR of Rs. 6608.78 Crore (and not Rs. 6561.30 crore), this has led to non-consideration of such surplus amount in ARR and Tariff of AEML-D for FY 2023-24.*

....

- 1. The above aspects are all related to the projection period of FY 2023-24 and FY 2024-25, and the impact of the same shall be addressed in the true-up of respective years in the next tariff determination process. This is consistent with the approach adopted in the past for all review Orders especially stated in review Order dated 21 July 2020 issued*

in Case No. 103 of 2020 in respect of review of certain aspects of MYT Order dated 30 March 2020.

....”

Accordingly, the Commission has now allowed the recovery of the true-up surplus amount of Rs. 47.48 Crore pertaining to ADTPS, which was inadvertently missed in the MTR Order dated 31 March 2023 in Case No. 231 of 2022 (to be considered as part of FY 2023-24), is now considered, along with the associated holding cost, as part of gap / (surplus) in FY 2025-26 in the ARR of Retail Supply Business.

Accordingly, the Commission has computed the principal amount along with the holding cost till FY 2025-26 as shown in the Table below:

**Table 5-93: True-up surplus of ADTPS, as approved by the Commission (Rs. Crore)**

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	(47.48)	(47.48)
Addition	(47.48)	-	-
Recovery	-	-	(47.48)
Closing Balance	(47.48)	(47.48)	-
Average Balance	(23.74)	(47.48)	(23.74)
Holding Cost Rate (%)	10.07%	10.50%	10.50%
Holding Cost	(2.39)	(4.99)	(2.49)
<b>Total Holding Cost (A)</b>			<b>(9.87)</b>
<b>Principal (B)</b>			<b>(47.48)</b>
<b>Total with holding cost (A+B)</b>			<b>(57.35)</b>

### 5.18.2 Capex Approval

#### *AEML-D's Submission*

AEML-D submitted that the approval of capex scheme for Meters for FY 2021-22 for Rs. 38.14 Crore was approved post the issuance of the MTR Order in Case No. 231 of 2022.

The consequential impact of the capex (in terms of depreciation, interest and RoE), which was to be considered as part of FY 2021-22 is now being considered, along with the associated carrying cost, as part of gap/ (surplus) in FY 2025-26 in supply business.

The carrying cost is considered at the respective rates for that year, based on the normative interest on working capital, i.e., SBI MCLR plus 150 basis points. For FY 2024-25 and FY 2025-26 (mid-year), AEML-D has considered the rate of 10.45%, i.e., the rate of interest as on the date on which Petition is filed.

Accordingly, AEML-D has computed the principal amount along with the carrying cost till FY 2025-26 as shown in the Table below:

**Table 5-94: Capex approval for past period, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	2.48	2.48	2.48	2.48
Addition	2.48	-	-	-	-
Recovery	-	-	-	-	2.48
Closing Balance	2.48	2.48	2.48	2.48	-
Average Balance	1.24	2.48	2.48	2.48	1.24
Carrying Cost Rate (%)	8.50%	9.30%	10.07%	10.45%	10.45%
Carrying Cost	0.11	0.23	0.25	0.26	0.13
<b>Principal plus holding cost</b>					<b>3.45</b>

### *Commission's Analysis and Ruling*

The Commission has computed the principal amount along with the carrying cost till FY 2025-26 as shown in the Table below:

**Table 5-95: Capex approval for past period, as approved by the Commission (Rs. Crore)**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	2.48	2.48	2.48	2.48
Addition	2.48	-	-	-	-
Recovery	-	-	-	-	2.48
Closing Balance	2.48	2.48	2.48	2.48	-
Average Balance	1.24	2.48	2.48	2.48	1.24
Carrying Cost Rate (%)	8.50%	9.30%	10.07%	10.50%	10.50%
Carrying Cost	0.11	0.23	0.25	0.26	0.13
<b>Total Carrying Cost (A)</b>					<b>0.98</b>
<b>Principal (B)</b>					<b>2.48</b>
<b>Total with Carrying cost (A+B)</b>					<b>3.46</b>

### **5.18.3 ADSM Charges**

#### *AEML-D's Submission*

AEML-D submitted that due to reasons beyond the control of AEML, ADSM charges have been levied in the bills issued by SLDC which need to be allowed as power purchase cost.

AEML-D submitted that it had made submissions for allowing recovery of ADSM charges due to un-controllable reasons for the period from October 2021 to October 2022 through its MTR Petition in Case No. 231 of 2022. The Commission, vide its Order dated 31 March

2023 in Case No. 231 of 2022, agreed to take considered view during the time of truing-up of FY 2022-23, based on the detailed submission of AEML-D. The relevant extract from the MTR Order is reproduced below:

*“Commission’s Analysis and Ruling*

*As per the MYT Regulations, 2019, ADSM Charges are not allowed to be passed through in the ARR. The Commission will take a considered view regarding the ADSM Charges at the time of True up of FY 2022-23, based on the detailed submissions to be made by AEML-D. The Commission has not considered the additional DSM amount sought to be passed through in the estimation of power purchase cost of FY 2022-23.”*

Accordingly, AEML-D has made a detailed submission on how the levy of ADSM charges in certain cases is unjustified because of the nature of events being uncontrollable. Factors causing deviation, which are uncontrollable in nature, are explained below:

**Variation in Frequency beyond operating band**

ADSM is also applicable when OD and UD are within the defined frequency limit (at  $f < 49.85\text{Hz}$  or UD at  $f > 50.1\text{Hz}$ ). Even though the deviations are within limit, but due to frequency being beyond the operating band, ADSM becomes applicable. Also, as explained, DISCOMs cannot control their drawal on real-time basis, nor change generation on real-time basis and the frequency is highly dynamic and cannot be predicted. It is clearly unfair to levy such ADSM charges on the DISCOMs.

**Curtailment / Bid not cleared in Day Ahead / Real Time Market (RTM)**

Changes in weather cause change in demand. Similarly, supply side changes such as reduction in RE generation require Discoms to meet demand through purchases from alternate sources such as Power Exchanges. During recent times, due to low availability of power in the market (Power Exchanges), bid clearance in DAM and RTM has fallen to as low as 2% to 5%. This has resulted in curtailment of drawal schedule and resultant ADSM charges for the DISCOM. Such situations of supplier failure and inability of real-time and day ahead markets to clear the demand are not in control of the DISCOMs. ADSM charges on account of the same should, therefore, be a pass-through to consumers, as the DISCOM only incurs such charges while performing its duty to meet the demand of the customers. Mumbai Discoms such as AEML do not have the option of load curtailment in case of such contingencies due to which they are left with no response mechanism to deal with such eventualities.

**Force Majeure Event**

Realtime reduction in Inter-State power of RE and Non-RE sources by RLDCs due to transmission constraints results in curtailment of drawal schedule. DISCOMs are unable to



arrange power from Realtime Market as well because the curtailment in inter-State schedule is undertaken on real time basis, i.e., post RTM bidding timelines. ADSM charges levied because of such events should be pass through.

AEML-D has submitted the summary of ADSM charges billed to AEML for the period from October 2021 to September 2024 (Oct-21 to May-23 based on Revised DSM bills issued by SLDC during FY 2024-25) based on revised DSM bills issued by SLDC due to above reasons are as below:

	Uncontrollable (A) (value in Rs. lakh)					Controllable (B)	A + B
Period	OD<L, f<49.85	UD<L, f>50.1	Demand/Supply side variation with Low clearance of DAM/RTM clearance	Force Majeure Event	Total	OD/UD > L	Total
Oct-21 to Mar-22	3.4	0.4	17.3	27.7	48.8	6.9	55.8
FY 22-23	38.2	26.9	363.7	64.0	492.8	56.8	549.6
FY 23-24	15.7	10.7	110.5	50.8	187.7	25.3	213.0
Apr-24 to Sep-24	1.1	5.6	77.5	10.9	95.2	55.4	150.6
<b>Total</b>	<b>58</b>	<b>44</b>	<b>569</b>	<b>153</b>	<b>824</b>	<b>144</b>	<b>969</b>

In view of the above, the ADSM charges on account of uncontrollable factors need to be allowed as power purchase cost, whereas ADSM charges for controllable events will be absorbed by AEML. Therefore, AEML-D requested the Commission to allow Rs. 8.24 crore as part of power purchase cost for the respective years for the period from October 2021 to September 2024 by invoking its Power to Relax and Power to Remove Difficulties under Regulations 105 and 106 of the MYT Regulations, 2019 or Regulations 149 and 151 of the MYT Regulations, 2024 (as applicable).

Since, AEML-D is now claiming the amount, the consequential impact of the same along with the associated carrying cost, is included as part of gap/ (surplus) in FY 2025-26 in Supply Business.

The carrying cost is considered at the respective rates for that year based on the normative interest on working capital, i.e., SBI MCLR plus 150 basis points. For FY 2024-25 and FY 2025-26 (mid-year), AEML-D has considered the rate at 10.45%, i.e., the rate of interest as on the date on which Petition is filed.

Accordingly, AEML-D has computed the principal amount along with the Carrying cost till FY 2025-26 as shown in the Table below:

**Table 5-96: Recovery of ADSM Charges, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	0.49	5.42	7.29	8.24
Addition	0.49	4.93	1.88	0.95	-
Recovery	-	-	-	-	8.24
Closing Balance	0.49	5.42	7.29	8.24	-
Average Balance	0.24	2.95	6.35	7.77	4.12
Carrying Cost Rate (%)	8.50%	9.30%	10.07%	10.45%	10.45%
Carrying Cost	0.01	0.27	0.64	0.81	0.43
<b>Principal plus holding cost</b>					<b>10.41</b>

### ***Commission's Analysis and Ruling***

The Commission has not allowed recovery of ADSM, as the same is not a pass through as per the Regulations.

### **5.19 TRUE-UP SURPLUS OF AEML-G**

The Commission has trued-up the ARR of AEML-G for the period from FY 2022-23 and FY 2023-24 and done provisional true-up for FY 2024-25, in the MYT Order dated 28<sup>th</sup> March 2025 in Case No. 188 of 2024. The Commission has determined a surplus of Rs. 53.63 Crore after truing up for AEML-G, which has been passed on to AEML-D and the ARR of AEML-D has been adjusted accordingly for FY 2025-26.

### **5.20 AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26 to FY 2029-30**

#### ***AEML-D's Submission***

The summary of the ARR for the Wires Business and Supply Business for FY 2025-26 to FY 2029-30 is given in the Tables below:

**Table 5-97: ARR for FY 2025-26 to FY 2027-28 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2025-26			FY 2026-27			FY 2027-28		
	Wire	Retail	Total	Wire	Retail	Total	Wire	Retail	Total
Power purchase		6,549.74	6,549.74		7,260.90	7,260.90		8,590.56	8,590.56
InSTS, STU and SLDC charges		846.81	846.81		754.26	754.26		892.13	892.13
Operation & Maintenance expenditure	1,239.03	620.08	1,859.12	1,425.54	665.30	2,090.84	1,641.94	704.74	2,346.68
TOTEX model for Smart Meter		89.55	89.55		165.65	165.65		241.76	241.76
Depreciation	469.28	53.69	522.97	512.25	57.73	569.98	556.98	56.10	613.08
Interest on long-term loan	298.55	32.49	331.04	334.18	34.55	368.73	375.49	29.29	404.78
Return on Equity	710.33	81.16	791.49	780.75	88.24	868.99	859.62	88.26	947.89
Interest on working capital	52.25		52.25	44.99		44.99	50.13		50.13
Interest on CSD	10.26	33.84	44.11	11.25	37.11	48.36	12.24	40.37	52.61
Provision for Bad and Doubtful Debts	4.00	11.43	15.44	4.00	11.43	15.44	4.00	11.43	15.44
Contribution to contingency reserve		2.88	2.88		3.43	3.43		3.44	3.44
Less: Non-Tariff Income	209.74	91.77	301.52	220.30	96.32	316.62	351.39	101.07	452.46
Less: Income from Other Business	3.66		3.66	3.84		3.84	4.03		4.03
<b>Aggregate Revenue Requirement (ARR)</b>	<b>2,570.31</b>	<b>8,229.89</b>	<b>10,800.20</b>	<b>2,888.82</b>	<b>8,982.29</b>	<b>11,871.11</b>	<b>3,144.99</b>	<b>10,557.01</b>	<b>13,701.99</b>
Past impact		(43.45)	(43.45)						
AEML-D past gap till FY 2024-25	977.47	(866.04)	111.43						
<b>Total ARR</b>	<b>3,547.78</b>	<b>7,320.40</b>	<b>10,868.18</b>	<b>2,888.82</b>	<b>8,982.29</b>	<b>11,871.11</b>	<b>3,144.99</b>	<b>10,557.01</b>	<b>13,701.99</b>

**Table 5-98: ARR for FY 2028-29 and FY 2029-30 as submitted by AEML-D (Rs. Crore)**

Particulars	FY 2028-29			FY 2029-30		
	Wire	Retail	Total	Wire	Retail	Total
Power purchase		9,129.11	9,129.11		10,246.77	10,246.77
InSTS, STU and SLDC charges		1,010.84	1,010.84		1,108.57	1,108.57
Operation & Maintenance expenditure	1,891.44	746.77	2,638.21	2,164.81	791.72	2,956.53
TOTEX model for Smart Meter		317.90	317.90		320.61	320.61
Depreciation	603.72	55.46	659.18	657.80	52.81	710.62
Interest on long-term loan	422.29	24.12	446.40	467.30	19.10	486.40
Return on Equity	946.94	88.26	1,035.21	1,036.78	88.26	1,125.04
Interest on working capital	58.96		58.96	67.54		67.54
Interest on CSD	13.23	43.63	56.86	14.22	46.89	61.11
Provision for Bad and Doubtful Debts	4.00	11.43	15.44	4.00	11.43	15.44
Contribution to contingency reserve		3.44	3.44		3.44	3.44
Less: Non-Tariff Income	285.04	106.04	391.07	299.36	111.23	410.59
Less: Income from Other Business	4.24		4.24	4.45		4.45
<b>Aggregate Revenue Requirement (ARR)</b>	<b>3,651.31</b>	<b>11,324.91</b>	<b>14,976.22</b>	<b>4,108.65</b>	<b>12,578.37</b>	<b>16,687.02</b>
Past impact						
AEML-D past gap till FY 2024-25						
<b>Total ARR</b>	<b>3,651.31</b>	<b>11,324.91</b>	<b>14,976.22</b>	<b>4,108.65</b>	<b>12,578.37</b>	<b>16,687.02</b>

**Commission's Analysis and Ruling**

Based on the components of the ARR approved in the above paragraphs, the Commission has approved the ARR for the Wires and the Supply Business for the Control Period from FY 2025-26 to FY 2029-30, as shown in the Tables below:

**Table 5-99: ARR for FY 2025-26 to FY 2029-30 for Wires Business as approved by Commission (Rs. Crore)**

	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	1,188.18	1,338.41	1,499.66	1,672.83	1,858.88
2	Meters – TOTEX	1.40	2.09	2.79	3.48	2.90
3	Depreciation	445.98	477.16	502.28	522.85	549.04
4	Interest on Loan Capital	282.59	301.81	318.42	332.91	345.23
5	Interest on Working Capital	26.84	20.73	23.40	28.93	33.39
6	Interest on deposit from Consumers and Distribution System Users	10.84	10.84	11.79	12.74	13.69
5	Provision for Bad and Doubtful Debts	4.00	4.00	4.00	4.00	4.00
6	Contribution to Contingency Reserves	-	-	-	-	-
7	<b>Total Revenue Expenditure</b>	<b>1,959.84</b>	<b>2,155.05</b>	<b>2,362.34</b>	<b>2,577.76</b>	<b>2,807.13</b>
8	Add: Return on Equity Capital	703.37	754.75	806.13	857.51	909.23
9	<b>Aggregate Revenue Requirement</b>	<b>2,663.20</b>	<b>2,909.80</b>	<b>3,168.47</b>	<b>3,435.27</b>	<b>3,716.36</b>
10	Less: Non-Tariff Income	176.00	185.14	314.79	204.97	215.73
11	Less: Income from other business	3.66	3.84	4.03	4.24	4.45
12	<b>Aggregate Revenue Requirement from Wires Business</b>	<b>2,483.54</b>	<b>2,720.82</b>	<b>2,849.65</b>	<b>3,226.06</b>	<b>3,496.18</b>

**Table 5-100: ARR for FY 2025-26 to FY 2029-30 for Retail Supply Business as approved by Commission (Rs. Crore)**

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Power Purchase Expenses (including Inter-State Transmission Charges)	5,442.33	5,840.44	6,478.28	6,637.96	7,699.25
2	Operation & Maintenance Expenses	618.92	662.68	700.32	740.15	782.44
3	Meters - TOTEX	78.69	146.05	213.42	280.82	276.07
4	Depreciation	56.00	58.19	56.37	55.96	53.38
5	Interest on Loan Capital	32.69	34.62	29.33	24.12	19.04
6	Interest on Working Capital	-	-	-	-	-
7	Interest on Consumer Security Deposit	32.59	35.73	38.87	42.01	45.15
8	Provision for Bad and Doubtful Debts	11.43	11.43	11.43	11.43	11.43
9	Contribution to contingency reserves	2.88	3.43	3.44	3.44	3.44
10	Intra-State Transmission Charges	884.14	689.37	754.33	790.57	818.55
11	MSLDC Fees & Charges	2.07	2.15	2.48	2.78	3.05
12	STU Fees and Charges	0.59	0.64	0.66	0.65	0.62
13	<b>Total Revenue Expenditure</b>	<b>7,162.34</b>	<b>7,484.75</b>	<b>8,288.93</b>	<b>8,589.88</b>	<b>9,712.43</b>
14	Add: Return on Equity Capital	81.16	88.24	88.26	88.26	88.26
15	<b>Aggregate Revenue Requirement</b>	<b>7,243.50</b>	<b>7,573.00</b>	<b>8,377.20</b>	<b>8,678.14</b>	<b>9,800.69</b>
16	Less: Non-Tariff Income	96.24	101.12	106.23	111.59	117.20
18	<b>Aggregate Revenue Requirement from Supply Business</b>	<b>7,147.26</b>	<b>7,471.88</b>	<b>8,270.96</b>	<b>8,566.56</b>	<b>9,683.49</b>

The estimated Revenue Gap / (Surplus) of the Wires Business and Supply Business including past impact have been addressed in the Cumulative Revenue Requirement of the MYT Control Period from FY 2025-26 to FY 2029-30, as elaborated in Chapter 6 of this Order.

## 6 CUMULATIVE REVENUE GAP, TARIFF PHILOSOPHY AND CATEGORY-WISE TARIFFS FOR FY 2025-26 to FY 2029-30

### 6.1 INCREMENTAL REVENUE GAP/SURPLUS FOR FY 2022-23

#### *AEML-D's Submission*

AEML-D has considered the Revenue Gap/(Surplus) for FY 2022-23 as calculated in its Petition. The Commission had determined provisional Revenue Gap of Rs. 324.15 Crore in Wires Business and Rs. 325.03 Crore in Supply Business for FY 2022-23 in AEML-D's MTR Order dated 31 March, 2023. Hence, AEML-D has computed the incremental Revenue Gap/(Surplus) for FY 2022-23 to be recovered in FY 2025-26, as shown in the Table below:

**Table 6-1: Incremental Revenue Gap/(Surplus) for FY 2022-23**

Particulars / (Rs. Crore)	Revenue Gap / (Surplus) allowed in MTR Order	Revenue Gap / (Surplus) after truing up	Incremental Gap / (Surplus)
Wires Business	324.15	543.10	218.95
Supply Business	325.03	342.21	17.18
<b>Wires &amp; Supply Business</b>	<b>649.18</b>	<b>885.31</b>	<b>236.13</b>

#### *Commission's Analysis and Ruling*

As elaborated in Chapter 3 of this Order, the Commission had determined provisional Revenue Gap of Rs. 324.15 Crore for the Wires Business and provisional Revenue Gap of Rs. 325.02 Crore for the Supply Business for FY 2022-23 in the MTR Order dated 31 March, 2023. The Commission has now approved Revenue Gap of Rs. 461.87 Crore for the Wires Business and Gap of Rs. 281.10 Crore for the Supply Business, after truing up for FY 2022-23 in this Order.

The following Table shows the Incremental Revenue Gap/(Surplus) approved by the Commission after truing up for FY 2022-23:

**Table 6-2: Incremental Revenue Gap/(Surplus) approved for FY 2022-23**

Particulars / (Rs. Crore)	Revenue Gap / (Surplus) allowed in MTR Order	Revenue Gap Approved after truing up	Incremental Gap / (Surplus)
Wires Business	324.15	461.87	137.72
Supply Business	325.02	281.10	(43.92)

Particulars / (Rs. Crore)	Revenue Gap / (Surplus) allowed in MTR Order	Revenue Gap Approved after truing up	Incremental Gap / (Surplus)
Wires & Supply Business	649.17	742.97	93.80

## 6.2 REVENUE GAP / SURPLUS FOR FY 2023-24

### *AEML-D's Submission*

The Revenue Gap/(Surplus) for FY 2023-24 has been calculated by AEML-D as shown in the Table below:

**Table 6-3: Revenue Gap/(Surplus) for FY 2023-24**

Particulars / (Rs. Crore)	Wires Business	Supply Business	Wires & Supply Business
Revenue Gap / (Surplus)	391.40	(67.08)	324.32

### *Commission's Analysis and Ruling*

As elaborated in Chapter 3 of this Order, the Commission has approved the Revenue Gap of Rs. 301.97 Crore for Wires Business and Revenue Surplus of Rs. 141.54 Crore for the Supply Business, after truing up for FY 2023-24. The Commission has thus, approved Total Revenue Gap of Rs. 160.43 Crore for the Wires Business and Supply business after Truing-up for FY 2023-24, as shown in the Table below:

**Table 6-4: Revenue Gap/(Surplus) Approved for FY 2023-24**

Particulars / (Rs. Crore)	Wires Business	Supply Business	Wires & Supply Business
Revenue Gap/(Surplus)	301.97	(141.54)	160.43

## 6.3 PROVISIONAL REVENUE GAP/ SURPLUS FOR FY 2024-25

### *AEML-D's Submission*

The provisional Revenue Gap/(Surplus) for FY 2024-25 as computed by AEML-D is shown in the Table below:

**Table 6-5: Provisional Revenue Gap/(Surplus) for FY 2024-25**

Particulars / (Rs. Crore)	Wires Business	Supply Business	Wires & Supply Business
Revenue Gap/(Surplus)	170.32	(823.15)	(652.82)



### ***Commission's Analysis and Ruling***

As elaborated in Chapter 4 of this Order, the Commission has approved Revenue Gap of Rs. 267.38 Crore for the Wires Business and Revenue Surplus of Rs. 693.72 Crore for the Supply Business, after provisional truing up for FY 2024-25. The Commission has thus, approved Total Revenue Surplus of Rs. 426.34 Crore for the Wires Business and Supply Business after provisional truing-up for FY 2024-25, as shown in the Table below:

**Table 6-6: Provisional Revenue Gap/(Surplus) Approved for FY 2024-25**

<b>Particulars / (Rs. Crore)</b>	<b>Wires Business</b>	<b>Supply Business</b>	<b>Wires &amp; Supply Business</b>
Provisional Revenue Gap / (Surplus)	267.38	(693.72)	(426.34)

## **6.4 CUMULATIVE REVENUE GAP / SURPLUS TILL FY 2025-26**

### ***AEML-D's Submission***

AEML-D submitted that carrying / holding cost is only computed for Revenue Gap / (Surplus) pertaining to FY 2022-23 and FY 2023-24 and not on the provisional Revenue Gap / (Surplus) of FY 2024-25, as the same is provisional at this stage.

The Cumulative Past Gap/(Surplus) proposed by AEML-D is shown in the Table below:

**Table 6-7: Recovery of Cumulative Revenue Gap / Surplus till FY 2025-26 (Rs. Crore)**

<b>Particulars</b>	<b>Wires Business</b>	<b>Supply Business</b>	<b>Total</b>
Incremental Revenue Gap of FY 2022-23	218.95	17.18	236.13
Revenue Gap of FY 2023-24	391.40	(67.08)	324.32
Provisional Revenue Gap of FY 2024-25	170.32	(823.15)	(652.82)
Carrying cost on Revenue Gap of FY 2022-23	115.75	20.87	136.63
Carrying cost on Revenue Gap of FY 2023-24	81.05	(13.89)	67.16
<b>Total</b>	<b>997.47</b>	<b>(866.06)</b>	<b>111.41</b>

### ***Commission's Analysis and Ruling***

The Commission has considered the carrying/(holding) cost up to FY 2025-26, assuming that the amounts will be recovered during FY 2025-26. Any further staggering of the recovery has been considered separately, as elaborated subsequently.

The Commission approves the cumulative Revenue Gap/(Surplus) for the Wires Business, Supply Business and combined Distribution Business till FY 2025-26, based on the amounts approved in earlier paragraphs, along with the associated carrying/(holding) cost, as shown in the Table below:

**Table 6-8: Approved Cumulative Revenue Gap/(Surplus) of Wires Business till FY 2025-26 (Rs. Crore)**

Particulars	AEML-D Petition	Approved in this Order
Incremental Revenue Gap of FY 2022-23	218.95	137.72
Revenue Gap of FY 2023-24	391.40	301.97
Provisional Revenue Gap of FY 2024-25	170.32	267.38
Carrying cost on Revenue Gap of FY 2022-23	115.75	91.21
Carrying cost on Revenue Gap of FY 2023-24	81.05	62.76
<b>Total</b>	<b>997.47</b>	<b>861.03</b>

**Table 6-9: Approved Cumulative Revenue Gap/(Surplus) of Supply Business till FY 2025-26 (Rs. Crore)**

Particulars	AEML-D Petition	Approved in this Order
Incremental Revenue Gap of FY 2022-23	17.18	(43.92)
Revenue Gap of FY 2023-24	(67.08)	(141.54)
Provisional Revenue Gap of FY 2024-25	(823.15)	(693.72)
Carrying cost on Revenue Gap of FY 2022-23	20.87	2.23
Carrying cost on Revenue Gap of FY 2023-24	(13.89)	(29.42)
<b>Total</b>	<b>(866.06)</b>	<b>(906.36)</b>

**Table 6-10: Approved Cumulative Revenue Gap/(Surplus) of combined Distribution Business till FY 2025-26 (Rs. Crore)**

Particulars	AEML-D Petition	Approved in this Order
Incremental Revenue Gap of FY 2022-23	236.13	93.80
Revenue Gap of FY 2023-24	324.32	160.43
Revenue Gap of FY 2024-25	(652.82)	(426.34)
Carrying Cost	203.78	126.79
<b>Total</b>	<b>111.41</b>	<b>(45.33)</b>

Further, as elaborated in the earlier Chapter, there are certain amounts to be allowed for recovery for the Supply Business of AEML-D, on account of certain aspects related to the MTR Order dated 31 March 2023. The summary of the amount claimed by AEML-D and the amount allowed with the associated carrying/(holding) cost on account of such Past Gap/(Surplus) is given in the Table below:

**Table 6-11: Approved Additional Gap/(Surplus) for Supply Business on account of MTR Order till FY 2025-26 (Rs. Crore)**

Particulars	AEML-D Petition	Approved in this Order
Meter Capex Scheme approval for FY 2021-22	3.45	3.46
ADTPS Surplus from AEML-D MTR Order	(57.31)	(57.35)
ADSM	10.41	-
ADTPS Gap/(Surplus) till FY 2025-26	-	(53.64)
<b>Total</b>	<b>(43.45)</b>	<b>(107.53)</b>

The above additional Revenue Surplus of Rs. 107.53 Crore has been added to the Revenue Surplus of the Supply Business computed above and adjusted over the MYT Control Period, as detailed subsequently.

## **6.5 APPROACH FOR RECOVERY OF PAST GAP / (SURPLUS)**

AEML-D submitted that the Commission in the Tariff Order dated 6 March 2024 for TPC-D in Case No. 237 of 2023 has not agreed to the submission of TPC-D to defer the Revenue Gap. Accordingly, AEML-D has proposed to recover / pass on the Revenue Gap / (Surplus) till FY 2024-25 entirely in FY 2025-26.

AEML-D submitted that there is significant Revenue Gap in the Wires Business, as opposed to the Supply Business. AEML-D submitted that while there will be increase in Wheeling Charges for FY 2025-26, there'll be a dip in Retail Average Cost of Supply, due to adjustment of entire accumulated Revenue Gap / (Surplus) fully during FY 2025-26 alone. Therefore, this approach avoids further accretion of carrying cost on the accumulated Revenue Gap, while keeping the overall tariffs (Wheeling Charge + Retail ACoS) stable over the Control Period.

Therefore, in accordance with the practice adopted in the Commission vide Order dated 6 March 2024 in Case No. 237 of 2023 for TPC-D, AEML-D has proposed to recover the Wires Revenue Gap/(Surplus) and Supply Revenue Gap/(Surplus) entirely in FY 2025-26.

### ***Commission's Analysis and Ruling***

The Commission has allowed recovery of the Revenue Gap/(Surplus) of the Wires Business and Supply Business through the ARRs of the respective business, in line with the practice followed in earlier Orders for AEML-D.

The Revenue Gap of the Wires Business is high as compared to the Revenue Surplus of the Supply Business, largely on account of the under-recovery of revenue from Wheeling Charges due to lower sales, though the incidence of cost of the Wires Business is fixed. AEML-D has proposed to recover the entire Revenue Gap of the Wires Business and the entire Revenue Surplus of the Supply Business after true-up for FY 2022-23 and FY 2023-24 and provisional truing up for FY 2024-25, through the ARR of FY 2025-26 alone.

While the approach proposed by AEML-D does result in minimising the carrying cost associated with spreading of the Revenue Gap/(Surplus), the Commission also has to bear in mind the quantum of Revenue Gap/(Surplus) being passed through the ARR and tariff in a single year, and the benefit of having a steady tariff pattern as compared to steep tariff increase followed by steep tariff reduction in the next year or vice-versa.

AEML-D has proposed an overall tariff reduction of 15% in FY 2025-26 followed by a minor increase of 0.05% in FY 2026-27, a 6.3% increase in FY 2027-28, a small increase of 1% in FY 2028-29, and an increase of 5% in FY 2029-30. Thus, AEML-D has proposed a see-saw pattern of tariff increase year-on-year for the Control Period, which is not preferable in the view of the Commission. Had the Commission been determining tariff on an annual basis, and if the end result turned out in this manner, then there would have been no option but to approve tariff increase/reduction as required, irrespective of the pattern of tariff increase following a see-saw pattern or otherwise. However, one of the benefits of determining tariff for a longer period of time is that a smooth tariff increase/decrease pattern can be implemented.

The Commission also has to ensure that the cross-subsidies are within the band of  $\pm 20\%$  of Average Cost of Supply.

Hence, after careful consideration, the Commission has decided to pass through the entire Revenue Gap of the Wires Business with associated carrying cost as computed earlier, in the ARR and Tariff for FY 2025-26, which results in increasing the Wheeling Charges for FY 2025-26. The high Revenue Surplus of the Supply Business with associated carrying cost as computed earlier has been passed through in FY 2025-26

Hence, in line with the approach adopted in Commission vide Order dated 6 March 2024 in Case No. 237 of 2023, the Commission has allowed the recovery of the Cumulative Gap/(Surplus) till FY 2024-25 entirely in FY 2025-26.

Accordingly, as discussed in the previous section, the Commission allows the recovery of Past Gap, including Carrying cost amounting to Rs. 862.96 Crore for Wires Business,

entirely in FY 2025-26. Further, the Commission has adjusted the Revenue Surplus for the Supply Business including the Holding cost, amounting to Rs. 1013.89 Crore (Rs. 906.36 Crore + Rs. 107.53 Crore), equally in FY 2026-27 and FY 2027-28, and has also computed the holding cost on account of deferment and spreading of the Revenue Surplus.

The Commission has approved the ARR for the Wires Business and Supply Business for each year of the Control Period from FY 2025-26 to FY 2029-30, as elaborated in Chapter 5 of this Order. Considering the ARR approved for each year and the recovery of the Cumulative Gap/(Surplus) as approved above, the net ARR approved for recovery for the Wires Business and Supply Business from FY 2025-26 to FY 2029-30 is shown in the Tables below:

**Table 6-12: Net ARR approved for Wires & Supply Business for FY 2025-26**

Particulars	Wires Business		Supply Business		Total	
	Petition	Approved	Petition	Approved	Petition	Approved
Standalone ARR	2,570.31	2483.54	8,186.44	7,147.26	10,756.75	9,630.80
Recovery of Past Gap/(Surplus)	977.47	861.03	(866.06)	-	111.41	861.03
Holding Cost due to deferment				(106.46)		(106.46)
Revenue from Wheeling & CSS from Changeover	455.67	454.29	10.99	10.68	466.66	464.97
<b>Net ARR</b>	<b>3,092.11</b>	<b>2,890.29</b>	<b>7,309.39</b>	<b>7,030.13</b>	<b>10,401.50</b>	<b>9,920.41</b>

**Table 6-13: Net ARR approved for Wires & Supply Business for FY 2026-27**

Particulars	Wires Business		Supply Business		Total	
	Petition	Approved	Petition	Approved	Petition	Approved
Standalone ARR	2,888.82	2,720.82	8,982.29	7,471.88	11,871.11	10,192.69
Recovery of Past Gap/(Surplus)				(506.95)		(506.95)
Holding Cost due to deferment				(53.23)		(53.23)
Revenue from Wheeling & CSS from Changeover	350.10	355.08	97.70	14.08	447.80	369.16
<b>Net ARR</b>	<b>2,538.72</b>	<b>2,365.74</b>	<b>8,884.59</b>	<b>6,897.62</b>	<b>11,423.30</b>	<b>9,263.36</b>

**Table 6-14: Net ARR approved for Wires & Supply Business for FY 2027-28**

Particulars	Wires Business		Supply Business		Total	
	Petition	Approved	Petition	Approved	Petition	Approved
Standalone ARR	3,144.99	2,849.65	10,557.01	8,270.96	13,701.99	11,120.61
Recovery of Past Gap/(Surplus)				(506.95)		(506.95)
Holding Cost due to deferment						
Revenue from Wheeling & CSS from Changeover	360.79	347.69	99.08	16.29	459.87	363.99
<b>Net ARR</b>	<b>2784.20</b>	<b>2,501.96</b>	<b>10,457.93</b>	<b>7,747.72</b>	<b>13,242.12</b>	<b>10,249.68</b>

**Table 6-15: Net ARR approved for Wires & Supply Business for FY 2028-29**

Particulars	Wires Business		Supply Business		Total	
	Petition	Approved	Petition	Approved	Petition	Approved
Standalone ARR	3,651.31	3,226.06	11,324.91	8,566.56	14,976.22	11,792.61
Recovery of Past Gap/(Surplus)						
Holding Cost due to deferment						
Revenue from Wheeling & CSS from Changeover	398.31	376.99	102.55	60.13	500.86	437.11
<b>Net ARR</b>	<b>3253.00</b>	<b>2,849.07</b>	<b>11,222.36</b>	<b>8,506.43</b>	<b>14,475.36</b>	<b>11,355.50</b>

**Table 6-16: Net ARR approved for Wires & Supply Business for FY 2029-30**

Particulars	Wires Business		Supply Business		Total	
	Petition	Approved	Petition	Approved	Petition	Approved
Standalone ARR	4,108.65	3,496.18	12,578.37	9,683.49	16,687.02	13,179.67
Recovery of Past Gap/(Surplus)						
Holding Cost due to deferment						
Revenue from Wheeling & CSS from Changeover	429.04	390.93	101.40	41.90	530.44	432.83
<b>Net ARR</b>	<b>3,679.61</b>	<b>3,105.26</b>	<b>12,476.97</b>	<b>9,641.59</b>	<b>16,156.58</b>	<b>12,746.85</b>

## 6.6 ALLOCATION OF ASSETS AND COST AT DIFFERENT VOLTAGE LEVELS AND COMPUTATION OF WHEELING CHARGES

### *AEML-D's Submission*

#### Asset Allocation

AEML-D submitted that the asset allocation is done between HT, LT and Supply as per the voltage-wise guidelines considering the closing GFA as on 31 March 2024 as follows:

1. Total assets of AEML-D are first allocated between Wires, Supply and Common to Business assets.
2. The assets pertaining to Wires Business are allocated between “Voltage Identifiable”, “Boundary Assets” and “Common to Voltage” categories.
3. The “Common to Voltage” assets are bifurcated between HT and LT in the ratio of summation of assets under “Voltage identifiable” and “Boundary assets” categories.
4. The “Common to Business” assets are first bifurcated between Wires and Supply in the ratio of all other assets under Wires and Supply.
5. The Common to Business assets pertaining to Wires as allocated from above are segregated 50% each into customer driven (50%) and network driven (50%).
6. The Common to Business assets pertaining to customer driven are segregated between HT and LT voltages based on the number of consumers at HT and LT level.
7. The Common to Business assets pertaining to network driven are segregated between HT and LT voltages based on line length in ckt-kms at HT and LT level.

The summary of Voltage-wise asset allocation for FY 2023-24 is shown in the table below:

**Table 6-17: Voltage-wise asset allocation for FY 2023-24**

Closing GFA as on 31-03-2024 (Rs. Crore)	HT	LT	Total	Supply	Total
Voltage identifiable	3,419.35	4,624.39	8,043.74		
Boundary assets	737.75	566.89	1,304.64		
Common to voltage	77.52	96.80	174.32		
Common to business	67.62	614.60	682.22		
Total	4,302.23	5,902.69	10,204.92	853.06	11,057.98

Taking into consideration the total GFA of HT and LT as provided above, the HT: LT allocation ratio amounts to **42.16%: 57.84%**.

#### Cost Allocation

AEML-D submitted that, according to Voltage-wise Guidelines, the various components of the Wires ARR so projected are to be classified into voltage levels of HT and LT. In

compliance with the Voltage-wise Guidelines, the methodology for segregating the various ARR heads is as follows:

a. Depreciation:

- Depreciation on Opening GFA as on 01-10-2024: Depreciation is asset related. Hence, to the extent assets are directly identified with voltage (Voltage Identifiable and Boundary Assets), the depreciation on the GFA as on 30-09-2024 is worked out directly from the system. The depreciation on Common to Voltage assets for asset base as on 30-09-2024 is worked out from the system and allocated to HT and LT based on the ratio of summation of depreciation under Voltage Identifiable and Boundary Asset categories. Depreciation on Common to Business assets for assets as on 30-09-2024 is worked out directly from the system and allocated first to Wires and Supply, and depreciation of Wires Business on such assets (common to business) is then allocated to HT and LT based on the allocation of asset ratio as per the guidelines (consumer numbers and line length).
- Further, the asset addition estimated during H2 of FY 2024-25 and projected asset addition during each year of the Control Period, is assumed at this stage to be under 'Voltage Identifiable' asset category only. Therefore, the depreciation computed in the relevant sections for FY 2024-25 and FY 2025-26 to FY 2029-30 is allocated between HT and LT in the ratio of depreciation on assets under 'voltage identifiable' GFA as at the end of each financial year of the Control Period.

- b. The interest on loan and the return on equity is allocated between HT and LT in the asset allocation ratio (42.16%: 57.84%) as provided above.
- c. Normative O&M, Non-Tariff Income and Income from other business is first segregated (50% each) between the consumer and the network and is then allocated between HT and LT in the ratio of HT:LT consumers and HT:LT line length respectively.
- d. The Total ARR of HT and LT considering the above ARR heads is arrived at.
- e. Interest on working capital, Interest on CSD and Provision for Bad debts is allocated between HT and LT in the ratio of the Total ARR of HT and LT.
- f. Contribution to Contingency Reserve, as submitted above, pertains only to Supply Business and is hence, not allocated to HT and LT.
- g. The Total ARR for HT and LT inclusive of the afore-mentioned heads is arrived at (Sr. No. d + Sr. No. e).
- h. The past Gap as elaborated in the section pertaining to the ARR for the Control Period is allocated between HT and LT in the ratio of Total ARR arrived at Sr. No (g) above.

The Wires ARR is bifurcated between HT and LT as shown in the Tables below:



**Table 6-18: FY 2025-26 to FY 2029-30 projected Wires ARR bifurcation voltage-wise (Rs. Crore)**

ARR	FY 2025-26			FY 2026-27			FY 2027-28		
	HT	LT	Total	HT	LT	Total	HT	LT	Total
Depreciation	197.82	271.46	469.28	216.53	295.72	512.25	238.13	318.85	556.98
Interest on long-term loan	125.86	172.69	298.55	140.89	193.30	334.18	158.30	217.19	375.49
Return on Equity	299.46	410.86	710.33	329.15	451.60	780.75	362.40	497.22	859.62
O&M	122.80	1,116.23	1,239.03	141.29	1,284.25	1,425.54	162.74	1,479.20	1,641.94
Less: NTI	20.79	188.96	209.74	21.83	198.47	220.30	34.83	316.56	351.39
Less: IFOB	0.36	3.30	3.66	0.38	3.46	3.84	0.40	3.63	4.03
<b>Sub-total ARR</b>	<b>724.80</b>	<b>1,778.99</b>	<b>2,503.79</b>	<b>805.64</b>	<b>2,022.91</b>	<b>2,828.55</b>	<b>886.34</b>	<b>2,192.27</b>	<b>3,078.60</b>
Interest on working capital	15.12	37.12	52.25	12.81	32.17	44.99	14.43	35.70	50.13
Interest on CSD	2.97	7.29	10.26	3.21	8.05	11.25	3.52	8.72	12.24
Provision for Bad and Doubtful Debts	1.16	2.85	4.00	1.14	2.86	4.00	1.15	2.85	4.00
<b>Sub-total ARR</b>	<b>744.06</b>	<b>1,826.25</b>	<b>2,570.31</b>	<b>822.79</b>	<b>2,066.02</b>	<b>2,888.82</b>	<b>905.45</b>	<b>2,239.54</b>	<b>3,144.99</b>
AEML-D past gap till FY 2024-25	282.96	694.51	977.47						
<b>Aggregate Revenue Requirement (ARR)</b>	<b>1,027.02</b>	<b>2,520.76</b>	<b>3,547.78</b>	<b>822.79</b>	<b>2,066.02</b>	<b>2,888.82</b>	<b>905.45</b>	<b>2,239.54</b>	<b>3,144.99</b>

Particulars	FY 2028-29			FY 2029-30		
	HT	LT	Total	HT	LT	Total
Depreciation	257.89	345.83	603.72	278.60	379.20	657.80
Interest on long-term loan	178.03	244.26	422.29	197.01	270.30	467.30
Return on Equity	399.22	547.73	946.94	437.09	599.69	1,036.78
O&M	187.46	1,703.98	1,891.44	214.56	1,950.25	2,164.81
Less: NTI	28.25	256.79	285.04	29.67	269.69	299.36
Less: IFOB	0.42	3.82	4.24	0.44	4.01	4.45
<b>Sub-total ARR</b>	<b>993.93</b>	<b>2,581.19</b>	<b>3,575.12</b>	<b>1,097.15</b>	<b>2,925.74</b>	<b>4,022.88</b>
Interest on working capital	16.39	42.57	58.96	18.42	49.12	67.54
Interest on CSD	3.68	9.55	13.23	3.88	10.34	14.22
Provision for Bad and Doubtful Debts	1.11	2.89	4.00	1.09	2.91	4.00
<b>Sub-total ARR</b>	<b>1,015.11</b>	<b>2,636.20</b>	<b>3,651.31</b>	<b>1,120.54</b>	<b>2,988.11</b>	<b>4,108.65</b>
AEML-D past gap till FY 2024-25						
<b>Aggregate Revenue Requirement (ARR)</b>	<b>1,015.11</b>	<b>2,636.20</b>	<b>3,651.31</b>	<b>1,120.54</b>	<b>2,988.11</b>	<b>4,108.65</b>

**Wheeling Charges**

AEML-D has submitted that it has proposed Wheeling Charges for different categories of consumers in accordance with the Regulation 91 of the MYT Regulations, 2024. The energy consumption forecast for different HT categories are made in terms of kWh and thereafter converted to kVAh using average Power Factor (PF) for each category based on the data available for H1 actuals of FY 2024-25. Accordingly, the determination of Wheeling

Charges for HT consumers is done in Rs/kWh terms first and then converted to Rs/kVAh terms using the PF.

AEML-D submitted that the Commission in Section 6.11.5 of the MTR Order dated 31 March 2023 in Case No. 231 of 2022 stated as follows:

*“Based on AEML-D’s submission, the Commission has decided not to extend the kVAh billing to LT consumers with load of 20 kW in this MTR Order, and a decision in this regard shall be taken at the time of next MYT Order.”*

Accordingly, AEML-D has proposed the kVAh tariff for LT category consumers with load > 20 kW. The energy consumption forecast for different LT categories with load > 20 kW is made in terms of kWh and thereafter converted to kVAh using average Power Factor (PF) for each category based on the data available for H1 actuals of FY 2024-25. Accordingly, the determination of Wheeling Charges for LT consumers with load > 20 kW is done in Rs/kWh terms first and then converted to Rs/kVAh terms using the PF.

Currently, AEML-D is supplying to Mumbai Metro as a EHT consumer. As per the MERC Supply Code and SoP Regulations, 2021, the connection infrastructure of EHT consumers is to be developed by the Transmission Licensee and EHT consumer will only pay the normative service connection charges for the same. Therefore, as no distribution system of AEML-D will be involved, no cost pertaining to distribution network development or operations can be considered and hence, there cannot be any wheeling charges for AEML-D’s EHT consumers. However, TPC-D has challenged the provisions of the Supply Code Regulations in this regard, in the Hon’ble Bombay High Court. Therefore, depending upon the outcome of the said matter, AEML-D will suitably approach the Commission for applicability of wheeling charges on EHT consumers, if so required in future.

Therefore, AEML-D has allocated the Wires ARR for each year of the Control Period between HT and LT voltage levels based on the Guidelines for voltage-wise allocation of assets and cost issued by the Commission and forming part of the MYT Regulations, 2024.

The cost allocation to HT is further is further shared between HT and LT by distributing the HT allocated cost in proportion to the energy sales (kWh) volume at HT and LT respectively. This is done because HT infrastructure is used by both HT and LT consumers. Accordingly, the recomputed ARR between HT and LT is shown in the Table below:

**Table 6-19: Wires ARR allocation between HT and LT for FY 2025-26 to FY 2029-30, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 25-26		FY 26-27		FY 27-28	
	HT	LT	HT	LT	HT	LT
Total ARR as per voltage wise guidelines	1,027.02	2,520.76	822.79	2,066.02	905.45	2,239.54
Re-Allocated ARR based on HT and LT sales	162.12	3,385.67	144.40	2,744.42	174.96	2,970.03
<i>LT ARR attributed to LT consumers &gt; 20 kW</i>		438.74		357.17		388.00
<i>LT ARR attributed to balance LT consumers</i>		2,946.92		2,387.25		2,582.03

Particulars	FY 28-29		FY 29-30	
	HT	LT	HT	LT
Total ARR as per voltage wise guidelines	1,015.11	2,636.20	1,120.54	2,988.11
Re-Allocated ARR based on HT and LT sales	211.64	3,439.67	237.14	3,871.51
<i>LT ARR attributed to LT consumers &gt; 20 kW</i>		450.88		509.04
<i>LT ARR attributed to balance LT consumers</i>		2,988.79		3,362.47

The summary of proposed Wheeling Charges for 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 along with the prevailing Wheeling Charges is shown in the Table below:

**Table 6-20: Existing Wheeling Charges and Proposed Wheeling Charges as submitted by AEML-D (Rs./ kWh)**

Particulars	FY 24-25 (Existing)	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
HT Wheeling charges (Rs./kWh)	1.17	0.75	0.56	0.57	0.59	0.62
HT Wheeling Charge (Rs./kVAh)	1.14	0.74	0.55	0.56	0.58	0.61
LT Wheeling charges (Rs./kWh)	2.60	2.95	2.25	2.30	2.53	2.71
LT Wheeling Charge (Rs./kVAh) – for load > 20 kW	-	2.73	2.08	2.13	2.34	2.50

The income from Wheeling Charges from the Changeover and OA consumers has been estimated by applying the above charges to the sales of changeover and Open Access

consumers as estimated for the relevant year. The balance revenue requirement of the Wires Business is met from recovery from wheeling revenue from estimated sales to own consumers in each year. The estimated revenue from Wheeling Charges from Changeover and OA consumers is shown in the table below:

**Table 6-21: Revenue from Wheeling Charges from Changeover & OA consumers, as submitted by AEML-D (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Revenue from Wheeling Charges from OA and CO consumers	455.67	350.10	360.79	398.31	429.04

### ***Commission's Analysis and Ruling***

The Commission has approved the Net ARR of the Wires Business for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, as elaborated in the previous Chapter. The Commission has distributed the total Wires ARR over HT and LT category and computed the Wheeling Charges for HT and LT category.

AEML-D has allocated the assets and Wires ARR between HT and LT voltage as specified in Annexure-III of the MERC MYT Regulations, 2024, specifying the methodology for allocation of Assets and Cost for Distribution Business. However, there are certain deviations observed in the method of allocation adopted by AEML-D in its computations, w.r.t. the method specified in the MYT Regulations, 2024, viz., AEML-D has allocated depreciation differently, and has also allocated the LT costs between LT category with load above 20 kW and below 20 kW.

The Commission has allocated the assets and Wires ARR between HT and LT voltage strictly as specified in Annexure-III of the MERC MYT Regulations, 2024.

The LT:HT asset ratio has been considered as 42.16%:57.84%, based on the submissions of AEML-D. The Capex related expenses, viz., depreciation, interest, and RoE have been allocated to HT and LT voltages in the above-said HT:LT asset ratio. The O&M expenses, including Smart Meter TOTEX less NTI and Other Business Income have first been allocated in 50:50 ratio between GFA and Consumers, which has been further allocated to HT and LT voltage in the respective ratios. The other components of the ARR, viz., IoWC, Interest on CSD, provision for bad debts, as well as the Past Revenue Gap, have been allocated between HT and LT voltages in the ratio of the ARR derived after allocating the earlier ARR components. Thereafter, the cost allocated to HT is shared between HT and LT by distributing the allocated HT cost in proportion to the sales volume at HT and LT.

The Wheeling Charges determined by the Commission for AEML-D's Wire consumers for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, and the Revenue from Wheeling Charges are shown in the Tables below:

**Table 6-22: Approved Voltage-wise Wires ARR from 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	
	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order
Wires ARR	3,547.78	3,344.57	2,888.82	2,720.82	3,144.99	2,775.28	3,651.31	3,138.71	4,108.65	3,398.02
HT Wires ARR	1,027.02	963.93	822.79	770.78	905.45	793.08	1,015.11	856.30	1,120.54	910.38
LT Wires ARR	2,520.76	2,380.65	2,066.02	1,950.04	2,239.54	1,982.20	2,636.20	2,282.41	2,988.11	2,487.64

**Table 6-23: Approved Wheeling Charges from FY 2025-26 to FY 2029-30**

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order
HT Wheeling Charge (Rs/kWh)	0.75	0.76	0.56	0.58	0.57	0.57	0.59	0.58	0.62	0.58
HT Wheeling Charge (Rs/kVAh)	0.74	0.74	0.55	0.57	0.56	0.55	0.58	0.57	0.61	0.57
LT Wheeling Charge (Rs/kWh)	2.95	2.93	2.25	2.28	2.30	2.23	2.53	2.41	2.71	2.49
LT Wheeling Charge (Rs./kVAh)	2.73	2.82	2.08	2.19	2.13	2.14	2.34	2.31	2.50	2.39

**Table 6-24: Approved Revenue from Wheeling Charges (Rs. Crore)**

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order
Revenue from Wheeling Charges from OA and CO consumers	455.67	454.29	350.10	355.08	360.79	347.69	398.31	376.99	429.04	390.93

Further, based on the submission of AEML-D and the overall Distribution Loss approved by the Commission, the Commission approves the following losses over the various voltages as follows:

**Table 6-25: Approved Voltage-wise Losses (%)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Loss	1.44%	1.44%	1.44%	1.44%	1.44%
LT Loss	5.36%	5.36%	5.36%	5.36%	5.36%

Further, the Commission noted that there were several representations from the EHV consumers seeking EHV Rebate. In this context, the Commission clarifies that no Wheeling Charges are applicable for EHV consumers. Thus, non-applicability of Wheeling Charges is akin to EHV Rebate. Further, EHV consumers are also entitled for other incentives and rebates such as load factor incentive, incremental consumption rebate, bulk supply rebate, prompt payment discount, etc.

Also, in order to attract investments in Data Centres, which provide a high consumption and continuous load, and to encourage their electricity consumption through 100% Green Energy either through open access or through Green Tariff or combination thereof, the Commission has approved discount of 10% in Wheeling Charges to such Data Centres.

## 6.7 CROSS SUBSIDY SURCHARGE (CSS)

### *AEML-D's Submission*

AEML-D submitted that it has calculated the CSS based on the formula specified in the Tariff Policy notified on 28 January 2016 and adopted by the Commission in its MYT Order. The said formula is described as under:

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

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.

For the purpose of computing CSS, the different components of the CSS formula are explained below:

- “T” is the proposed revised Tariff of the consumer category in Rs./kWh

**Table 6-26: Average Tariff (T) for each category, as submitted by AEML-D (Rs./kWh)**

Particulars / Rs./kWh	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>LT Category</b>					
LT I: Residential	8.74	8.67	9.23	9.39	9.91
LT II (a): Non-Residential or Commercial - 0-20 kW	9.27	9.22	9.83	10.01	10.49
LT II (b): Non-Residential or Commercial - > 20 kW	9.79	9.80	10.45	10.62	11.13
LT III (a): LT Industrial upto 20 kW	8.14	8.09	8.75	8.93	9.46
LT III (b): LT Industrial above 20 kW	9.09	9.02	9.63	9.77	10.24
LT IV: Public Services	8.21	8.20	8.91	9.16	9.72



Particulars / Rs./kWh	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
LT VI: EV Charging Stations	8.67	8.63	9.21	9.44	10.03
LT VI (a): Agriculture - Pumpsets	7.98	7.96	8.74	9.09	9.69
LT VI (b): Agriculture - Others	7.96	8.08	8.84	9.28	9.86
<b>HT Category</b>					
HT I: Industry	6.79	7.24	7.74	7.70	8.05
HT II: Commercial	7.09	7.53	8.07	8.03	8.39
HT III: Group Housing Society	6.74	7.18	7.77	7.71	8.06
HT IV: Railways, Metro and Monorail	7.83	8.35	8.93	8.83	9.21
HT V: Public Services	6.62	7.08	7.56	7.50	7.98
HT VI: EV Charging Stations	5.98	6.38	6.89	6.92	7.35

- “C” is the weighted average cost of power purchase for each year of the Control Period, including RPO, but excluding transmission, standby and SLDC charges

**Table 6-27: WAPPC (C), as submitted by AEML-D**

Particulars / Rs./kWh	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Weighted average power purchase cost	4.92	4.97	5.40	5.30	5.60

- “L” is the aggregate of transmission, distribution losses applicable to open access consumers, expressed as a percentage applicable to the relevant voltage level. The Wheeling losses for HT and LT have been considered at 1.44% and 5.36% respectively, for each year of the Control Period.

The transmission loss applicable to both HT and LT are considered at 3.18% for each year of the Control Period, being approved by the Commission in the AEML-D MTR Order.

- “D” is the aggregate of transmission and wheeling charge applicable to the relevant voltage level. The transmission and wheeling charges are shown in the table below:

**Table 6-28: Transmission and Wheeling Charges for HT and LT**

Particulars (Rs./kWh)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>HT:</b>					
Wheeling Charges	0.75	0.56	0.57	0.59	0.62
Transmission Charges	0.69	0.56	0.61	0.64	0.66
<b>Total</b>	<b>1.45</b>	<b>1.12</b>	<b>1.17</b>	<b>1.23</b>	<b>1.27</b>
<b>LT:</b>					

Particulars (Rs./kWh)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wheeling Charges	2.95	2.25	2.30	2.53	2.71
Transmission Charges	0.69	0.56	0.61	0.64	0.66
<b>Total</b>	<b>3.64</b>	<b>2.81</b>	<b>2.91</b>	<b>3.16</b>	<b>3.36</b>

- “R” is the per unit carrying cost. The past revenue gap / (surplus) is proposed to be recovered / refunded in the first year of the Control Period, i.e., FY 2025-26. Hence, the per unit carrying cost for FY 2025-26 as computed is Rs. 0.01/kWh.

AEML-D submitted that it has ensured that category-wise CSS determined using the formula as per the Tariff Policy does not exceed 20% of the tariff (ABR) applicable to the category, as per the provisions of the Tariff Policy.

In accordance with the prevailing billing methodology, the CSS for HT consumers is required to be denominated in terms of Rs./kVAh. For this purpose, the Rs./kWh CSS determined as above is converted to Rs./kVAh using the same average PF as considered for Wheeling Charges. Therefore, the revised CSS in Rs./kVAh for HT consumers is as shown in the table below.

The category-wise revised CSS proposed in Rs./kVAh for HT consumers and LT consumers with load > 20 kW and the CSS for other consumers in Rs./kWh, along with the prevailing CSS, is shown in the table below:

**Table 6-29: Existing CSS and CSS Proposed by AEML-D**

Particulars	FY 24-25 (Existing) *	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>LT Category</b>						
LT I: Residential	0.01		0.43	0.43	0.44	0.43
LT II (a): Non-Residential or Commercial - 0-20 kW	1.33	0.25	0.99	1.03	1.06	1.01
LT II (b): Non-Residential or Commercial - > 20 kW	1.75	0.71	1.44	1.52	1.55	1.52
LT III (a): LT Industrial upto 20 kW	0.62					
LT III (b): LT Industrial above 20 kW	1.53	0.07	0.74	0.78	0.78	0.72
LT IV: Public Services	0.98			0.11	0.21	0.24
LT IV (B): Public Services - Others	1.28					

Particulars	FY 24-25 (Existing) *	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
LT VI: EV Charging Stations	0.48		0.37	0.39	0.49	0.56
LT V (a): Agriculture - Pumpsets					0.15	0.21
LT V (b): Agriculture - Others	1.11			0.04	0.33	0.39
<b>HT Category</b>						
HT I: Industry	1.72	0.18	0.90	0.90	0.91	0.90
HT II: Commercial	1.70	0.47	1.18	1.21	1.22	1.22
HT III: Group Housing Society	1.70	0.12	0.82	0.91	0.90	0.89
HT IV: Railways, Metro and Monorail		1.15	1.61	1.71	1.73	1.82
HT V: Public Services	1.65	0.02	0.75	0.72	0.71	0.83
HT V (b): Public Service - Others	1.71					
HT VI: EV Charging Stations	1.60		0.06	0.07	0.14	0.20

*\*Existing CSS is in Rs./kVAh for HT and Rs./kWh for LT*

The summary of revenue from changeover and open access consumers through the proposed CSS for each year of the Control Period is shown in the table below:

**Table 6-30: Revenue from Proposed CSS (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Revenue from Proposed CSS	10.99	97.70	99.08	102.55	101.40

### ***Commission's Analysis and Ruling***

The Commission has computed the CSS based on the Formula stipulated in the Tariff Policy, 2016 as detailed below:

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

To arrive at the CSS for the various consumer categories, the values considered for the components of the CSS are as below:

- The Transmission Loss has been considered as 3.28%, 3.26%, 3.24%, 3.22%, and 3.20% for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29, and FY 2029-30, as approved in the InSTS Tariff Order, while Wheeling Losses for HT and LT voltages have been considered as shown in the previous Section of this Order. Transmission

Charges have been computed based on the Transmission Charges approved and total sales approved for each year of the Control Period from FY 2025-26 to FY 2029-30. These Charges have been deducted for computing the CSS. The Transmission Charge and Wheeling Charge considered by the Commission for computing CSS for FY 2025-26 to FY 2029-30 is as shown in the Table below:

**Table 6-31: Transmission and Wheeling Charges considered by the Commission (Rs./kWh)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Wheeling Charges</b>					
HT Voltage	0.76	0.58	0.57	0.58	0.58
LT Voltage	2.93	2.28	2.23	2.41	2.49
<b>Transmission Charges (HT and LT)</b>	0.92	0.72	0.73	0.71	0.69

- The past revenue gap / (surplus) is proposed to be recovered / refunded in the first three years of the Control Period, i.e., FY 2025-26 to FY 2027-28. Hence, the per unit carrying cost for FY 2025-26 and FY 2026-27 have been computed is Rs. 0.02/kWh and Rs. (0.05)/kWh.
- It is observed that AEML-SD has not proposed any CSS for EHV category, which is incorrect. The Commission has computed the CSS for all categories, including EHV category.
- The Commission has limited the CSS to 20% of ACoS, in line with the Electricity (Amendment) Rules, 2022 notified on 29<sup>th</sup> December 2022.

The CSS computed in accordance with the Formula stipulated in the Tariff Policy has been capped at 20% of the ACOS, in accordance with the above said Rules notified by the Ministry of Power.

Based on the above, the category-wise CSS approved by the Commission for FY 2025-26 to FY 2029-30 in Rs/kWh and Rs/kVAh terms is as given in the Tables below:

**Table 6-32: Approved CSS for the Control Period (Rs/kWh)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>LT Category</b>					
LT I: Residential	-	-	-	-	-
LT II (a): Non-Residential or Commercial - 0-20 kW	-	-	-	-	-
LT III (a): LT Industrial up to 20 kW	-	-	-	-	-

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
LT IV: Public Services*	-	-	-	-	-

**Note:** \* only for LT IV category consumers with load greater than 20 kW, for whom kVAh tariff is applicable

**Table 6-33: Approved CSS for the Control Period (Rs/kVAh)**

Consumer Categories	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>EHT CONSUMERS</b>					
EHT IV - Railways, Metro & Monorail	-	-	-	-	-
<b>HT CONSUMERS</b>					
HT I – Industry	0.31	0.34	0.50	0.41	0.05
HT II – Commercial	0.49	0.65	0.55	0.77	0.36
HT III - Group Housing Society (Residential)	0.56	0.59	0.14	0.72	0.32
HT IV: Railways, Metro and Monorail	1.03	1.00	0.60	1.18	0.69
HT V - Public Services	0.14	0.26	0.87	0.33	-
HT VI - EV Charging Stations	-	0.52	1.67	0.74	0.16
<b>LT CONSUMERS</b>					
LT II (b): Non-Residential or Commercial - > 20 kW and up to 50 kW	0.02	0.30	-	0.30	0.53
LT II (b): Non-Residential or Commercial - > 50 kW	-	-	-	-	0.20
LT III (b): LT Industrial above 20 kW	-	0.14	-	0.24	0.53
LT IV: Public Services\$	-	-	-	-	-
LT VI: EV Charging Stations	-	-	-	-	-

**Note:** \* only for LT IV category consumers with load lesser than 20 kW, for whom kWh tariff is applicable

The CSS is calculated as the difference between the ABR and cost elements for that category/sub-category. However, on account of the telescopic nature of tariffs for the Residential category, the ABR for any slab, if calculated, shall also include the revenue against consumption of consumers consuming higher than that slab. Hence, the Commission computes the ABR as well as the CSS for the category/sub-category as a whole, rather than the consumption slab. Further, the Tariff Policy does not stipulate anywhere that CSS cannot be levied for subsidised categories. Hence, the Commission has continued to determine the CSS for the category/sub-category as a whole. Further, in order to ensure consistency in approach, the CSS has been determined in the same manner for AEML-D and TPC-D.

The Revenue from the approved CSS from Changeover Sales and Open Access Sales are shown in the Table below:

**Table 6-34: Revenue from CSS, as approved by the Commission (Rs. Crore)**

Particulars	FY 2025-26		FY 2026-27		FY 2027-28	
	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order
Total Revenue from CSS from Changeover and OA consumers	10.99	10.68	97.70	14.08	99.08	16.29

Particulars	FY 2028-29		FY 2029-30	
	AEML-D Petition	Approved in this Order	AEML-D Petition	Approved in this Order
Total Revenue from CSS from Changeover and OA consumers	102.55	60.13	101.40	41.90

## 6.8 Average Cost of Supply (ACoS)

### *AEML-D's Submission*

Based on the ARR projections and forecast of energy sales, AEML-D has worked out the Average Cost of Supply (ACoS) as shown in the Table below:

**Table 6-35: Projected Total ACoS, as submitted by AEML-D**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Total ARR (Wires + Supply)	10,756.75	11,871.11	13,701.99	14,976.22	16,687.02
Past gap recovery	111.43				
Total ARR for recovery	10,868.18	11,871.11	13,701.99	14,976.22	16,687.02
Less: Revenue from wheeling charges from OA and CO consumers	455.67	350.10	360.79	398.31	429.04
Less: Revenue from CSS from OA and CO consumers	10.99	97.70	99.08	102.55	101.40
Net ARR to be recovered	10,401.52	11,423.20	13,242.12	14,475.36	16,156.58
Own Sales MU	12,176.89	13,366.02	14,573.82	15,781.63	16,752.93
<b>ACoS Rs./kWh</b>	<b>8.54</b>	<b>8.55</b>	<b>9.09</b>	<b>9.17</b>	<b>9.64</b>

### *Commission's Analysis and Ruling*

Based on the ARR projections and forecast of energy sales approved in this Order, the Commission has worked out the Average Cost of Supply (ACoS) as shown in the Table below:

**Table 6-36: Approved ACoS for FY 2025-26 to FY 2029-30**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Total ARR (Wires + Supply)	9,630.80	10,192.69	11,120.61	11,792.61	13,179.67
Past gap recovery	861.03	(506.95)	(506.95)	-	-
Carrying/(Holding) Cost due to deferment	(106.46)	(53.23)			
<b>Total ARR for recovery</b>	<b>10,385.38</b>	<b>9,632.52</b>	<b>10,613.67</b>	<b>11,792.61</b>	<b>13,179.67</b>
Less: Revenue from wheeling charges from OA and CO consumers	454.29	355.08	347.69	376.99	390.93
Less: Revenue from CSS from OA and CO consumers	10.68	14.08	16.29	60.13	41.90
<b>Net ARR to be recovered</b>	<b>9,920.41</b>	<b>9,263.36</b>	<b>10,249.68</b>	<b>11,355.50</b>	<b>12,746.85</b>
Own Sales MU	11,019.02	11,650.36	12,334.27	13,076.48	13,883.51
<b>ACoS Rs./kWh</b>	<b>9.00</b>	<b>7.95</b>	<b>8.31</b>	<b>8.68</b>	<b>9.18</b>

## 6.9 Retail Average Cost of Supply

### *AEML-D's Submission*

AEML-D submitted that the MYT Regulations, 2024 provide that the Retail Supply Tariff and cross-subsidy shall be determined with reference to the average cost of supply determined for retail supply business alone. Accordingly, AEML-D has computed the Retail ACoS (RCoS) as shown in the Table below:

**Table 6-37: Projected Retail ACoS, as submitted by AEML-D**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Supply ARR	8,186.44	8,982.29	10,557.01	11,324.91	12,578.37
Past gap / (surplus) recovery	(866.04)				
<b>Total ARR for recovery</b>	<b>7,320.40</b>	<b>8,982.29</b>	<b>10,557.01</b>	<b>11,324.91</b>	<b>12,578.37</b>
Less: Revenue from CSS from OA and CO consumers	10.99	97.70	99.08	102.55	101.40
<b>Net ARR to be recovered</b>	<b>7,309.41</b>	<b>8,884.59</b>	<b>10,457.93</b>	<b>11,222.36</b>	<b>12,476.97</b>
Own Sales MU	12,176.89	13,366.02	14,573.82	15,781.63	16,752.93
<b>Retail ACoS Rs./kWh</b>	<b>6.00</b>	<b>6.65</b>	<b>7.18</b>	<b>7.11</b>	<b>7.45</b>

### *Commission's Analysis and Ruling*

Based on the Retail Supply Business ARR projections and forecast of energy sales approved in this Order, the Commission has worked out the Retail Cost of Supply (RCoS) as shown in the Table below:

**Table 6-38: Approved Retail Cost of Supply for FY 2025-26 to FY 2029-30 (Rs. Crore)**

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Supply ARR	7,147.26	7,471.88	8,270.96	8,566.56	9,683.49

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Past gap / (surplus) recovery	-	(506.95)	(506.95)	-	-
Carrying/(Holding) Cost due to deferment	(106.46)	(53.23)			
<b>Total ARR for recovery</b>	<b>7,040.80</b>	<b>6,911.70</b>	<b>7,764.02</b>	<b>8,566.56</b>	<b>9,683.49</b>
Less: Revenue from CSS from OA and CO consumers	10.68	14.08	16.29	60.13	41.90
<b>Net ARR to be recovered</b>	<b>7,030.13</b>	<b>6,897.62</b>	<b>7,747.72</b>	<b>8,506.43</b>	<b>9,641.59</b>
Own Sales MU	11,019.02	11,650.36	12,334.27	13,076.48	13,883.51
<b>Retail ACoS Rs./kWh</b>	<b>6.38</b>	<b>5.92</b>	<b>6.28</b>	<b>6.51</b>	<b>6.94</b>

## 6.10 Tariff Revision

### *AEML-D's Submission*

AEML-D has proposed the tariff revision required, considering the Retail ACoS and the proposed recovery of the past gap, as shown in the Tables below:

**Table 6-39: Tariff Revision for the Control Period, as submitted by AEML-D**

Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
ACoS Rs./kWh	10.03 *	8.54	8.55	9.09	9.17	9.64
Tariff revision		(14.86%)	0.05%	6.31%	0.95%	5.14%

Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Retail ACoS Rs./kWh	7.62 *	6.00	6.65	7.18	7.11	7.45
Tariff revision		(21.21%)	10.74%	7.95%	(0.90%)	4.73%

*\*existing including FAC*

The average tariffs of each consumer category shall be equal to the Retail Average Tariff (or Retail ACoS) plus the HT or LT Wheeling Charge as the case may be.

### *Commission's Analysis and Ruling*

The tariff revision approved by the Commission for each year of the Control Period, based on the ARR approved for each year and the Cost of Supply, is shown in the Table below:

**Table 6-40: Approved Tariff revision for the Control Period**

Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
ACoS Rs./kWh	10.00 *	9.00	7.95	8.31	8.68	9.18
<b>Tariff revision</b>		<b>-9.97%</b>	<b>-11.68%</b>	<b>4.51%</b>	<b>4.50%</b>	<b>5.73%</b>

Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Retail ACoS Rs./kWh	7.62 *	6.38	5.92	6.28	6.51	6.94



Particulars	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Tariff revision		-16.26%	-7.20%	6.10%	3.56%	6.76%

*\*existing including FAC*

## 6.11 TARIFF DESIGN CONSIDERATION

The Commission's views on each aspect of Tariff Philosophy raised by AEML-D as well as on other relevant aspects are detailed below.

The Commission has considered the main objectives of the Electricity Act, 2003 ("EA, 2003") including the protection of the interest of consumers, the supply of electricity to all areas and rationalisation of tariffs. The EA, 2003 also enjoins the Commission to maintain a healthy balance between the interest of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also kept in view the principles of tariff determination set out in Sections 61 and Section 62 of the EA, 2003, the Tariff Policy, 2016 and the MYT Regulations, 2024 and also taken into consideration AEML-D's submissions as well as the public responses in these MYT proceedings.

### 6.11.1 Fixed Charges and Demand Charges

#### *AEML-D's Submission*

AEML-D submitted that the Commission, in the MYT Order dated 21 October 2016 in Case No. 34 of 2016, had decided to gradually increase the Fixed Charges and Demand Charges of consumers to increase the percentage recovery of Fixed Cost in the ARR through Fixed Charges and Demand Charges. The same principle was also adopted in the MTR Order dated 12 September 2018 in Case No. 200 of 2017, MYT Order dated 30 March 2020 in Case No. 325 of 2019 as well as the MTR Order dated 31 March 2023 in Case No. 231 of 2022.

AEML-D submitted that it has continued with the principles as enunciated in the various Orders, and accordingly, proposed the Fixed charges / Demand Charges for each year of the Control Period.

The category-wise fixed and demand charges proposed for each year of the Control Period along with the existing fixed / demand charges are shown in the Table below:

**Table 6-41: Existing and Proposed Fixed / Demand Charges, as submitted by AEML-D**

Fixed/ Demand Charges	FY 24-25	FY 25-26	FY 26-27	FY 2027-28	FY 28-29	FY 29-30
EHT Category *						

<b>Fixed/ Demand Charges</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 2027-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>
EHT IV - Metro & Monorail	400	425	450	475	500	525
<b>HT Category *</b>						
HT I: HT-Industry	400	425	450	475	500	525
HT II: HT- Commercial	400	425	450	475	500	525
HT III: HT-Group Housing Society	400	425	450	475	500	525
HT IV - HT Metro & Monorail	400	425	450	475	500	525
HT V - PS	400	425	450	475	500	525
HT VI - EV Charging Stations	80					
<b>LT Category</b>						
LT I - Below Poverty Line	12	12	14	14	14	15
LT -I Residential (Single Phase)						
0-100	90	115	140	160	180	200
101-300	135	160	185	205	225	245
301-500	135	160	185	205	225	245
LT -I Residential (Three Phase)						
0-100	160	160	185	205	225	245
101-300	160	160	185	205	225	245
301-500	160	160	185	205	225	245
LT II (a) - 0-20 kW	475	500	525	550	575	600
LT II (b) > 20 kW *	400	425	450	475	500	525
LT III (a) - LT Industrial upto 20 kW	475	500	525	550	575	600
LT III (b) - LT Industrial above 20 kW *	400	425	450	475	500	525
LT IV - PS	465	490	515	540	565	590
LT V (a): Agriculture - Pumpsets	45	70	95	120	145	170
LT V (b): Agriculture – Others *	100	125	150	175	200	225
LT VI: EV Charging Stations *	80					

*\*Demand Charges in Rs./kVA/month; For Other Categories, Fixed Charges in Rs./month*

### **Commission's Analysis and Ruling**

The Fixed Costs of the Supply Business includes all expenses, except the variable cost of power purchase. The Commission observes that AEML-D has proposed increase in the fixed/demand charges for all categories, with the increase proposed for the LT categories being quite high for the LT categories.

However, the Commission in the current MYT Order has implemented many new initiatives such as introduction of new ToD slabs and rates, introduction of kVAh tariff for LT categories except Residential, Commercial and Industrial category with load below 20 kW, and determination of cross-subsidy considering RCoS, with reduction of cross-subsidies. These measures may also result in variation in energy charges and hence, the Commission has decided to continue with the existing fixed/demand charges with no change for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 except for Commercial and Railway

Category of consumers so as to maintain the cross subsidy on account of the lower load factor of these categories, resulting in higher demand charge per unit. However, the Commission may review the same at the time of MTR Petition to be filed by the Distribution Licensee in FY 2027-28.

The Commission has been determining all other aspects, i.e., Fixed/Demand Charges, incentive/penalty structure, ToD tariffs, etc., same for AEML-D and other two parallel licensees in Mumbai and only the Wheeling Charges and Energy Charges, which are directly related to the costs and sales mix of the Licensees are different, so as to facilitate the decision making by the consumers keeping in view the competition.

Accordingly, the Fixed Charges as approved in the MTR Order in Case No. 231 of 2022, except for Commercial and Railway Category of consumers, is considered for all Mumbai licensees. The category-wise Fixed/Demand Charges approved for the 5th Control Period from FY 2025-26 to FY 2029-30 are summarised subsequently in this Section, along with other Charges.

#### **6.11.2 Energy Charges**

##### ***AEML-D's Submission***

AEML-D submitted that it has proposed Energy Charges for each category, considering the Cross Subsidy percentage of consumer categories as derived using the ratio of Retail ABR to Retail ACoS. To the extent possible, AEML-D has tried to reduce / maintain at the same level the cross-subsidy percentage of subsidizing consumers and has increased the cross-subsidy percentage of other subsidized consumers.

Further, AEML-D has endeavoured that HT energy charges are kept a bit lower than LT for corresponding consumer categories in order to give benefit of lower distribution losses in HT. Furthermore, Industry tariffs are generally kept lower than Commercial tariffs and within Industry and Commercial slabs, the tariff of lower slabs are generally kept lower than the higher slabs, considering affordability and paying capacity.

#### **Consumer Category Rationalisation**

AEML-D submitted that, among the various focus areas with respect to consumer rights and protection and power sector reforms, one of the areas is rationalisation and simplification of consumer categorisation.

The EA 2003 requires that the Commission may differentiate tariffs among consumers according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply

is required. Till date, the main consumer categorization in Maharashtra State has largely been done based on voltage (HT or LT) and purpose of supply, and sub-categories / slabs, within the main categories, have largely been made on the basis of consumption of electricity, represented by units consumed or load (e.g. 0-100, 101-300 units, etc. or 0-20 kW, 20-50 kW, etc.).

While the present consumer categories and sub-categories have endured for several years without any issue, it is observed that differentiation created through separate categorization in certain cases is largely redundant and un-necessary. Further, it only adds to complexity in consumer categorization and also makes the tariff design process difficult, because more number of categories only create that much more considerations in tariff design. The number of constraints in tariff design increase, which also sometimes distort cross-subsidy percentages, which, in the process, gives rise to disputes.

In view of the above and considering the focus of the MoP and Government of India on rationalization and simplification of consumer categories, AEML-D has proposed the following merging of sub-categories and slabs within the main categories, which, AEML-D hopes, will simplify the administration of tariff rates, while de-cluttering the tariff schedule:

**Table 6-42: Proposed merging of categories / sub-categories / slabs**

Energy Charges	Existing	Proposed	Justification
LT Residential			
	0-100	0-100	Paying Capacity – Upto 300 units is subsidized, while above 300 units is generally subsidising. More-over above 300 units / month are largely composed of Middle-High to High income group consumers and therefore, based on paying capacity, there is no real reason to continue with 301-500 units slab
	101-300	101-300	
	301-500	> 300	
	> 500		
LT Commercial			
	(a) 0-20 kW	(a) 0-20 kW	There is no real difference between the type and paying capacity of consumers in the 20-50 kW and >50 kW slabs. Moreover, this will also take care of the issue where high consumption consumers deliberately do not get their sanctioned load revised to take advantage of lower slab
	(b) 20-50 kW	(b) > 20 kW	
	(c) > 50 kW		
LT-Public Service			

Energy Charges	Existing	Proposed	Justification
	LT-PS (Government)	LT-PS	Based on the purpose of supply, there is no difference between these two sub-categories. The only difference is created based on ownership, which itself is not a valid criterion as per EA 2003
	LT-PS (Others)		
<b>HT-Public Service</b>			
	HT-PS (Government)	HT-PS	Same logic as above for LT Public Service
	HT-PS (Others)		

Based on the above principles, the revised energy charges for each year of the Control Period based on proposed revision in consumer categorisation, along with the existing energy charges are shown in the Table below:

**Table 6-43: Existing and Proposed Energy Charges for the Control Period, as submitted by AEML-D**

Energy Charges	FY 24-25 (with FAC) *	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>EHT Category</b>						
EHT IV - Metro & Monorail	7.40	4.40	4.90	5.30	5.10	5.30
<b>HT Category</b>						
HT I: HT-Industry	7.85	4.70	5.25	5.65	5.50	5.75
HT II: HT- Commercial	8.05	4.80	5.35	5.75	5.60	5.85
HT III: HT-Group Housing Society	7.25	4.75	5.30	5.80	5.65	5.90
HT IV - HT Metro & Monorail	7.40	4.40	4.95	5.35	5.10	5.30
HT V: PS	9.28	4.75	5.35	5.75	5.60	5.65
HT VI: EV Charging Stations	8.21	5.50	6.10	6.60	6.60	7.00
<b>LT Category</b>						
LT I - Below Poverty Line	2.65	2.00	2.20	2.40	2.60	2.80
LT -I Residential (Single Phase)	-	-	-	-	-	-
0-100	3.80	3.45	4.15	4.65	4.65	5.05
101-300	6.50	5.95	6.55	7.00	6.85	7.10
301-500	8.86	6.90	7.11	7.49	7.23	7.41
LT -I Residential (Three Phase)	-	-	-	-	-	-
0-100	3.80	3.45	4.15	4.65	4.65	5.05
101-300	6.50	5.95	6.55	7.00	6.85	7.10
301-500	9.41	6.90	7.11	7.49	7.23	7.41
LT II (a) - 0-20 kW	6.90	5.10	5.75	6.30	6.25	6.55
LT II (b) > 20 kW	7.39	4.55	5.10	5.55	5.40	5.60
LT III (a) - LT Industrial upto 20 kW	6.95	5.00	5.65	6.25	6.20	6.55
LT III (b) - LT Industrial above 20 kW	7.15	4.50	5.00	5.45	5.30	5.50
LT IV - PS	7.85	5.05	5.70	6.30	6.25	6.55
LT V (a): Agriculture – Pumpsets	5.15	4.70	5.25	5.85	5.85	6.15

Energy Charges	FY 24-25 (with FAC) *	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
LT V (b): Agriculture - Others	7.30	5.00	5.80	6.50	6.70	7.10
LT VI: EV Charging Stations	6.20	5.60	6.20	6.70	6.70	7.10

*\*Existing Energy Charges – Rs./kVAh for HT and Rs./kWh for LT*

*Note: For the Control Period, the Energy Charge in the above table is denominated in:*

- a. Rs./kVAh for EHT categories, HT categories, LT II (b): Non-Residential or Commercial > 20 kW, LT III (b): LT Industrial above 20 kW and LT VI: EV Charging Stations*
- b. Rs./kWh for other LT categories*

### ***Commission's Analysis and Ruling***

The Commission, in the MTR Orders issued in September 2018 for Distribution Licensees in the State, had expressed its intention to implement kVAh billing for all HT consumer and LT consumers having load above 20 kW from 1 April, 2020, so as to provide the Licensees enough lead time to take necessary steps such as meter replacement, if required, preparedness of billing software, etc., to ensure their operational preparedness for implementing the kVAh billing.

In the last MYT Order dated 30 March 2020, the Commission approved kVAh billing for all HT categories of AEML-D. The Commission had stated its intention to implement kVAh billing for LT consumers with load of 20 kW and above at the time of MTR proceedings, based on the feedback received after implementation of kVAh billing for HT consumers.

However, in the MTR Order dated 31 March 2023, AEML-D raised some concerns and suggested that implementation of kVAh tariffs for LT consumers with load of 20 kW and above be deferred till the next MYT Order. The Commission accepted AEML-D's submission and determined the tariff for all LT consumers on kWh basis in AEML-D's MTR Order.

The Commission sought details of preparedness for implementation of kVAh billing for LT consumers with load of 20 kW and above from the Mumbai Licensees. It was observed that TPC-D and AEML-D have indicated their willingness to extend the kVAh tariffs, for LT consumers with load of 20 kW and above, while BEST has sought for deferment as the Smart Meters are yet to be installed at the LT consumer premises under RDSS Scheme. As the APTEL Judgment directs to follow same principle for AEML-D and TPC-D and considering the preparedness of both licensees, the Commission has decided to implement kVAh billing to all LT consumers other than LT IA Residential (BPL), LT I B-Residential, LT II (A)- Commercial up to 20 kW, LT III (A)- Industrial up to 20 kW, LT IV – Public

Services up to 20 kW, LT V Agriculture, and LT VI – EV Charging Station up to 20 kW for TPC-D and AEML-D. Accordingly, the tariff of LT Category consumers are determined on “Rs./kVAh” basis for billing purpose. While determining per unit charges in kVAh, the Commission has used category-wise Power Factor (PF), which is lower than unity. This makes the per unit kVAh tariff lower than the tariff, which would have been determined in kWh terms, though the consumer will have to pay the same amount and revenue generated shall be the same, as the consumption in kVAh terms will be correspondingly higher.

Further, for the purpose of Energy Balance, the Utility shall always maintain sales in kWh only. For the purpose of Tax on Sale of Electricity and Electricity Duty, the sales shall be converted from kVAh to kWh. All the OA transactions will be maintained in kWh terms only, and kVAh based sales shall be converted to kWh based on the PF for the month provided in the Energy Bills.

The Commission has made the new tariffs applicable from 1 April, 2025 including kVAh billing to LT consumers other than LT IA Residential (BPL), LT I B-Residential, LT II (A)-Commercial up to 20 kW, LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, LT V Agriculture, and LT VI – EV Charging Station up to 20 kW. In case some meters require modification for compatibility with IT systems, etc., AEML-D shall undertake kVAh billing for such consumers considering kWh units and PF recorded in the meter. AEML-D shall endeavour and complete metering compatible for kVAh billing within 3 months of the date of Order for all its consumers including changeover consumers in coordination with TPC-D. However, it is reiterated that the kVAh billing will be applicable to all LT consumers above 20 kW from 1<sup>st</sup> April 2025 and the compatibility of metering with IT system is required to be completed at the earliest but not later than 3 months of the issue of this Order.

Further, the Commission directs AEML-D to provide the information related to number of consumers, contract demand and sales of LT Public Services and LT EV charging Station category of consumers with segregation of load below 20 kW and above 20 kW in next MTR Petition.

The approved category-wise Energy Charges are summarised subsequently for each Year of the Control Period.

### **6.11.3 Cross Subsidy Trajectory**

#### ***AEML-D's Submission***

AEML-D submitted that, in the MTR Order dated 31 March 2023 in Case No. 231 Of 2022, the Commission, for the purpose of comparing the Year-on-Year (YoY) cross-subsidy

trajectory, has considered the combined ACoS and accordingly, the cross-subsidy trajectory has been designed for FY 2023-24 and FY 2024-25.

In this regard, as per the provisions of the MYT Regulations 2024, AEML-D has proposed the retail tariffs based on the RCoS for each year of the Control Period, from FY 2025-26 to FY 2029-30.

Thus, at this point of time, as the basis of tariff and cross-subsidy determination is being altered, there is no reference point for comparing the cross-subsidy for the Control Period with that as existing, since there is no approved cross-subsidy for FY 2024-25 as per RCoS. Therefore, the cross-subsidy trajectory for the Control Period has been seen afresh.

Based on the proposed tariff, the cross-subsidy trajectory proposed for each year of the Control Period is shown in the Table below:

**Table 6-44: Cross Subsidy Trajectory, as submitted by AEML-D**

Cross subsidy trajectory	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>EHT Category</b>					
EHT IV - Metro & Monorail	102%	102%	102%	100%	100%
<b>HT Category</b>					
HT I: HT-Industry	101%	100%	100%	100%	100%
HT II: HT- Commercial	106%	105%	105%	105%	104%
HT III: HT-Group Housing Society	100%	100%	100%	100%	100%
HT IV: HT Metro & Monorail	118%	117%	117%	116%	115%
HT V: PS	98%	98%	97%	97%	99%
HT VI: EV Charging Stations	87%	88%	88%	89%	90%
LT Residential	97%	97%	97%	97%	97%
LT II (a) – LT Commercial 0-20 kW	105%	105%	105%	105%	104%
LT II (b) – LT Commercial > 20 kW	114%	114%	114%	114%	113%
LT III (a) - LT Industrial upto 20 kW	87%	88%	90%	90%	91%
LT III (b) - LT Industrial above 20 kW	102%	102%	102%	102%	101%
LT IV: PS	88%	89%	92%	93%	94%
LT V (a): Agriculture - Pumpsets	84%	86%	90%	92%	94%
LT V (b): Agriculture - Others	84%	88%	91%	95%	96%
LT VI: EV Charging Stations	95%	96%	96%	97%	98%

### ***Commission's Analysis and Ruling***

As per the MYT Regulations, 2024, the Average Cost of Supply of Retail Supply Business shall be considered for determination of consumer category-wise cross-subsidy. Based on the approved tariffs and the RCoS, as described above, the category-wise cross-subsidy



approved by the Commission for AEML-D based on revised tariffs for the Control Period from FY 2025-26 to FY 2029-30, is presented in the following Table:

**Table 6-45: Cross Subsidy Trajectory, approved by the Commission**

Cross subsidy trajectory	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>EHT Category</b>					
EHT IV - Metro & Monorail	112%	112%	108%	108%	99%
<b>HT Category</b>					
HT I: HT-Industry	106%	108%	108%	101%	96%
HT II: HT- Commercial	109%	113%	110%	107%	100%
HT III: HT-Group Housing Society	110%	112%	104%	106%	100%
HT IV: HT Metro & Monorail	118%	120%	111%	114%	105%
HT V: Public Service	108%	112%	102%	105%	98%
HT VI: EV Charging Stations	111%	111%	130%	106%	97%
<b>LT Category</b>					
LT Residential	99%	93%	101%	103%	102%
LT II (a) – LT Commercial 0-20 kW	101%	108%	100%	100%	104%
LT II (b) – LT Commercial > 20 kW	105%	111%	104%	103%	106%
LT III (a) - LT Industrial up to 20 kW	85%	90%	84%	86%	91%
LT III (b) - LT Industrial above 20 kW	101%	108%	101%	102%	106%
LT IV: Public Service	84%	90%	83%	86%	94%
LT VI: EV Charging Stations	77%	83%	81%	79%	71%

#### 6.11.4 Inclusion of District Cooling Solution under EHT, HT and LT Industrial Tariff

##### *AEML-D's Submission*

AEML-D submitted that District Cooling Solution (DCS) is an increasingly popular set up, which is being adopted for providing air conditioning services to a cluster of buildings in a centralised manner. DCS Plants comprise multiple industrial equipment to produce, process and circulate chilled water at a centralized location. This chilled water is then circulated using a centralised pumping station and network of insulated closed-loop piping network (distribution network) along roads and building basements to a cluster of multi-storeyed buildings/ premises equipped with Energy Transfer Stations (Heat Exchangers). At the heat exchanger units, the chilled water from the DCS plant transfers its cooling energy to the water circulating within the building's internal pipeline. The chilled water in the insulated piping network then travels through shafts, corridors up to each individual end-users' unit entry point and transfers its cooling energy to the air through blower units such as AHUs, FCUs, etc.

As such, DCS is a continuous process industry, using heavy industrial equipment, for production and supply of chilled water at about 4 to 6 degrees Celsius (i.e., just above

freezing temperature), which is used for various space cooling and process cooling solutions. The aforesaid process is highly capital and power intensive, with electricity consumption accounting for approx. 85% of its total variable operating cost.

AEML-D submitted that DCS is a modern and reliable way to achieve air conditioning in a building complex, which brings in significant reduction in the usage of high Global Warming Potential (“GWP”) refrigerants and its leakage as compared to traditional refrigerant based room air cooling installations. DCS also utilizes wastewater from Sewage Treatment Plants (STP), making it an environmentally beneficial air-cooling system. Furthermore, by aggregating the cooling requirements and load diversities, DCS creates economies of scale, reducing peak demand on the grid and lowering overall energy consumption.

It is expected that DCS deployment will be on a significant scale within the AEML-D licence area. Given the environmental benefits and energy efficient characteristics of DCS systems, there is a need to encourage the development of these systems as opposed to traditional air conditioning. Accordingly, promotional tariff, aligned with Industry tariffs will be required as opposed to Commercial tariffs, for promoting the use of DCS.

### ***Commission’s Analysis and Ruling***

District Cooling Solution (DCS) provide air conditioning services to a cluster of buildings in a centralised manner which are centralised cooling systems. Such systems are already prevalent within the SEZ areas, and are likely to gain more importance, given the environmentally beneficial and more energy efficient utilisation, thereby leading to lower cost of cooling. AEML-D has submitted that electricity will contribute around 85% of the operating costs of such DCS.

The Commission is of the view that it is essential to encourage such energy efficient applications, consideration the energy conservation goals. As electricity costs shall affect the viability of such units, the Commission has decided to categorise such DCS under the respective Industry category, i.e., HT I Industry and LT III Industry, as applicable depending on the size of the plant.

### **6.11.5 Power Purchase Adjustment Charge (PPAC) instead of Fuel Adjustment Charge (FAC)**

#### ***AEML-D’s Submission***

AEML-D submitted that the present mechanism of Fuel Adjustment Charges (FAC) as per the MYT Regulations, 2024 and the methodology for computation of FAC as approved by the Commission thereunder, includes variations in Energy Charges as well as Fixed Charges

in all sources of power, including renewable sources. Further, all quantum variation is also included. Therefore, the present mechanism basically allows the adjustment in the entire Average Power Purchase Cost (APPC) and not just the variations in fuel cost.

In view of the same, AEML-D requested the Commission to revisit the term “Fuel Adjustment Charge (FAC)” and rename the same to “Power Purchase Adjustment Charge (PPAC)”, as that would not only align with the way it is actually being computed but would also clearly communicate to the consumers what the levy is towards. It would be a generic term clearly conveying that it is applicable to variations in cost and quantum from all sources of power. AEML-D submits that this will avoid disputes and remove confusion about the nature of the charges, which is arising from the term “fuel adjustment”.

### ***Commission’s Analysis and Ruling***

The Commission agrees with the suggestion of AEML-D as the term ‘FAC’ does not fully reflect the intent and coverage. The Commission has renamed the term as Power Purchase Cost Adjustment (PPCA).

### **6.11.6 Categorisation of Sewage Treatment Plants**

#### ***AEML-D’s Submission***

In the AEML-D MTR Order, the LT-II Commercial category is applicable to the sewage treatment plants as follows:

“o) Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT - Public Services or LT - Industry categories;...”

Perusal of the above shows that the sewage treatment plants are only considered for commercial complexes and do not include the Sewage Treatment Plants/ Common Effluent Treatment Plants, which are exclusively used in Residential complexes and / or Co-operative Housing Societies.

Hence, AEML-D in the proposed ‘Tariff Schedule’ has added the following applicability under the LT-Residential tariff applicability and has requested the Commission to consider the same at the time of issuance of the Tariff Order:

*“Sewage Treatment Plants/ Common Effluent Treatment Plants for exclusive use of Residential Complexes / Co-op Housing Societies;...”*

### ***Commission's Analysis and Ruling***

It is clarified that Sewage Treatment Plants/ Common Effluent Treatment Plants are categorized under Public Service category only, irrespective of whether they are used for residential complexes. Therefore, as per the choice of consumers, a Separate connection may be released for such facilities, so as to charge Public Service category tariff.

#### **6.11.7 Categorisation of Serviced Apartments under EHT, HT and LT-Commercial AEML-D's Submission**

AEML-D submitted that Serviced Apartments are also operated as Hotels only with room and catering service and, in a city like Mumbai, there are many buildings where apartments are exclusively used as Serviced Apartments. While Hotels are classified under Commercial tariff, there is no mention of Serviced Apartments in the presently approved tariff schedule. Hence, AEML-D has proposed to add the following applicability under the EHT, HT and LT-Commercial tariff applicability and requested the Commission to consider the same at the time of issuance of the Tariff Order:

“e) Marriage Halls, Resorts, Hotels / Restaurants / Canteens / Cafeterias, Serviced Apartments, Ice-cream parlours, Coffee / Tea Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths not covered under the LT I category, and Fax / Photocopy shops”

### ***Commission's Analysis and Ruling***

Considering the nature of Service Apartments, which are primarily hotels appropriate for longer stay duration, the Commission agrees that they should be categorised along with hotels. However, as elaborated separately, to promote the Tourism Industry and in line with Tourism Policy of Maharashtra, 2024 dated 18 July 2024, the Commission has decided to categorise certain facilities / services under Industry Category. Accordingly, Hotel / Motels / Youth Clubs, Resorts / Cottages / Service Apartment, Tourist Villas / Tourists Apartment are now categorised under LT and HT Industry.

#### **6.11.8 Categorization of Working Men / Women's Hostels**

##### ***AEML-D's Submission***

AEML-D submitted that, in the MTR Order dated 31 March 2023 in Case No. 231 of 2022, the applicability of the LT-IV Public Service category tariff is as follows:

“k) All Students Hostels affiliated to Educational Institutions...”

There is no mention of the applicability of the tariff to Working Men / Women's Hostels, whereas the same has been mentioned in EHT and HT Public Service.

Hence, AEML-D in its proposed 'Tariff Schedule' section has added the following applicability under the LT-IV Public Service category applicability and requested the Commission to consider the same at the time of issuance of the Tariff Order:

"All Students Hostels affiliated to Educational Institutions and Working Men / Women's Hostels..."

### ***Commission's Analysis and Ruling***

It is clarified that Working Men / Women's Hostels are already categorised under LT IV: Public Service category, hence, no modification is required to the Tariff Schedule.

### **6.11.9 Categorisation of Common Effluent Treatment Plants under EHT, HT and LT-Public Service**

#### ***AEML-D's Submission***

AEML-D submitted that, in the MTR Order dated 31 March 2023 in Case No. 231 of 2022, the applicability of the LT-III Industry category tariff is as follows:

"j) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, not covered under the LT – Public Service category ..."

However, there is no mention of 'Common Effluent Treatment Plant' in the LT-Public Service category as extracted below:

"o) Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and waste processing units;"

Therefore, AEML-D has proposed to add the following under the EHT, HT and LT-Public Service tariff applicability and requested the Commission to consider the same at the time of issuance of the Tariff Order:

"Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants, Common Effluent Treatment Plants and waste processing units;"

### ***Commission's Analysis and Ruling***

It is clarified that Sewage Treatment Plants/ Common Effluent Treatment Plants are categorized under Public Service category only. The Commission has modified the applicability of LT IV: Public Service category, as under:

"Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants, Common Effluent Treatment Plants and waste processing units;"

**6.11.10 Recategorization of Hotels under Tourism Policy**

To promote Tourism Industry and in line with Tourism Policy of Maharashtra 2024 dated 18 July 2024, the Commission has decided to categorise certain facilities / services under Industry Category. Accordingly, Hotel / Motels / Youth Clubs, Resorts / Cottages / Service Apartment, Tourist Villas / Tourists Apartment shall now be categorised under LT and HT Industry.

**6.11.11 Regenerative Braking by Railways**

The Commission notes that Regenerative braking is a clean energy source that helps in reducing carbon footprint and aligns with Maharashtra's RE and sustainability goals. Metro trains generate electricity during braking, which can be fed back into the grid after internal consumption. Allowing netting off enables efficient utilization of regenerated power within the metro network. Further, regenerative braking aligns with existing energy policies promoting self-sufficiency and efficiency. Accordingly, the Commission allows netting off facility for excess energy generated by regenerative braking after consumption by other trains and auxiliary load and deduct the same from electricity drawn from AEML-D in the monthly bill. The Commission directs AEML-D to install appropriate meter at incomer meter for energy accounting to provide netting off facility. Such netting of electricity shall be done on monthly basis and in case of surplus after adjusting for energy drawal for the month, such surplus energy be purchased by the Discom at generic tariff approved for purchase of surplus energy from rooftop PV installation.

**6.11.12 Single Part Tariff for EV Charging Stations*****AEML-D's Submission***

AEML-D submitted that the Ministry of Power, Government of India, has issued the Guidelines dated 17 September 2024 for 'Installation and Operation of Electric Vehicle Charging Infrastructure 2024'. The relevant extract from the said Guidelines is as follows:

*"9 (1) The tariff for supply of electricity to EV charging stations shall be single part..."*

Accordingly, AEML-D has proposed a single part tariff for EV Charging Stations, i.e., only energy charge and wheeling charge have been proposed.

***Commission's Analysis and Ruling***

The Commission has considered the Guidelines as issued by MoP - "Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure 2024" dated 17 September 2024 and has determined tariff without levy of any Fixed Charges. The Wheeling Charges determined as per the methodology detailed in this Order and Energy Charges linked to the ACoS of all Distribution Licensees in Mumbai after subtracting the

respective wheeling charges, has been approved for the HT and LT EV Charging category, appropriately.

### **6.11.13 Rebate for Bulk Consumption**

To promote the industries and growing economy of the State, the Commission has decided to extend the Rebate on Bulk Consumption prevailing with MSEDCL to Mumbai licensees also. Such rebate on bulk consumption can offer significant revenue stability to Utility as well as consumer as also other benefits in terms of power procurement planning. As prevalent in MSEDCL, the Commission opines that bulk consumption rebate with a reverse telescopic slab would benefit all such consumers under HT-Industrial consumers with consumption in excess of 1 lakh units per month (0.1 MU per month). Thus, the Commission has decided to introduce “Bulk Consumption” rebate in a reverse telescopic manner for EHT / HT-Industrial consumers in the following manner:

- |  |      |
|--|------|
| a) For monthly consumption (> 1 Lakh units to 1 MU) per month: | 2%   |
| b) For monthly consumption (> 1 MU to 5 MU) per month:         | 1.5% |
| c) For monthly consumption (> 5 MU) per month:                 | 1%   |

**Illustration:** Say a consumer consumes 15 MU during the month then, for its consumption in excess of 1 Lakh units up to 1 MU, rebate will be 2%/unit, for next 4 MU (i.e., up to consumption of 5 MU) rebate will be 1.5%/unit, and for consumption in excess of 5 MU up to 15 MU, rebate will be 1%/unit.

The Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC/PPCA, excluding taxes and duty.

### **6.11.14 Advance Payment**

Regulation 16 of the MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, allows the consumer to make advance payment of charges for electricity supplied. The Commission notes that interest is payable at Bank Rate for such advance payment and such rate being lower than prevailing market rate, there is not much response from the Consumer to avail this facility. The Commission is of the view that there is need to encourage the consumers to make advance payment, which will not only increase the collection of Distribution Licensee but also reduce the working capital requirement. Thus, the Commission, hereby deems it fit to invoke its Power to Relax under Regulation 30 of MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 to allow higher interest rate based on the amount of advance payment.

Thus, the Commission hereby allows the advance payment/pre-payment of the bills for

consumers for amount not exceeding 12 times average monthly bill for the past twelve months. Such facility shall be available for all consumers. Consumers shall be eligible to avail discount in graded manner on their monthly bills, so long as they maintain advance payment amount in the following manner:

<b>Advance Payment Amount maintained with Utility as on date of monthly bill</b>	<b>Discount in monthly bill applicable at the rate of</b>	<b>Illustration discount* (%)</b>
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 9 to 12 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 150$ basis points	$(1/12) \times 10.5\% = 0.875\%$ (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 6 to 9 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 120$ basis points	$(1/12) \times 10.2\% = 0.85\%$ (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, 3 to 6 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 90$ basis points	$(1/12) \times 9.9\% = 0.825\%$ (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, upto 3 months]	Percent Discount in monthly Bill Amount = $1/12 \times (\text{SBI 1-yr MCLR as on 1st Apr}) + 60$ basis points	$(1/12) \times 9.6\% = 0.8\%$ (monthly bill discount)

*\*Note: Assumed SBI 1-year MCLR of 9% p.a.*

Further, such advance payment adjustment needs to be automatically passed through and shall be displayed in the monthly bills of the consumers with the advance amount adjusted in the bill and the balance amount to be adjusted. Also, the facility of the advance payment as provided by the licensee to its consumers' needs to be advertised to create awareness.

### **6.11.15 Green Energy Tariff**

#### ***AEML-D's Submission***

AEML-D submitted that the Commission had determined the Green Power Tariff at Rs. 0.66/kWh vide Order dated 22 March 2021 in Case No. 134 of 2020. Further, the Commission in the MTR Order in Case No. 231 of 2022 approved the Green Tariff of Rs. 0.66/kWh to be applicable during FY 2023-24 and FY 2024-25.



AEML-D has estimated the likely procurement from RE power with the balance power to be met from non-green sources. Accordingly, the percentage of non-green power of the annual energy requirement for each year of the Control Period is arrived at and the average for the Control Period is determined. Such average of non-green power for the whole of the Control Period amounts to ~ 50%. This implies that on an average, about 50% of the total energy supplied by AEML-D during the MYT Control Period, will be from green energy sources and only the balance 50% will be through brown power.

However, at present, if a consumer opts for 100% green power, the Green Tariff premium of 66 paise per unit is applied on the entire energy consumption of the consumer, even though part of its energy consumption is anyway being met through green power only.

AEML-D wishes to correct this anomaly, so that green tariff only represents the premium corresponding to the portion of brown power in AEML-D portfolio, which a Green Tariff opting consumer would convert to Green power in case he opts for 100% green power.

Accordingly, AEML-D has proposed that Green Tariff rate may be revised in such manner so that it only corresponds to the portion of brown power being purchased by the distribution licensee. In AEML-D's case, as with the case of other Distribution Licensees as well, the percentage of green power in the portfolio would not be constant over the Control Period and hence Green Tariff premium will vary accordingly in each year. To avoid this, average % of non-green power in AEML-D's portfolio over the whole of Control Period is worked, which is about 50% as mentioned above.

Therefore, AEML-D has proposed Green Power Tariff at the rate of 50% of the present charges, i.e., 50% of Rs. 0.66/kWh, which amounts to Rs. 0.33/kWh, which has been rounded off to Rs. 0.30/kWh for the Control Period.

Furthermore, AEML-D has submitted that, with reducing rates of green power and increasing percentage of green power in a Distribution Licensee's portfolio, there is a need to rationalise the rate of Green Tariff anyway. Accordingly, AEML-D requested the Commission to approve the proposed rate of 30 paise per unit for each year going forward.

### ***Commission's Analysis and Ruling***

The Commission determined Green Power Tariff for the consumers opting for meeting 100% of power requirement through RE sources in Case No. 134 of 2020 dated 22.03.2021, which is stipulated as Rs 0.66 per kWh as per the conditions and methodology specified under said Order.

On 6 June, 2022, Ministry of Power, GoI has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. The said Rules also mandate the State Commission to determine Green Power Tariff. Such Green Power Tariff would be in addition to regular tariff as approved in Tariff Order.

However, considering that the contribution of RE procurement in the power purchase basket by AEML-D as projected in MYT Control Period is expected to increase from 41% in FY 2025-26 to 66% in FY 2029-30 and RPO weightage also as approved by the Commission will be increasing from 33% in FY 2025-26 to 43.33% in FY 2029-30, it is a necessity that such benefit is required to be provided to the consumers opting for such green power. Also, though over the period, the Non-Conventional Power has become cheaper than the Conventional Power making the premium computed by this method as negative, it is necessary to demark the power procurement for consumers seeking green power with non-green power with certain nominal premium.

Hence, the Commission hereby approves the Green Tariff of Rs 0.25/kWh to be applicable for 5<sup>th</sup> MYT Control Period for FY 2025-26 to FY 2029-30 which may be reviewed at the time of MTR Petition to be filed by the Distribution Licensee in November, 2027.

However, for ease of implementation and to comply with provisions of MoP Rules, the Commission stipulates following terms and conditions for levy of Green Power Tariff.

- a. All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting for RE power on payment of Green Power Tariff.
- b. The consumers who have opted for Open Access can also requisition for RE Power on payment of Green Power Tariff for balance power supplied by Distribution Licensee.
- c. If the Obligated Entity wants to meet its RPO by requisitioning RE Power from the Distribution Licensee, then such entity shall pay additional Rs 0.25 /kWh for the Green Power Tariff, i.e., the Obligated entity shall pay total Green Power Tariff of Rs 0.50/kWh. Since, the obligated entity also has the option to meet RPO by purchasing REC, which is currently being traded at ~Rs 0.35/kWh, the green tariff is proposed at slight premium to REC Price.
- d. Revenue earned through Green Power Tariff shall be treated as tariff income of Supply Business and thereby be fully accounted for reduction in ARR of Supply Business.
- e. Green attribute of energy consumed by consumer by paying Green Power Tariff shall remain with such consumer. Distribution Licensee shall not count such energy towards its RPO fulfilment.

- f. The consumer will have option to select the quantum of green power to be purchased in steps of 25% and going up to 100% of the consumption.
- g. Such an option will also be available for Open Access consumer for its balance consumption from the Distribution Licensee.
- h. The Distribution Licensee will levy Green Power Tariff only for percentage of consumption opted by the Consumer.
- i. Distribution Licensee shall issue Annual certificate to consumers stating the percentage of power requirement of such consumer that has been sourced through RE sources
- j. Any requisition for green energy from a distribution licensee shall be for a minimum period of one year.
- k. Distribution Licensee shall process the request of consumer for Green Power Tariff not later than 30 days from the receipt of the request or next billing cycle, whichever is earlier. Distribution Licensee shall provide the facility of requesting for Green Power Tariff through its Web Portal, Mobile App or any other digital mode for convenience of consumers.
- l. Temporary Consumers can also opt of Green Tariff as per methodology specified above and Distribution Licensee shall issue certificate specifying that power requirement has been sourced through RE sources after receipt of payment.

The Rules notified by MoP, GOI also specify that rating of the consumer based on the percent of green energy purchased by such consumer. The Commission has specified RPO targets for the Distribution Licensees. As Distribution Licensee will be meeting such consumption, it would not be correct to issue any certificate to individual consumer for RPO to be met by Distribution Licensee as a whole. The Commission has allowed the consumer the choice to opt for RE purchase in steps of 25%. Accordingly, the Commission introduces the rating to be given by Distribution Licensee at the end of the financial year along with the electricity bill for the month of March specifying the percentage of power purchased from RE sources from his total consumption and rating as given below:

<b>% of RE Purchase Opted</b>	<b>Rating</b>
>50% to 75%	Semi-Green
>75% to 100%	Green

#### **6.11.16 Prepaid Meter Rebate**

The Commission approves rebate of 2% for consumers who are opting for pre-paid metering which is inclusive of prompt payment discount which otherwise is payable for early payment.

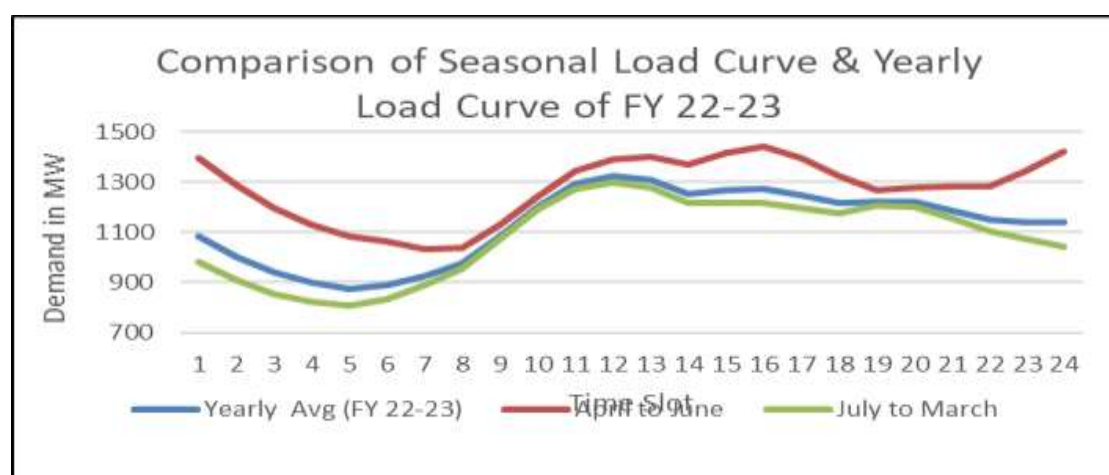
### 6.11.17 Time of Day (ToD) Tariff

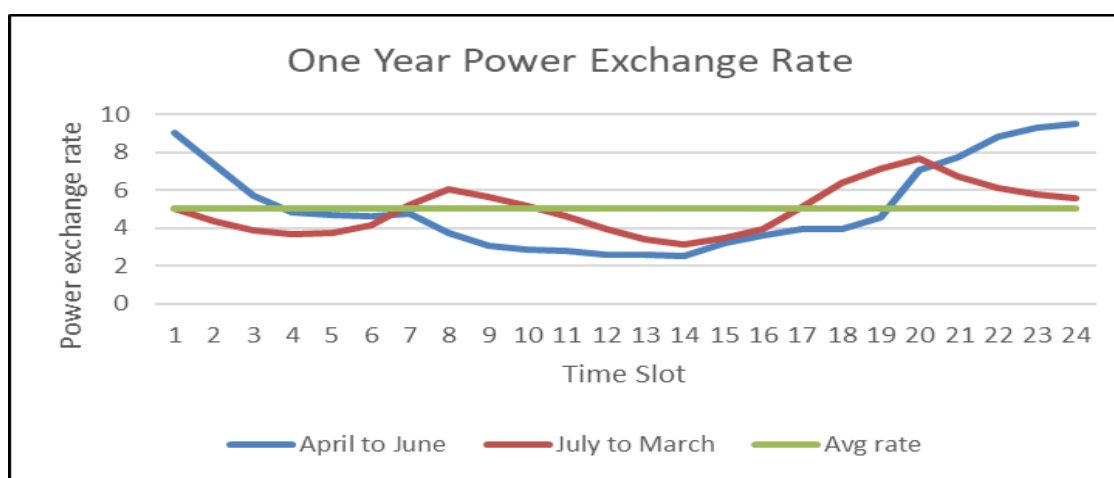
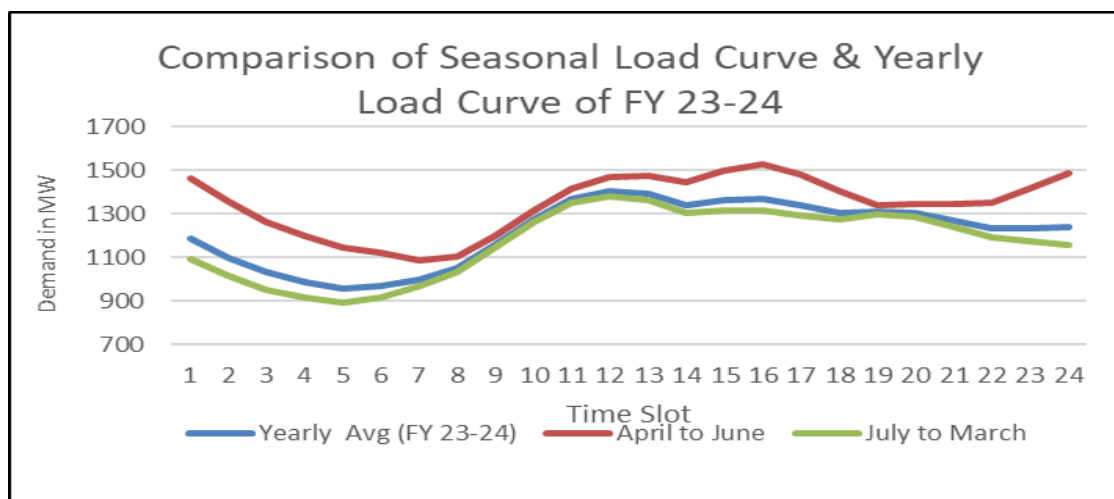
#### ***AEML-D's Submission***

AEML-D submitted that the Commission, in the MYT Regulations, 2024, has mandated that the Distribution Licensees are required to propose Time-of-day (ToD) tariffs for the new Control Period. AEML-D also referred to the MoP Rules dated 14 June 2023 for ToD Tariff. Accordingly, AEML-D has proposed seasonal ToD tariff for its consumer base for the new Control Period after rigorous analysis of its load curve for all consumer categories and Power Exchange rates during different time slots.

#### **Analysis of Power Demand and Exchange Rates**

For proposing seasonal time slots for ToD tariff determination, power demand patterns and corresponding short-term power purchase cost (in this case, power purchase through Power Exchanges) are considered. To gain insights into power demand and Power Exchange rates across various time slots and seasons, AEML-D has conducted a comprehensive analysis of the load curve for FY 2022-23 and FY 2023-24, along with Power Exchange rates over the period from September 2023 to August 2024. The trend in the load curve and Power Exchange rates are as follows:





Observations from analysis of power demand and Power Exchange rates are as follows:

- The Power Exchange rates, and power demand patterns observed from April to June differ significantly from those recorded between July and March, since power demand is higher during summer.
- Power demand patterns in all the months have decreasing trend between 1 am to 6 am. It starts rising from 7 am and 8 am during July to March and April to June, respectively.
- Power demand is significantly high between 9 am to 5 pm during July to March and between 8 am to 7 pm during April to June.
- During the months between July to March, there is a decreasing pattern in power demand after 7 pm.
- During the months between April to June, the power demand is nearly constant between 7 pm to 10 pm and it starts increasing after 10 pm due to more consumption of AC at night in summer.
- Power Exchange rates during all the months are lower during daytime because of the availability of RE power, specifically solar power, at much lower rate.

- During the peak months, between April to June, Power Exchanges rates are significantly lower between 7 am to 7 pm and higher during rest of the day.
- During the months ranging from July to March, Power Exchange rate is lower between 1 am to 7 am and between 9 am to 5 pm and higher during the rest of the day.

Hence, based on the above observations over the load curves and Power Exchange rates, seasonal timeslots and corresponding additional charges/ rebate are proposed as under:

	Sr. No.	Time slot	Power demand	Power exchange rate	Incentive/Disincentive
<b>Off-peak season (July to March)</b>	1	09:00 to 17:00 hours	High	Low/Decreasing	Rebate
	2	17:00 to 20:00 hours	High	High/Increasing	Additional Charge
	3	20:00 to 00:00 hours	Moderate	High/Decreasing	Additional Charge
	4	00:00 to 06:00 hours	Low	Low/Decreasing	Rebate
	5	06:00 to 09:00 hours	Low	Low/Increasing	Additional Charge

	Sr. No.	Time slot	Power demand	Power exchange rate	Incentive/Disincentive
<b>Peak season (April to June)</b>	1	08:00 to 19:00 hours	High	Low/Decreasing	Rebate
	2	19:00 to 22:00 hours	Moderate	Normal/Increasing	Additional Charge
	3	22:00 to 00:00 hours	High	High/Increasing	Additional Charge
	4	00:00 to 03:00 hours	Moderate	High/Decreasing	Additional Charge
	5	03:00 to 08:00 hours	Low	Low/Constant	Rebate

To determine the exact percentage of rebates or additional charges applicable to energy costs during peak and off-peak seasons, several minimum criteria are established based on the MoP guidelines and the indicative percentage rebates/additional charges proposed by the Commission, as shown below:

<b>Criteria for tariff in different time slots in off-peak season (July to March)</b>	
20% =<	Rebate in 09:00 to 17:00 Hrs
20% =<	Additional charge in 17:00 to 20:00 Hrs
20% =<	Additional charge in 20:00 to 00:00 Hrs

Criteria for tariff in different time slots in off-peak season (July to March)	
0% =<	Rebate in 00:00 to 06:00 Hrs
0% =<	Additional charge in 06:00 to 09:00 Hrs

Criteria for tariff in different time slots in peak season (April to June)	
20% =<	Rebate in 08:00 to 19:00 Hrs
20% =<	Additional charge in 19:00 to 22:00 Hrs
20% =<	Additional charge in 22:00 to 00:00 Hrs
20% =<	Additional charge in 00:00 to 03:00 Hrs
0% =<	Rebate in 03:00 to 08:00 Hrs

These criteria ensure that ToD rebates are available during solar hours. Additionally, during off-peak hours, when power demand and Power Exchange rates are lower, the ToD rebate should be higher. Conversely, during hours of higher power demand and higher Power Exchange rates, the ToD additional charges should be higher. The above listed criteria were considered to determine the optimal percentages of rebates and additional charges for the proposed time slots, with the objective function being the net ToD charges in a day for an ideal consumer with constant power demand throughout the day. The goal was to flatten the load curve, as the most optimal scenario is to have a near-constant power demand throughout the day. In such a case, a consumer with constant demand should neither receive a rebate nor be penalized.

Considering this principle, the most optimal percentages of rebates and additional charges for AEML-D consumers in the proposed time slots work out as shown in the table (rounded off to nearest whole number):

However, season-wise different time slots are not feasible for AEML-D considering the cost and man-hours associated multiple changes in the system and manual interventions at site required during season change. Hence, AEML-D has kept the time slots same across the peak and off-peak season. However, to address the seasonal change in additional charges/rebate, AEML-D has further segregated the existing five time slots into eight time slots (which is the maximum possible time slots available in Smart Meters).

The resulting percentages for different time slots are shown in the Table below:

**Table 6-46: Time of Day Scheme proposed by AEML-D**

<b>July to March (off-peak season)</b>	<b>ToD Tariff (Additional Charges or (Rebate) in Rs/kVAh (or kWh)</b>							
<b>Time slots</b>	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
<b>% Charges</b>	<b>-20%</b> of the Energy Charge	<b>25%</b> of the Energy Charge	<b>25%</b> of the Energy Charge	<b>20%</b> of the Energy Charge	<b>20%</b> of the Energy Charge	<b>-10%</b> of the Energy Charge	<b>-10%</b> of the Energy Charge	<b>15%</b> of the Energy Charge

<b>April to June (peak season)</b>	<b>ToD Tariff (Additional Charges or (Rebate) in Rs/kVAh (or kWh)</b>							
<b>Time slots</b>	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
<b>% Charges</b>	<b>-20%</b> of the Energy Charge	<b>20%</b> of the Energy Charge	<b>25%</b> of the Energy Charge	<b>25%</b> of the Energy Charge	<b>30%</b> of the Energy Charge	<b>20%</b> of the Energy Charge	<b>0%</b> of the Energy Charge	<b>0%</b> of the Energy Charge

Further, AEML-D highlighted the following issues with respect to implementation of ToD as proposed in the above table:

- As per current meter specifications, TOD reading is captured at meter history only in monthly billing profile and Maximum Demand (MD) reset. The default date for MD reset as well as capturing billing profile is 1<sup>st</sup> of every month (default for all meters makes). TOD data is also captured in instantaneous profile data but not stored in meter history.
- In AMI system, the block load profile, midnight profile and monthly billing profile is captured and stored, infra sizing is also based on these parameters.
- Hence, it is always advisable to align meter reading with default setting of meter, which is 1<sup>st</sup> of every month.
- In other words, consumers who are eligible for TOD tariff should be billed on 1<sup>st</sup> of every month, considering default setting of meter as well as to avoid frequent meter reset on account of cycle changes.
- These factors will lead to meter reading – billing – bill distribution of all such consumers on 1<sup>st</sup> of every month.
- With Smart Meters, issue of meter reading and billing will be addressed, however, there will be major impact on bill distribution because of the sheer volume of bills generated on the 1<sup>st</sup> of every month.



**In view of the above issues and constraints, AEML-D has proposed to implement the revised ToD scheme in the following manner:**

1. The existing ToD rates and slots as already approved by the Commission shall continue for a period of one year, i.e., from 1 April 2025 till 31 March 2026, allowing AEML-D preparatory time for implementation of the revised scheme as proposed herein.
2. **For other than Residential consumers, with sanctioned load greater than 10 kW:**
  - a. For such consumers who are already being billed under ToD, the proposed ToD scheme shall be applicable from 1 April 2026 or after the existing ToD meter is reprogrammed for new slots and rates / replaced with Smart Meter, whichever is later.
  - b. For such consumers who are presently not billed under ToD, the proposed ToD scheme shall either apply from 1 April 2026, or from the concerned billing cycle / month after the consumer has been shifted to Smart Meter and E-billing facility, whichever is later.
  - c. The proposed ToD scheme is shown in the Table below:

**Table 6-47: ToD proposal for consumers, other than residential, with sanctioned load > 10 kW, as submitted by AEML-D**

July to March (off-peak season)	ToD Tariff (Additional Charges or (Rebate) in Rs/kVAh (or kWh)							
Time slots	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
% Charges	-20% of the Energy Charge	25% of the Energy Charge	25% of the Energy Charge	20% of the Energy Charge	20% of the Energy Charge	-10% of the Energy Charge	-10% of the Energy Charge	15% of the Energy Charge

April to June (peak season)	ToD Tariff (Additional Charges or (Rebate) in Rs/kVAh (or kWh)							
Time slots	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
% Charges	-20% of the Energy Charge	20% of the Energy Charge	25% of the Energy Charge	25% of the Energy Charge	30% of the Energy Charge	20% of the Energy Charge	0% of the Energy Charge	0% of the Energy Charge

### 3. For Residential consumers with sanctioned load more than 10 kW

With respect to the amendments to the Electricity (Rights of Consumers) Rules, 2023 regarding implementation of ToD Tariffs, as referred to earlier, the MoP has specified that,

for consumers other than industrial and commercial, the ToD tariff shall not be less than 1.10 times the normal tariff during peak hours of the day and, for Solar Hours, the ToD tariffs should be at least 20% less than the normal tariff.

In view of the above, AEML-D has proposed the following ToD slots and rates for residential consumers with sanctioned load greater than 10 kW, to be made applicable from 01-04-2026:

**Table 6-48: ToD proposal for residential consumers with sanctioned load > 10 kW**

<b>July to March (off-peak season)</b>	<b>ToD Tariff (Additional Charges or (Rebate) in Rs. / kWh)</b>							
<b>Time slots</b>	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
<b>% Charges</b>	-20% of the Energy Charge	10% of the Energy Charge				0% of the Energy Charge		10% of the Energy Charge

<b>April to June (peak season)</b>	<b>ToD Tariff (Additional Charges or (Rebate) in Rs. / kWh)</b>							
<b>Time slots</b>	09:00 to 17:00 Hrs	17:00 to 19:00 Hrs	19:00 to 20:00 Hrs	20:00 to 22:00 Hrs	22:00 to 00:00 Hrs	00:00 to 03:00 Hrs	03:00 to 06:00 Hrs	06:00 to 09:00 Hrs
<b>% Charges</b>	-20% of the Energy Charge	10% of the Energy Charge				0% of the Energy Charge		

Further, AEML-D proposed that ToD tariff shall be available to Residential Consumers only with Smart Meters and opting for E-bill facility. Thus, a particular residential consumer with sanctioned load greater than 10 kW could avail of the above ToD benefits either from 01-04-2026 or from the concerned billing cycle / month after the consumer shifts to Smart Meter and E-Billing, whichever is later.

These measures are expected to promote the deployment of Smart Meters and adoption of E-billing among residential consumers. At the same time, implementation of ToD will be easier and faster because firmware of Smart Meters can be reprogrammed over the air.

It is submitted that AEML-D is proceeding with roll out of Smart Meters in its area of supply to gradually cover all its consumers. As and when the said program is fully implemented and all the consumers are provided with Smart Meters, AEML-D will approach the Commission with prayer to implement Time of Day tariffs for all its consumers, along with any other conditions as may be necessary to put forward.

Furthermore, AEML-D submitted that the Commission has approved a scheme for deployment of EV Chargers in AEML-D area under Demand Side Management (DSM) programme. Under this scheme, the EV chargers are being operated at nighttime, while remaining inactive during the day, in order to shift the load from day and evening peak to night hours. However, as presented in the Petition, AEML-D has proposed a revised ToD tariff scheme wherein the ToD slots and rates are aligned with and in response to actual peak and off-peak times, solar and non-solar hours and actual pattern of short-term / RTM rates across the day. Accordingly, the ToD discount / premium offered vide this scheme could itself act as sufficient motivation for, inter alia, EV owners to shift their vehicle charging times to off-peak (discounted tariff) hours. As a result, there may no longer a need to allow EV charging only during night hours as is presently being done under the existing scheme. Therefore, considering the ToD scheme as ultimately approved by the Commission in the MYT Order and other necessary factors such as integration of wind power with the grid, etc., AEML-D will suitably modify its EV Charger DSM scheme as may be necessary as and when the revised ToD scheme is implemented.

For the purpose of this Petition, no impact on revenue due to the proposed ToD tariff has been estimated at this time. At this stage, revenue from ToD has been considered for each year of the Control Period based on the existing ToD time slots and approved tariffs. Actuals in this regard shall be presented at the time of truing-up.

### ***Commission's Analysis and Ruling***

The Commission notes that by aligning ToD with the marginal cost of supply, consumers can benefit from lower tariffs during periods of surplus energy, such as solar hours. This ensures better utilization of renewable energy reduces dependency on expensive power generation and lowers electricity costs for utilities and ultimately for consumers.

Revision in the load pattern/load shape could be incentivised through appropriate ToD tariff design and assessing other factors responsible that could influence consumer behaviour, load flexibility and constraints in load shift, access to technology and monitoring tools available to consumer to manage its load shape and consumption pattern. Further, impact on consumer bill would be important consideration for consumer to be able to take advantage of restructured ToD tariff design. At the same time, the Commission will also have to ascertain the revenue impact on the utility with such revision in the ToD tariff.

In this context, the Commission notes the amendment to Electricity (Right of Consumer) Amendment Rules, 2023 dated 14 June, 2023 notified by Central Government, which outlines specific conditions regarding design of ToD slabs and ToD Tariff. The relevant extract of Rule 8A of the said Rules is as under:

*“(8A) **Time of Day Tariff.**-The Time of Day tariff for **Commercial and Industrial** consumers having maximum demand more than **ten Kilowatt** shall be made effective from a date not later than 1st April, 2024 and for **other consumers** except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective **immediately after installation of smart meters**, for the consumers with smart meters:*

*Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during **peak period of the day** shall **not be less than 1.20 times the normal tariff** and for other consumers, it shall **not be less than 1.10 times the normal tariff**:*

*Provided further that, **tariff for solar hours** of the day, specified by the State Commission shall **be atleast twenty percent less than the normal tariff** for that category of consumers:*

*Provided also that the **Time of Day Tariff** shall be applicable on **energy charge component of the normal tariff**:*

*Provided also that the **duration of peak hours** shall **not be more than solar hours** as notified by the State Commission or State Load Despatch Centre.*

*Explanation:- For the purposes of this rule, the expression “**solar hours**” means the **duration of eight hours** in a day as specified by the State Commission.”  
(emphasis added)*

Further, the Commission refers to the provisions under MYT Regulations 2024 and Distribution Open Access (First Amendment) Regulations, 2019, which specify that the Commission shall stipulate the ToD tariff slabs and applicable charges/rebates thereof through its Order as part of regulatory proceedings for tariff determination, upon scrutiny of submissions of Distribution Licensee and upon following due regulatory process for public consultation as part of Tariff proceedings. The relevant extracts of the MYT Regulations, 2024 and Distribution Open Access (First Amendment) Regulations, 2019 is as under:

**(Reg. 115.2 of MERC MYT Regulations, 2024)**

*“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:*

<b>ToD Tariff (Additional Charges or (Rebate) in INR/kVAh (or kWh)</b>				
<b>09:00 to 16:00</b>	<b>16:00 to 20:00</b>	<b>20:00 to 00:00</b>	<b>00:00 to 06:00</b>	<b>06:00 to 09:00</b>
<b>Hrs</b>	<b>Hrs</b>	<b>Hrs</b>	<b>Hrs</b>	<b>Hrs</b>
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.***

**(Reg. 20.3 of MERC DOA (First Amendment) Regulations, 2019)**

**“20.3. Banking of energy shall be permitted only on monthly basis.**

***Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective Time of Day (‘TOD’) slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees; (emphasis added)***

During the current public consultation process on MYT Petitions filed by various Distribution Licensees, the Commission has received several objections/ suggestions in the matter of ToD tariff design as well as associated aspects of banking of energy across ToD slots. The key issues to be addressed in the context of ToD Tariff design are as under:

- Revision in ToD Slabs including definition of Solar Hours and Peak Hours
- Determination of ToD Rates and its denomination
- Applicability of ToD Tariff to consumer categories
- Dynamic and seasonal aspects of ToD
- Conditions for Banking of Energy related to ToD adjustments

The Commission has analysed the above aspects in detail and have taken into consideration provisions outlined under Electricity (Right of Consumer) (Amendment) Rules, 2023, MYT Regulations, 2024, DOA Regulations and its amendment thereof, Grid interactive Rooftop Generating Systems Regulations 2019 and its amendments thereof, submissions made by

Petitioner, practice followed in other States, and objections and suggestions made by stakeholders. Accordingly, the Commission hereby rules the revised framework for ToD Tariff design and associated conditions thereof to be applicable for 5<sup>th</sup> Control Period as outlined under following paragraphs.

**a. Revision in ToD Slabs including definition of Solar Hours and Peak Hours**

As per Rule 8A, the Solar Hours need to be specified by the State Commission, which shall be duration of eight hours. Further, the Peak Hours need to be defined, which shall not exceed Solar Hours (i.e. duration of eight hours).

**Solar Hours:** The Commission notes that as per Rules only Solar Hours and Peak Hours need to be defined. TPC-D has proposed the hours as specified in MYT Regulations 2024 i.e. from 09:00 hours to 16:00 hours as Solar Hours. However, the Commission has approved the Solar hours as 09:00 hours to 17:00 Hours as the same is aligned with solar generation hours as well as in line with provisions of Electricity (Right of Consumer) (First Amendment) Rules, 2023.

**Peak Hours:** The Commission has analysed the prevalent Market Clearing Prices for past two years (viz., FY 2023-24 and FY 2024-25 up to Feb 2025), as covered in the subsequent paragraphs and also represented in the graphs. The Commission has observed that higher market rates are prevalent even for hours beyond 22:00 hours up to mid-night (up to 24:00 hrs) for most of the months during the year. Further, the Commission has observed that market prices are lower for the period post-midnight in comparison to Evening Peak hours. Accordingly, the Commission hereby approves the Peak Hours for duration of seven hours (from 17:00 hrs to 24:00 hrs).

For remaining ToD Slabs the Commission has approved as presented in following table:

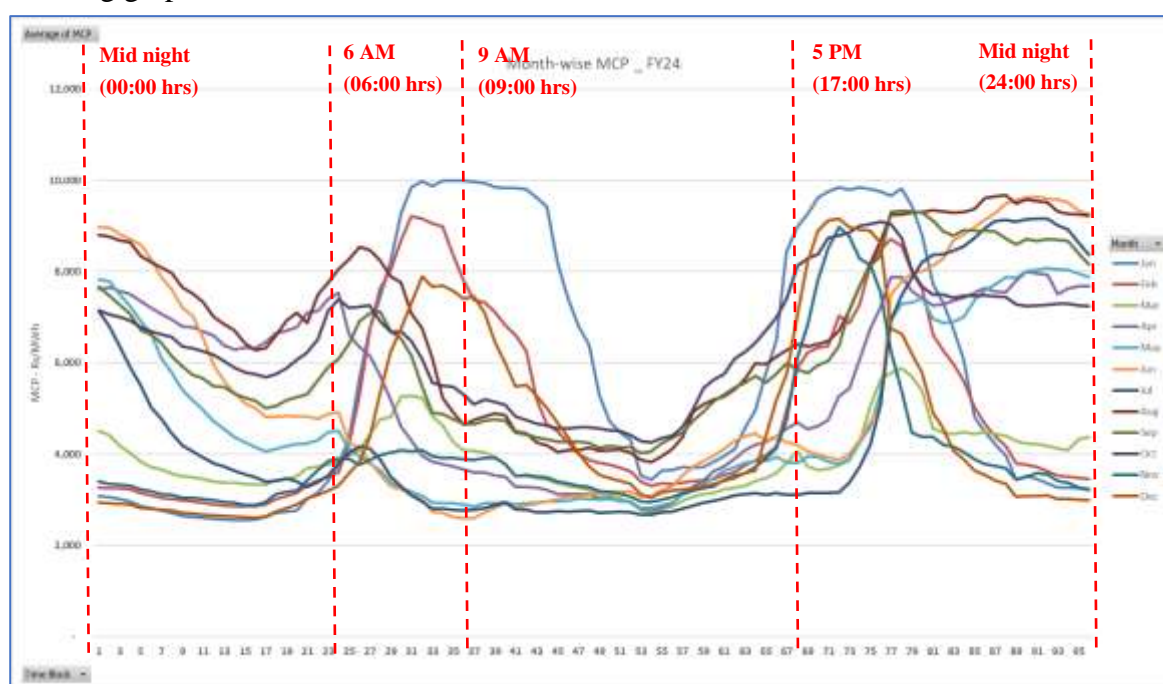
**Table 6-49: ToD slab Comparison**

ToD Slabs	Existing ToD Slabs		ToD Slabs as per MYT Regulations 2024		Commission's Approval for ToD Slabs		
	Period	Duration (hours)	Period	Duration (hours)	Period	Duration (hours)	
ToD Slab A	22:00 hrs to 06:00 hrs	8	00:00 hrs to 06:00 hrs	6	00:00 hrs to 06:00 hrs	6	
ToD Slab B	06:00 hrs to 09:00 hrs and 12:00 hrs to 18:00 hrs	9	06:00 hrs to 09:00 hrs	3	06:00 hrs to 09:00 hrs	3	

ToD Slabs	Existing ToD Slabs		ToD Slabs as per MYT Regulations 2024		Commission's Approval for ToD Slabs		
	Period	Duration (hours)	Period	Duration (hours)	Period	Duration (hours)	
ToD Slab C	09:00 hrs to 12:00 hrs	3	09:00 hrs to 16:00 hrs	7	09:00 hrs to 17:00 hrs	8	Solar Hours
ToD Slab D	18:00 hrs to 22:00 hrs	4	16:00 hrs to 20:00 hrs	4	17:00 hrs to 24:00 hrs	7	Peak Hours
ToD Slab E			20:00 hrs to 00:00 hrs	4			

### b. Determination of ToD Rates and its denomination

Market Clearing Price (MCP) on the Power Exchange varies from time-block to time-block throughout the year for different seasons. The following graph depicts the average MCP as prevalent during FY2023-24 and FY 2024-25 (up to Feb 2025). The MCP profile clearly indicates that the MCP during day-time solar hours (9:00 hrs to 17:00 hrs) is low (Avg. MCP of Rs 2.84 per unit) throughout the year. Further, the MCP during Evening peak (17:00 hrs to 24:00 hours -midnight) is high (Avg. MCP of Rs 6.36 per unit) and the same starts falling during early morning (00:00 hrs to 06:00 hrs) to Avg. MCP of Rs 3.71 per unit. As the day progresses, the demand picks up in the morning hours (06:00 hrs to 09:00 hrs) and the MCP starts to rise but with significant rise in the Solar generation, the MCP during day-time solar hours (09:00 hrs to 17:00 hrs) remains low (Avg MCP of Rs 2.84 per unit). The average of monthly MCP for hourly/sub-hourly duration is presented under following graph:





In view of the foregoing, the Commission has determined the ToD Tariff Rate (Charge/Rebate) as percentage of the Energy Charge applicable to respective consumer category. Further, the Commission opines that the ToD Tariff should also reflect the seasonal variation in the demand pattern as also variation in market prices prevalent thereof. Accordingly, the Commission has determined different rate of ToD Rebate for two half-yearly periods (i.e., Half Yearly Period-1 as April to September and Half Yearly Period-2 as October to March). The seasonal variation in ToD Tariff as well as its denomination in Percentage terms linked to Energy Charge component of the Tariff shall also be in line with the provisions specified under Electricity (Right of Consumers) (First Amendment) Rules, 2023.

In addition, the Commission determines the ToD Rebate for LT-Domestic category consumers during Solar Hours only and the same shall be effected as and when Smart Meters are installed for the consumer. This would also encourage the Consumers for early adoption of the Smart Meters. Other conditions for ToD operationalisation for LT-Domestic category opting for solar rooftop installations are covered under subsequent paragraphs.

Accordingly, the Commission hereby determines the ToD Tariff (Charge/Rebate) in Energy Charges for eligible consumer categories during 5<sup>th</sup> MYT Control Period as under:

**Table 6-50: ToD slots approved by the Commission for 5<sup>th</sup> MYT Control Period**

ToD Slabs	Period	Duration (hours)	ToD Slabs	
			ToD Charge / (Rebate) for categories*	ToD (Rebate) for LT-Residential/HT Group Housing*
-	00:00 hrs to 06:00 hrs	6	-15% - FY 2025-26 -15% - FY 2026-27 -20% - FY 2027-28 to FY 2029-30	-
-	06:00 hrs to 09:00 hrs	3	0%	-
Solar Hours	09:00 hrs to 17:00 hrs	8	(April to September) -15% - FY 2025-26 -15% - FY 2026-27 -20% - FY 2027-28 to FY 2029-30 (October to March) -25% - FY 2025-26 -25% - FY 2026-27 -30% - FY 2027-28 to FY 2029-30	50 Paise per unit – FY 2025-26 55 Paise per unit – FY 2026-27 60 Paise per unit - FY 2027-28 65 Paise per unit - FY 2028-29 70 Paise per unit – FY 2029-30
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	-



*[\*Note – subject to conditions outlined under paragraph (c) below and to be reviewed at the time of MTR proceedings]*

ToD Charge or ToD Rebate in percentage terms shall be applicable on the Energy Charge Component of the Tariff for respective years of 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 as stipulated under this Order or until further revision, whichever is earlier. However, for Residential/HT Group Housing category, the ToD Rebate ranging from 50 paise/unit to 70 paise/unit will be available for consumption during solar hours of 09.00 to 17.00 hours and will be reviewed at the time of MTR proceedings based on the impact on the load profile of the licensee.

### c. Applicability of ToD Tariff to consumer categories

The Commission notes that MoP Rules quoted above mandates introduction of ToD tariff to Industrial and commercial consumers with load above 10 kW. The Commission notes that in Maharashtra, ToD tariff has already been introduced for consumers with load above 20 kW. Now in view of the mandate of MoP Rules, the Commission has decided to introduce ToD tariff for consumers with load above 10 kW. Once Discom installs the ToD/Smart Meter to such consumer, ToD tariff approved in this Order will become applicable from next billing cycle.

Accordingly, category-wise applicability of ToD Tariff approved by the Commission is summarised under following Table:

**Table 6-51: Category-wise Tariff applicability approved by the Commission**

Consumer Category	Sub-category	Applicability
<b>HT (for all supply voltages incl. EHV)</b>		
HT I HT – Industry		Yes
HT II: HT – Commercial		Yes
HT V: HT - Public Services		Yes
HT VI: HT – EV Charging Station		Yes
<b>LT Category - (subject to limit on Contract Demand / Sanctioned load)</b>		
LT II: LT - Commercial		
	(A): 0-20 kW	<b>Yes (10 kW and above)</b>
	(B): >20 kW and ≤ 50 kW	Yes
	(C): >50 kW	Yes
LT III: LT - Industry		
	(i): 0-20 kW	<b>Yes (10 kW and above)</b>
	(ii): Above 20 kW	Yes
LT IV: LT Public Services		
	(i): 0-20 kW	<b>Yes (10 kW and above)</b>
	(ii): >20 - ≤ 50 kW	Yes

Consumer Category	Sub-category	Applicability
	(iii): >50 kW	Yes
LT V: LT EV Charging Station		Yes (10 kW and above)

As regards applicability of ToD tariff for LT-Residential category, ToD Rebate (during Solar Hours) shall be available to all residential consumers (irrespective of load) and the same shall be applicable from the next billing cycle after date of installation of ToD Meter/Smart Meter for consumers under LT-Residential category. This will encourage early adoption of the ToD Meter/Smart Meter by consumers under LT-Residential consumer category. Such ToD rebate shall also be applicable to LT-Residential consumer with RTS and Virtual Net Metering system.

The Commission further rules that in case of LT-Residential consumers with RTS systems or under Virtual Net Metering, the benefit of Net Metering shall continue to be available for all hours throughout the day for adjustment of surplus energy unit credit including during Peak Hours (17:00 hrs to 24:00 hrs) even after installation of ToD meter/ Smart Meter by such consumer.

#### **d. Conditions for Banking of Energy related to ToD Adjustments**

During the public consultation process and e-Public Hearings on MYT Petitions filed by various Distribution Licensees in the State, many Open Access consumers and RE Generators had raised concern regarding adverse impact of proposed ToD on banking of power.

Upon careful consideration of all aspects, the Commission opines that the power demand-supply situation and resource mix is undergoing transformation with adoption of the energy transition agenda at National level as well as State level. The Policies, Regulations and the operational framework needs to be aligned with emerging trends and requirements of the businesses addressing concerns of consumers and utility, alike.

The revision in ToD Slabs and ToD tariff (Charge/Rebate) presents one such opportunity to align the regulatory policies and treatment thereof in line with the broader perspective of energy transition agenda. In the context of banking facilities and ToD adjustments thereof, the Commission opines that it is important to undertake cogent reading and interpretation of the MYT Regulations, 2024, Distribution Open Access Regulations, 2019 including amendments thereof, Grid Interactive Rooftop Renewable Energy Generation Systems, Regulations 2019 including amendments thereof, and Electricity (Right of Consumers) (First Amendment) Rules, 2023.

As per mandate stipulated under Electricity (Right of Consumers) (First Amendment) Rules, 2023, the concept of defining Off-peak hours or Normal hours is done away with and only 'Solar Hours' and 'Peak Hours' has been introduced as per said Rules. Accordingly, the Commission has stipulated the 'Solar Hours' (i.e. 09:00 hrs to 17:00 hrs) and 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) as well as approved the 'ToD Slabs' and 'ToD Tariff (Charge/Rebate)' as outlined under earlier paragraphs of this Order. The Commission opines that the conditions associated with ToD slot-wise Banking, adjustment of surplus energy credit needs to be applied taking into consideration above facts.

Thus, the Commission hereby stipulates that following conditions for Banking and its treatment thereof for adjustment of banked energy credits shall apply for all consumer categories (except LT-Residential):

- a) Energy banked during 'Peak Hour' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption in 'Peak Hour' and any other hours.
- b) Energy banked during any other hours excluding 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption of any other hours except consumption in 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs)

Thus, the Commission observes that as per existing banking and ToD regime, the Open Access consumer was able to adjust its surplus generation during day-time (06:00 hrs to 18:00 hrs – i.e., 12 hours) during respective slots and night hours (22:00 hrs to 06:00 hrs – i.e., 8 hours) together for 20 hours (except for evening 4 hours from 18:00 hrs to 22:00 hrs). With proposed Banking arrangement as outlined under this Order, the open access consumer would be able to adjust its surplus generation during daytime (06:00 hrs to 17:00 hrs – i.e., 11 hours) during respective slots and night hours (00:00 hrs to 06:00 hrs – i.e., 6 hours) together for 17 hours (except for evening 7 hours from 17:00 hrs to 24:00 hrs). The Commission believes that this addresses the concerns expressed by objectors/stakeholders as well as that of Distribution Licensee about management during Peak Hours.

As far as banking under RTS and Virtual Net Metering is concerned, as clarified in earlier part of this Order, banking of energy by LT-Residential consumers are allowed in all ToD blocks including Peak Hours. For rest of consumers with RTS covered by ToD tariff, banking of energy will be subjected to principles outlined above.

The Commission notes that since the ToD slots are being changed in the present Order, it would require re-configuration of existing meters, which is likely to take some time whereas

the tariff as decided in this Order is applicable from 1 April, 2025. Thus, the Commission has decided that existing ToD slabs will continue till the time meter is reconfigured or changed by the Licensee. The interim ToD slabs and ToD Charge/Rebate for categories mentioned herein above will be as follows:

Period	ToD Charge / (Rebate) for categories in Energy Charge – Rs./kWh
06:00 hrs to 09:00 hrs	0
09:00 hrs to 12:00 hrs	0
12:00 hrs to 18:00 hrs	(0.75)
18:00 hrs to 22:00 hrs	1.00
22:00 hrs to 06:00 hrs	(0.75)

It is clarified that Base Tariff applicable will be as approved by the Commission in this Order.

The Commission directs that Distribution Licensee shall complete the activity of meter reconfiguration to new ToD slabs as determined in this Order within 3 months of the date of Order.

#### **6.12 REVISED TARIFF FOR THE CONTROL PERIOD FROM FY 2025-26 to FY 2029-30**

The Commission has continued to determine the tariffs with an in-built incentive to consumers to reduce their consumption. The billing impact is designed to increase as the consumption increases on account of the higher telescopic tariffs applicable to higher consumption slabs, while at the same time ensuring that even consumers in the higher consumption slabs are charged at a lower rate to the extent of the consumption corresponding to lower slabs.

As mentioned previously, the Commission has ensured that the tariff of all the categories is in the  $\pm 20\%$  of RCoS. Further, the Commission has also tried to ensure that the level cross-subsidy either remains constant or reduces in the subsequent year to steadily approach the ACoS as envisaged in the Tariff Policy.

The approved category-wise tariffs for the 5<sup>th</sup> Control Period, from FY 2025-26 to FY 2029-30 are given in the Tables below:

**Table 6-52: Tariffs Effective from 1 April, 2025 (FY 2025-26)**

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/ kVAh)	Wheeling Charges (Rs / kVAh)
	<b>LT Category</b>					
1	LT I (A)- Below Poverty Line	Rs. 12	2.40	2.93		
2	<b>LT -I (B) Residential</b>					
	0-100	Rs. 90 <sup>\$\$</sup>	3.45	2.93		
	101-300	Rs. 135 <sup>\$\$</sup>	6.70	2.93		
	301-500		8.10	2.93		
	500 and above	Rs. 160 <sup>\$\$/\$\$\$</sup>	9.05	2.93		
3	<b>LT II - LT Commercial</b>					
(A)	≤ 20 kW load	Rs. 475	5.72	2.93		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA			5.54	2.82
(C)	> 50 kW load				5.59	2.82
4	<b>LT III - LT Industry</b>					
(A)	Upto 20 kW load	Rs. 475	5.60	2.93		
(B)	Above 20 kW	Rs. 400 per kVA			5.45	2.82
5	<b>LT IV – Public Services *</b>	Rs. 475	5.68	2.93	5.45	2.82
6	<b>LT V - Agriculture</b>					
(A)	Pumpsets	Rs. 45	5.00	2.93		
(B)	Others	Rs. 100	5.80	2.93		
6	<b>LT VI: Electric Vehicle Charging Stations*</b>	-	5.48	2.93	5.26	2.82

**Note:**

\* For LT IV – Public Services and LT VI - Electric Vehicle Charging Stations, kVAH based Tariff is applicable for consumers with sanctioned load above 20 kW

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	<b>EHT Category</b>			
1	EHT I: HT-Industry	Rs. 400 per kVA	6.13	-
2	EHT II: HT- Commercial	Rs. 300 per kVA	6.22	-
3	EHT III: HT-Group Housing Society	Rs. 400 per kVA	5.45	-
4	EHT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.41	-
5	EHT V: Public Service	Rs. 400 per kVA	6.15	-
6	EHT VI: Electric Vehicle Charging Stations	-	7.50	-
	<b>HT Category</b>			
7	HT I: HT-Industry	Rs. 400 per kVA	6.13	0.74
8	HT II: HT- Commercial	Rs. 300 per kVA	6.22	0.74
9	HT III: HT-Group Housing Society	Rs. 400 per kVA	5.45	0.74

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
10	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.41	0.74
11	HT V: Public Service	Rs. 400 per kVA	6.15	0.74
12	HT VI: Electric Vehicle Charging Stations	-	7.50	0.74

ToD Slabs	ToD Slabs			
	Period	Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential / HT-Group Housing
-	00:00 hrs to 06:00 hrs	6	-10%	-
-	06:00 hrs to 09:00 hrs	3	0%	-
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	-

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT IA Residential (BPL), LT 1B-Residential, LT II (A)- Commercial upto 20 kW and LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, and LT V – EV Charging Station up to 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory for EHT (I), EHT (II), EHT (V), EHT (VI), HT (I), HT (II), HT (V), HT (VI), HT (I), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

**Table 6-53: Tariffs Effective from 1 April, 2026 (FY 2026-27)**

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/ kVAh)	Wheeling Charges (Rs / kVAh)
	<b>LT Category</b>					
1	LT I (A)- Below Poverty Line	Rs. 12	2.40	2.28		
2	<b>LT -I (B) Residential</b>					
	0-100	Rs. 90 <sup>\$\$</sup>	2.65	2.28		
	101-300	Rs. 135 <sup>\$\$</sup>	5.85	2.28		
	301-500		7.10	2.28		
	500 and above	Rs. 160 <sup>\$\$/\$\$</sup>	8.35	2.28		
3	<b>LT II - LT Commercial</b>					
(A)	≤ 20 kW load	Rs. 475	5.70	2.28		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA			5.51	2.19
(C)	> 50 kW load				5.53	2.19
4	<b>LT III - LT Industry</b>					
(A)	Upto 20 kW load	Rs. 475	5.55	2.28		
(B)	Above 20 kW	Rs. 400 per kVA			5.45	2.19
5	<b>LT IV – Public Services*</b>	Rs. 475	5.63	2.28	5.40	2.19
6	<b>LT V - Agriculture</b>					
(A)	Pumpsets	Rs. 45	5.00	2.28		
(B)	Others	Rs. 100	5.80	2.28		
6	<b>LT VI: Electric Vehicle Charging Stations*</b>	-	5.46	2.28	5.24	2.19

Note:

\* For LT IV – Public Services and LT VI - Electric Vehicle Charging Stations, kVAH based Tariff is applicable for consumers with sanctioned load above 20 kW

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	<b>EHT Category</b>			
1	EHT I: HT-Industry	Rs. 400 per kVA	5.73	-
2	EHT II: HT- Commercial	Rs. 300 per kVA	5.97	-
3	EHT III: HT-Group Housing Society	Rs. 400 per kVA	5.10	-
4	EHT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.01	-
5	EHT V: Public Service	Rs. 400 per kVA	5.85	-
6	EHT VI: Electric Vehicle Charging Stations	-	7.02	-
	<b>HT Category</b>			

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
7	HT I: HT-Industry	Rs. 400 per kVA	5.73	0.57
8	HT II: HT- Commercial	Rs. 300 per kVA	5.97	0.57
9	HT III: HT-Group Housing Society	Rs. 400 per kVA	5.10	0.57
10	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.01	0.57
11	HT V : Public Service	Rs. 400 per kVA	5.85	0.57
12	HT VI: Electric Vehicle Charging Stations	-	7.02	0.57

ToD Slabs	ToD Slabs			
	Period	Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential / HT-Group Housing
-	00:00 hrs to 06:00 hrs	6	-15%	-
-	06:00 hrs to 09:00 hrs	3	0%	-
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

**Notes:**

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT IA Residential (BPL), LT 1B-Residential, LT II (A)- Commercial upto 20 kW and LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, and LT V – EV Charging Station up to 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory for EHT (I), EHT (II), EHT (V), EHT (VI), HT (I), HT (II), HT (V), HT (VI), HT (I), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.



**Table 6-54: Tariffs Effective from 1 April, 2027 (FY 2027-28)**

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/ kVAh)	Wheeling Charges (Rs / kVAh)
	<b>LT Category</b>					
1	LT I (A)- Below Poverty Line	Rs. 12	2.50	2.23		
2	<b>LT -I (B) Residential</b>					
	0-100	Rs. 90 <sup>\$\$</sup>	3.60	2.23		
	101-300	Rs. 135 <sup>\$\$</sup>	6.65	2.23		
	301-500		7.65	2.23		
	500 and above	Rs. 160 <sup>\$\$/\$\$\$</sup>	8.88	2.23		
3	<b>LT II - LT Commercial</b>					
(A)	≤ 20 kW load	Rs. 475	5.68	2.23		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA			5.51	2.14
(C)	> 50 kW load				5.53	2.14
4	<b>LT III - LT Industry</b>					
(A)	Upto 20 kW load	Rs. 475	5.45	2.23		
(B)	Above 20 kW	Rs. 400 per kVA			5.36	2.14
5	<b>LT IV – Public Services*</b>	Rs. 475	5.49	2.23	5.27	2.14
6	<b>LT V - Agriculture</b>					
(A)	Pumpsets	Rs. 45	5.10	2.23		
(B)	Others	Rs. 100	5.90	2.23		
6	<b>LT VI: Electric Vehicle Charging Stations*</b>	-	5.58	2.23	5.36	2.14

*\* For LT IV – Public Services and LT VI - Electric Vehicle Charging Stations, kVAH based Tariff is applicable for consumers with sanctioned load above 20 kW*

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	<b>EHT Category</b>			
1	EHT I: HT-Industry	Rs. 400 per kVA	5.52	-
2	EHT II: HT- Commercial	Rs. 300 per kVA	5.87	-
3	EHT III: HT-Group Housing Society	Rs. 400 per kVA	4.95	-
4	EHT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.91	-
5	EHT V: Public Service	Rs. 400 per kVA	5.65	-
6	EHT VI: Electric Vehicle Charging Stations	-	7.11	-
	<b>HT Category</b>			

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
7	HT I: HT-Industry	Rs. 400 per kVA	5.52	0.55
8	HT II: HT- Commercial	Rs. 300 per kVA	5.87	0.55
9	HT III: HT-Group Housing Society	Rs. 400 per kVA	4.95	0.55
10	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	4.91	0.55
11	HT V : Public Service	Rs. 400 per kVA	5.65	0.55
12	HT VI: Electric Vehicle Charging Stations	-	7.11	0.55

ToD Slabs	ToD Slabs			
	Period	Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential / HT-Group Housing
-	00:00 hrs to 06:00 hrs	6	-20%	-
-	06:00 hrs to 09:00 hrs	3	0%	-
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

Notes:

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT IA Residential (BPL), LT 1B-Residential, LT II (A)- Commercial upto 20 kW and LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, and LT V – EV Charging Station up to 20 kW and for other categories Tariff in Rs./kVAh will be applicable
5. TOD Tariffs (in addition to above base tariffs) – compulsory for EHT (I), EHT (II), EHT (V), EHT (VI), HT (I), HT (II), HT (V), HT (VI), HT (I), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

**Table 6-55: Tariffs Effective from 1 April, 2028 (FY 2028-29)**

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/ kVAh)	Wheeling Charges (Rs / kVAh)
	<b>LT Category</b>					
1	LT I (A)- Below Poverty Line	Rs. 12	2.70	2.41		
2	<b>LT -I (B) Residential</b>					
	0-100	Rs. 90 <sup>\$\$</sup>	4.05	2.41		
	101-300	Rs. 135	7.05	2.41		
	301-500	<sup>\$\$/\$\$</sup>	8.05	2.41		
	500 and above	Rs. 160 <sup>\$\$</sup>	9.08	2.41		
3	<b>LT II - LT Commercial</b>					
(A)	≤ 20 kW load	Rs. 475	5.98	2.41		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA			5.80	2.31
(C)	> 50 kW load				5.87	2.31
4	<b>LT III - LT Industry</b>					
(A)	Upto 20 kW load	Rs. 475	5.80	2.41		
(B)	Above 20 kW	Rs. 400 per kVA			5.69	2.31
5	<b>LT IV – Public Services</b>	Rs. 475	5.90	2.41	5.66	2.31
6	<b>LT V - Agriculture</b>					
(A)	Pumpsets	Rs. 45	5.10	2.41		
(B)	Others	Rs. 100	5.90	2.41		
6	<b>LT VI: Electric Vehicle Charging Stations</b>	-	5.63	2.41	5.41	2.31

\* For LT IV – Public Services and LT VI - Electric Vehicle Charging Stations, kVAH based Tariff is applicable for consumers with sanctioned load above 20 kW

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	<b>EHT Category</b>			
1	EHT I: HT-Industry	Rs. 400 per kVA	5.92	-
2	EHT II: HT- Commercial	Rs. 300 per kVA	6.22	-
3	EHT III: HT-Group Housing Society	Rs. 400 per kVA	5.35	-
4	EHT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.31	-
5	EHT V: Public Service	Rs. 400 per kVA	6.05	-
6	EHT VI: Electric Vehicle Charging Stations	-	7.31	-
	<b>HT Category</b>			
7	HT I: HT-Industry	Rs. 400 per kVA	5.92	0.57
8	HT II: HT- Commercial	Rs. 300 per kVA	6.22	0.57
9	HT III: HT-Group Housing Society	Rs. 400 per kVA	5.35	0.57

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
10	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.31	0.57
11	HT V : Public Service	Rs. 400 per kVA	6.05	0.57
12	HT VI: Electric Vehicle Charging Stations	-	7.31	0.57

ToD Slabs	ToD Slabs			
	Period	Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential / HT-Group Housing
-	00:00 hrs to 06:00 hrs	6	-20%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

**Notes:**

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT IA Residential (BPL), LT 1B-Residential, LT II (A)- Commercial upto 20 kW and LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, and LT V – EV Charging Station up to 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory for EHT (I), EHT (II), EHT (V), EHT (VI), HT (I), HT (II), HT (V), HT (VI), HT (I), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

**Table 6-56: Tariffs Effective from 1 April, 2029 (FY 2029-30)**

Sl. No.	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kWh)	Wheeling Charges (Rs / kWh)	Energy Charge (Rs/ kVAh)	Wheeling Charges (Rs / kVAh)
	<b>LT Category</b>					
1	LT I (A)- Below Poverty Line	Rs. 12	2.70	2.49		
2	<b>LT -I (B) Residential</b>					
	0-100	Rs. 90 <sup>\$\$</sup>	4.50	2.49		
	101-300	Rs. 135 <sup>\$\$</sup>	7.55	2.49		
	301-500		8.05	2.49		
	500 and above	Rs. 160 <sup>\$\$/\$\$\$</sup>	9.13	2.49		
3	<b>LT II - LT Commercial</b>					
(A)	≤ 20 kW load	Rs. 475	6.78	2.49		
(B)	> 20 kW and ≤ 50 kW load	Rs. 300 per kVA			6.57	2.39
(C)	> 50 kW load				6.64	2.39
4	<b>LT III - LT Industry</b>					
(A)	Upto 20 kW load	Rs. 475	6.60	2.49		
(B)	Above 20 kW	Rs. 400 per kVA			6.46	2.39
5	<b>LT IV – Public Services*</b>	Rs. 475	6.95	2.49	6.67	2.39
6	<b>LT V - Agriculture</b>					
(A)	Pumpsets	Rs. 45	5.30	2.49		
(B)	Others	Rs. 100	6.10	2.49		
6	<b>LT VI: Electric Vehicle Charging Stations (New Category)*</b>	-	5.39	2.49	5.18	2.39

\* For LT IV – Public Services and LT VI - Electric Vehicle Charging Stations, kVAH based Tariff is applicable for consumers with sanctioned load above 20 kW

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
	<b>EHT Category</b>			
1	EHT I: HT-Industry	Rs. 400 per kVA	5.97	-
2	EHT II: HT- Commercial	Rs. 300 per kVA	6.22	-
3	EHT III: HT-Group Housing Society	Rs. 400 per kVA	5.35	-
4	EHT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.21	-
5	EHT V: Public Service	Rs. 400 per kVA	6.05	-
6	EHT VI: Electric Vehicle Charging Stations	-	7.15	-
	<b>HT Category</b>			

Sl. No	Consumer Category & Consumption Slab	Fixed/ Demand Charge per month	Energy Charge (Rs/kVAh)	Wheeling Charges (Rs / kVAh)
7	HT I: HT-Industry	Rs. 400 per kVA	5.97	0.57
8	HT II: HT- Commercial	Rs. 300 per kVA	6.22	0.57
9	HT III: HT-Group Housing Society	Rs. 400 per kVA	5.35	0.57
10	HT IV - HT Railways, Metro & Monorail	Rs. 200 per kVA	5.21	0.57
11	HT V : Public Service	Rs. 400 per kVA	6.05	0.57
12	HT VI: Electric Vehicle Charging Stations	-	7.15	0.57

ToD Slabs	Period	ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories	ToD (Rebate) for LT-Residential / HT-Group Housing
-	00:00 hrs to 06:00 hrs	6	-20%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-20% (April to September) -30% (October to March)	-0.50 Rs./kWh
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	0%

**Notes:**

1. Fuel Adjustment Cost will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula specified by the Commission and computed on a monthly basis.
2. \$\$: Fixed Charge of Rs. 160 per month will be levied on residential consumers availing 3 phase supply. Additional Fixed Charge of Rs. 160 per 10 kW load or part thereof above 10 kW load shall be payable.
3. \$\$\$: Additional Fixed Charge of Rs. 250 per 10 kW load or part thereof above 10 kW load shall also be payable.
4. For LT Categories, Tariff in Rs./kWh will be applicable for LT IA Residential (BPL), LT 1B-Residential, LT II (A)- Commercial upto 20 kW and LT III (A)- Industrial up to 20 kW, LT IV – Public Services up to 20 kW, and LT V – EV Charging Station up to 20 kW and for other categories Tariff in Rs./kVAh will be applicable.
5. TOD Tariffs (in addition to above base tariffs) – compulsory for EHT (I), EHT (II), EHT (V), EHT (VI), HT (I), HT (II), HT (V), HT (VI), HT (I), LT II (A) – (10 kW and above), LT II (B) & (C), LT – III (A) - (10 kW and above), LT III (B), LT IV (10 kW and above), and LT VI (10 kW and above).
6. ToD Rebate applicable to LT I category subject to installation of Smart Meters.

The detailed computation of category-wise revenue with revised tariffs for 5th MYT Control Period FY 2025-26 to FY 2029-30 is set out at Annexure I of this Order.

The approved Tariff Schedule for the MYT Control Period from 5<sup>th</sup> MYT Control Period FY 2025-26 to FY 2029-30 is given at Annexure II of this Order.

## 7 SCHEDULE OF CHARGES

### ***AEML-D's Submission***

The Commission had approved the Schedule of Charges in the MTR Order dated 31 March 2023 in Case No. 231 of 2022. While approving the Schedule of Charges in the MTR Order, the Commission had increased the charges using an escalation rate equal to the increase in Consumer Price Index for Industrial Workers (CPI-IW) and Wholesale Price Index (WPI) as submitted by AEML-D.

The increase in CPI-IW and WPI (2011-12 series or normalised to 2011-12 series) between April 2022 and September 2024 is as shown in table below:

**Table 7-1: Increase in CPI-IW and WPI between April 2022 and September 2024**

Particulars	Apr-22	Sept-24	% Increase
CPI - IW	127.7	143.3	12%
WPI	152.3	154.6	2%

AEML-D submitted that relying solely on the CPI-IW and WPI to calculate the Schedule of Charges (SoC) may not be a justifiable approach. This methodology does not account for the significantly higher inflation rates affecting essential materials and inputs crucial to the utility's operations. Furthermore, AEML-D has now proposed a modification to the Schedule of Charges, which will remain applicable till the time of the next review, i.e., upto the Mid-Term Review stage. Accordingly, a longer view on inflationary increase in price of materials is necessary.

Therefore, to provide a more equitable framework that reflects the broader economic landscape, AEML-D has proposed the implementation of a uniform escalation rate of 10% for all the charges under the Schedule of Charges, except in case of Cost of Meters (when purchased from AEML-D). This is because the present charges for Cost of Meters are in line with the Standard Cost Sheet of AEML-D. This flat increase aims to better align the Utility's charges with the actual cost pressures it faces, ensuring that the pricing structure remains fair and sustainable. Furthermore, AEML-D emphasized the importance of a periodic review of the Schedule of Charges. Accordingly, the Schedule of Charges for FY 2028-29 and FY 2029-30 will be reviewed at the time of submission of Mid Term Review Petition. This approach will facilitate timely adjustments in response to evolving economic conditions and operational realities.



Based on the above reasoning, the proposed Schedule of Charges, along with basis of proposal is given in the table below:

**Table 7-2: Proposed Schedule of Charges**

<b>Sr. No</b>	<b>Particulars</b>	<b>Existing Charges (Rs.) (Approved)</b>	<b>Proposed Charges (Rs.)</b>
<b>A</b>	<b>Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service/Change of Tariff Category/Temporary Connection</b>		
	a) Single phase	85	100
	b) Three phase	135	150
	c) HT supply	350	400
<b>B</b>	<b>Change of Name</b>		
	a) Single phase	85	100
	b) Three phase	85	100
	c) HT supply	275	300
<b>C</b>	<b>Service Connection Charges</b>		
<b>1</b>	<b>L.T. Supply</b>		
	<b>Single Phase</b>		
	For loads upto 5 kW	2,400	2,650
	For loads above 5 kW and upto 10 Kw	2,400	2650
	<b>Three Phase</b>		
	Motive power upto 27 HP or other loads upto 20 kW	3,650	4,000
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	7,900	8,700
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	14,500	15,950
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	14,500	15,950
	Above 160 kW	3,00,000	3,30,000
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual	At actual
	Provision for Dedicated Distribution Facility to LT consumer	At actual	At actual
<b>2</b>	<b>H.T. Supply</b>		
	If line extended from existing network		
	For loads upto 500 kVA	4,25,000	4,67,500
	For loads above 500 kVA	4,90,000	5,39,000
	Provision for Dedicated Distribution Facility to HT consumer	At actual	At actual
<b>3</b>	<b>Temporary Connection (LT or HT)</b>	At actual	At actual

Sr. No	Particulars	Existing Charges (Rs.) (Approved)	Proposed Charges (Rs.)
4	Extension of Load: (a) charges will be applicable on the incremental load, in case no upgradation of network is required (b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)	As in Sr. No.1,2, 3 & 4 above	As in Sr. No.1,2, 3 & 4 above
5	Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)		
	For providing HT supply	18,750	20,650
	For providing LT supply to three phase Industrial/Commercial Consumers only	7,500	8,250
6	Service connection charges in case of switch-over: for consumers reverting back to the network of AEML-D	(1) Nil (In case no network extension / augmentation required)  (2) As per Sr. No. 1, 2 or 4, - as the case may be, in case network extension / augmentation is required	(1) Nil (In case no network extension / augmentation required)  (2) As per Sr. No. 1, 2 or 4, as the case may be, in case network extension / augmentation is required
<b>D</b>	<b>Miscellaneous and General Charges</b>		
<b>1</b>	<b>Re-connection Charges</b>		
	a) Re-installation of fuse cut-out	180	200
	b) Re-installation of meter	550	600
	c) HT Supply	900	1000
	d) Re-connection of Service Cable	1,400	1,550
<b>2</b>	<b>Shifting of Meter, if carried out only on consumer's request</b>		
	Single Phase	180	200
	Three Phase	350	400
<b>3</b>	<b>Shifting of services, if carried out only on consumer's request</b>		
	Single Phase	At Actual	At Actual
	Three Phase	At Actual	At Actual
<b>4</b>	<b>Meter Testing on site on Consumer's request</b>		
	Single Phase	180	200
	Three Phase	630	700
<b>5</b>	<b>Meter Testing at Laboratory</b>		
	Single Phase	350	400

Sr. No	Particulars	Existing Charges (Rs.) (Approved)	Proposed Charges (Rs.)
	Three Phase	900	1000
	HT Tri-vector/TOD meter	1,800	2,000
	Meter testing at Government approved laboratory	At actual	At Actual
<b>6</b>	<b>Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D &amp; in case of Lost or Burnt meter)</b>		
	Single Phase meter	3,500	3,500
	Three Phase whole current meter	4,700	4,700
	Three Phase CT operated meter	10,500	10,500
	HT TOD meter	7,750	7,750
	ABT compliant meter	At actual	At actual
<b>7</b>	<b>First visit Charges (Only for new connection or additional supply request)</b>	135	150
<b>8</b>	<b>Charges for Additional copies of test reports (Rs./page)</b>	1	1
<b>9</b>	<b>Photocopying of Regulatory Orders etc. (Rs./Page)</b>	1	1
<b>10</b>	<b>Duplicate copy of each monthly bill (Rs./Bill)</b>	2	2
<b>11</b>	<b>Statement of Accounts (Rs./Page)</b>	3	3.3
<b>12</b>	<b>Charges for Dishonored Cheques (irrespective of cheque amounts) - for first instance</b>	300	350
<b>13</b>	<b>Charges for Dishonored Cheques (irrespective of cheque amounts) - for 2nd and subsequent instance</b>	900	1000
<b>D</b>	<b>Schedule of Charges related to Open Access</b>		
1	Open Access Processing fee per application	3,750	4,150
2	Open Access Operating Charges per month	3,750	4,150
<b>E</b>	<b>Application Nominal Charge (ref note below)</b>	-	50

\* AEML-D has rounded off the proposed charges to the nearest tenth place

### **Application Nominal Charge:**

Regulation 5.1 of the MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, provide as follows

*“5. Application for Supply/additional load/shifting of services / extension of services / restoration of supply:*

*“The Distribution Licensee shall provide facility to the Applicant to submit its application for supply / additional load / shifting of services/ extension of services / restoration of supply and all other purposes through hard copy or online web portal or mobile application:*

*Provided that all applications for new supply shall be submitted through online portal only for Urban Areas within Six (6) months of notification of this Regulations”*

AEML-D submitted that it serves approximately 1.8 million residential consumers, many of whom may not have the means to apply online. To enhance accessibility, AEML-D has proposed to assist these consumers by completing their online applications when they present hard copies at our offices. To support this service, AEML-D seeks the Commission's approval for a nominal processing fee of ₹50 per application. This fee will help cover administrative costs and ensure effective service delivery. We believe this initiative will promote greater accessibility and benefit for all residential consumers.

AEML-D requested the Commission to approve the proposed Schedule of Charges for the Control Period, from FY 2025-26 to FY 2029-30. However, AEML-D requested the Commission to maintain uniformity in the Service Connection charges between AEML-D and TPC-D, as existing at present, as these charges are normative and hence, should not result in creating any artificial barriers to choice between the two Licensees.

### ***Commission's Analysis and Ruling***

The Petitioner has sought approval for revision of the "Schedule of Charges" (SoC) for the various services provided to the consumers. These charges are reflective of normative cost of providing such services to consumers. Difference between actual cost and normative cost is recovered through ARR.

The Petitioner is one of the Distribution Licensee in Mumbai. Considering parallel Distribution Licensees operating in Mumbai, in order to have ease of comparing various charges for consumers, the Commission in the past has kept the Schedule of Charges same for these parallel Distribution Licensees in Mumbai.

The Commission has revised the Schedule of Charges for AEML-D and TPC-D (parallel Distribution Licensees in Mumbai) in their respective MTR Orders. The Commission has considered these approved charges as base for considering revision in Schedule of Charges proposed in present Petition. The Commission finds it appropriate to increase the charges approved in MTR Order in line with the CPI and WPI. The Commission has considered the escalation factor with respect to CPI-IW at 6.78% and WPI at 2.32%, which is the actual growth in CPI-IW and WPI from April, 2023 to September, 2024.

The Commission while approving the Schedule of Charges have also considered the Cost of Smart Meter as proposed by BEST Undertaking (one of the parallel Distribution Licensee in Mumbai).

The Commission has amended DOA Regulations and allowed Green Open Access for consumer even below earlier threshold limit of 1000 kVA. Accordingly, considering the fact that such consumers availing Green Open Access will have lower consumption and imposing processing fees and operating charges as applicable for consumers opting for open access will increase per unit cost and make open access unviable. Accordingly, to promote Green Open Access, the Commission has decided to levy 50% of the approved processing fees and operating charges for consumer having Contract Demand /Sanctioned load of less than 1000 kVA opting for Green Open Access.

The Schedule of Charges approved by the Commission shall be same for all the Distribution Licensees operating in Mumbai in order to ensure level playing field and ease of comparison for consumers.

Accordingly, the Commission has approved the Schedule of Charges as provided in the Table below:

**Table 7-3: Schedule of Charges as approved by the Commission**

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
<b>A</b>	<b>Application processing for New connections/ Reduction or addition of Load/Shifting of service/ Extension of service / Change of Tariff Category / Temporary Connection</b>			
	a) Single-phase	85	90	Increase in line with CPI
	b) Three-phase	135	145	Increase in line with CPI
	c) HT supply	350	375	Increase in line with CPI
<b>B</b>	<b>Change of Name</b>			
	a) Single-phase	85	90	Increase in line with CPI
	b) Three-phase	85	90	Increase in line with CPI
	c) HT supply	275	295	Increase in line with CPI
<b>C</b>	<b>Service Connection Charges</b>			
<b>1</b>	<b>L.T. Supply</b>			
	Single Phase			
	For loads up to 5 kW	2,400	2,450	Increase in line with WPI
	For loads above 5 kW and up to 10 kW	2,400	2,450	Increase in line with WPI
	Three Phase			
	Motive power up to 27 HP or other loads up to 20 kW	3,650	3,750	Increase in line with WPI
	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	7,900	8,100	Increase in line with WPI
	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	14,500	14,850	Increase in line with WPI
	Motive power >134 HP but <= 201 HP or other loads >100 kW but <=160 kW	14,500	14,850	Increase in line with WPI
	Above 160 kW	3,00,000	3,06,950	Increase in line with WPI

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
	Alternate Fire Fighting Connection (Single phase or three phase)	At actual	At actual	In Line with Supply Code Regulations, 2021
	Provision for Dedicated Distribution Facility to LT consumer	At actual	At actual	In line with Order dated 12 June 2017 in Case No. 182 of 2014
2	<b>H.T. Supply</b>			
	If line extended from existing network			
	For loads upto 500 kVA	4,25,000	4,35,000	Increase in line with WPI
	For loads above 500 kVA	4,90,000	5,01,500	Increase in line with WPI
	Provision for Dedicated Distribution Facility to HT consumer	At actual	At actual	Kept at same level
3	<b>Temporary Connection (LT or HT)</b>	At actual	At actual	Kept at same level
4	<b>Extension of Load:</b> (a) Charges will be applicable on the incremental load, in case no upgradation of network is required (b) If upgradation is required, charges will be applicable on total load (existing load + incremental demanded)	As proposed in Sr. No.1,2, 3 above	As proposed in Sr. No.1,2,3 above	Increase in line with WPI
5	<b>Supervision Charges in case work is carried out by Licensed Electrical Contractor (LEC)</b>			
	For providing HT supply	18,750	20,000	Increase in line with CPI
	For providing LT supply to three phase Industrial/Commercial Consumers only	7,500	8,000	Increase in line with CPI
D	<b>Miscellaneous and General Charges</b>			
1	<b>Re-connection Charges</b>			
	a) Re-installation of fuse cut-out	180	200	Increase in line with CPI
	b) Re-installation of meter	550	600	Increase in line with CPI
	c) HT Supply	900	950	Increase in line with CPI
	d) Re-connection of Service Cable	1,400	1,500	Increase in line with CPI
2	<b>Shifting of Meter, if carried out only on consumer's request</b>			
	Single-Phase	180	200	Increase in line with CPI
	Three-Phase	350	350	Increase in line with CPI
3	<b>Shifting of services, if carried out only on consumer's request</b>			
	Single-Phase	At Actual	At Actual	Kept at same level
	Three-Phase	At Actual	At Actual	Kept at same level
4	<b>Meter Testing on site on Consumer's request</b>			
	Single-Phase	180	190	Increase in line with CPI
	Three-Phase	630	675	Increase in line with CPI
5	<b>Meter Testing at Laboratory</b>			
	Single-Phase	350	375	Increase in line with CPI
	Three-Phase	900	960	Increase in line with CPI
	HT Meter	1,800	1,920	Increase in line with CPI

Sr. No.	Particulars	Existing	Approved in this Order	Remarks
	Meter testing at Government approved laboratory	At Actual	At Actual	Kept at same level
6	<b>Cost of Meter (applicable when consumer opts to purchase the meter from AEML-D &amp; in case of Lost or Burnt meter)</b>			
	Single-Phase meter	3,500	3,500	Kept at same level
	Three Phase whole current meter	4,700	4,700	Kept at same level
	Three Phase CT operated meter	10,500	10,500	Kept at same level
	HT TOD meter	7,750	7,750	Kept at same level
	ABT compliant meter	At actual	At actual	Kept at same level
	<b>Smart Meter</b>			
	Single Phase Smart Meter		4,750	As proposed by BEST
	Three Phase Whole Current Smart Meter		7,300	As proposed by BEST
	Three Phase CT Operated Smart Meter		11,700	As proposed by BEST
	HT AMR Meter with Communication facility		18,900	As proposed by BEST
7	<b>First visit Charges (Only for new connection or additional supply request)</b>	135	145	Increase in line with CPI
8	<b>Charges for Additional copies of test reports (Rs./page)</b>	1	1	Increase in line with CPI
9	<b>Photocopying of Regulatory Orders (Rs./Page)</b>	1	1	Increase in line with CPI
10	<b>Duplicate copy of each monthly (Rs./Bill)</b>	2	2	Increase in line with CPI
11	<b>Statement of Accounts (Rs./Page)</b>	3	3	Increase in line with CPI
12	<b>Charges for Dishonoured Cheques (irrespective of cheque amounts) - for first instance</b>	300	320	Increase in line with CPI
13	<b>Charges for Dishonoured Cheques (irrespective of cheque amounts) - for 2nd and subsequent instance</b>	900	950	Increase in line with CPI
D	<b>Schedule of Charges related to Open Access</b>			Increase in line with CPI
1	<b>Open Access Processing fee per application</b>	3,750	4,000	Increase in line with CPI
		-	2,000	For Consumers having CD of less than 1000 kVA and opting for Green Open Access
2	<b>Open Access Operating Charges per month</b>	3,750	4,000	Increase in line with CPI
		-	2,000	For Consumers having CD of less than 1000 kVA and opting for Green Open Access

## 8 Directives in this Order

---

### 8.1 Summary of Directives

1. The Commission directs the Petitioner to submit its third-party energy audit report to assess the reduction of Distribution Losses at the time of the filing of the MTR petition.
2. The Commission directs AEML-D to install appropriate meter at incomer meter for energy accounting to provide netting off facility. Such netting of electricity shall be done on monthly basis and in case of surplus after adjusting for energy drawal for the month, such surplus energy be purchased by the Discom at generic tariff approved for purchase of surplus energy from rooftop PV installation.
3. The Commission directs AEML-D to complete any delayed schemes approved between FY 2016-17 to FY 2019-20 by the end of FY 2025-26 and submit its project completion report at the time of filing MTR Petition. No capitalisation of such schemes would be allowed post the completion of FY 2025-26. Further, AEML-D may also close the said scheme and seek for revised approval from the Commission.
4. The Commission directs that as per Resource Adequacy Plan Regulations, during the annual rolling plan exercise, the Petitioner should clarify the significant variation in forecasts for each consumer category with reasons and adopt corrective measures in its forecasting approach.
5. AEML-D is directed to use the methodology and assessment of its demand/sales forecasts as per the MERC RA Regulations and undertake scenario analysis (business as usual, aggressive and most probable scenario), while submitting its RA plan for next year. AEML-D should also factor in adjustment in sales forecasts on account of EV, adoption of solar rooftop PV and other energy efficiency measure etc.
6. In pursuance of foregoing and also in accordance with the provisions under MERC RA Regulations, 2024, the Commission hereby directs the Petitioner to submit the Annual RA Rolling Plan during each year of the Control Period strictly in accordance with the provisions outlined under MERC RA Regulations and CEA Guidelines for Resource Adequacy in the matter. The Petitioner shall also factor in the guidelines, CC factors, reliability indices (LOLP, NENS) and PRM as may be stipulated by CEA from time to time. Petitioner should provide detailed model assumptions and computations to STU/SLDC in timely manner to enable them undertake state level assessment of RA compliance as well as reserve planning for at the state level.
7. The Commission directs AEML-D to approach the Commission within three months of issuance of this Order and submit the list of energy efficient schemes that are proposed to be undertaken in the next Control Period. Further, AEML-D is



directed to conduct the study for assessment of self-consumption and submit the findings of such study. The Commission has considered FY 2024-25 as base year for self-consumption. During the Control Period, AEML-D shall reduce its self-consumption by 0.5% each year, which translates to 2.5% over the Control Period

8. The Commission directs AEML-D to timely initiate the process of competitive bidding for procurement of power from PSP so that said power is available from FY 2029-30 onwards as projected by AEML-D.
9. The Commission directs that Distribution Licensee shall complete the activity of meter reconfiguration to new ToD slabs as determined in this Order within 3 months of the date of Order.
10. The Commission directs AEML-D to provide the information related to number of consumers, contract demand and sales of LT Public Services and LT EV charging Station category of consumers with segregation of load below 20 kW and above 20 kW in next MTR Petition.

#### **11. Performance Review and Review of Compliance of Directions**

- a. As per the MYT framework prescribed in the MYT Regulation, 2024, the distribution licensees are subject to process of Mid-Term Review which is due on 30 November 2027. Further, as per Regulation 16.3 of MYT Regulations Licensee need to submit periodic returns containing operational and cost data to enable monitoring implementation of the Order.
- b. In the present MYT Order, the Commission has operationalized several important provisions related ToD Tariffs, implementation of kVAh billing for LT consumers with load above 20 kW. It is important to ascertain the impact and operational benefits of same and undertake suitable regulatory measures earlier than mid-term review, if necessary. Further, as per RA Regulations, distribution licensees are required to submit Annual RA rolling plans by September 2025, by which time the impact of new measures under this Order as well as Audited Annual Accounts for previous year would be available. Hence, the Commission directs AEML-D to submit report on compliance of directions and operational performance for review by 30<sup>th</sup> November of each year of the control period. The Commission shall scrutinize such submissions and pass necessary directions for improvement in performance, as necessary.

## 9 APPLICABILITY

### 9.1 APPLICABILITY OF REVISED TARIFF

The Tariffs determined in this Order shall be applicable from 1 April, 2025. Where the billing cycle of a consumer is different with respect to the date of applicability of the revised tariffs, they should be made applicable for the consumption on a pro rata basis. The bills for the respective periods as per the existing and revised tariffs shall be calculated based on the pro-rata consumption (units consumed during the respective periods, computed on the basis of average unit consumption per day multiplied by the number of days in the respective periods covered in the billing cycle).

### 9.2 APPLICABILITY OF ORDER

This MYT Tariff Order for FY 2025-26 to FY 2029-30 shall come into force from 1 April, 2025.

Sd/-  
(Surendra J. Biyani)  
Member

Sd/-  
(Anand M. Limaye)  
Member

Sd/-  
(Sanjay Kumar)  
Chairperson

  
(Dr. Rajendra G. Ambekar)  
Secretary



## 10 Annexure I (A): Revenue with Revised Tariffs for FY 2025-26

Category	No. of consumers - Total	Fixed Charges (Rs./connection /month)	Demand Charges (Rs./kVA/ month)	Energy Charges (Rs./kWh)	Energy Charges (Rs./kVah)	Wheeling Charges (Rs./kWh)	Wheeling Charges (Rs./kVah)	Sales in MkWh(LT) and MkVah(LT - Demand categories, HT & EHT)- Total	Avg. Demand (KVA / month)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from Wheeling Charges (Rs. Crore)	Revenue from ToD charges (Rs. Crore)	Revenue from Green Energy Cess (Rs. Cr)	Total revenue (Rs. Crore)	Actual Average Billing Rate (Rs./kWh)
<b>EHT Category</b>																	
EHT IV - Metro & Monorail	3		200		5.41			91.64	14,767		3.54	49.58	-		-	52.58	7.12
<b>HT Category</b>																	
HT I: HT-Industry	131		400		6.13	0.76	0.74	569.85	1,19,007		57.12	349.32	42.42	(25.50)	2.55	421.61	7.53
HTII : HT- Commercial	290		300		6.22	0.76	0.74	540.26	1,66,856		60.07	336.04	40.22	(24.38)	1.19	406.71	7.71
HT III: HT-Group Housing Society	17		400		5.45	0.76	0.74	14.48	4,235		2.03	7.89	1.08		-	10.91	7.79
HT IV - HT Metro & Monorail	7		200		5.41	0.76	0.74	2.89	1,943		0.47	1.56	0.22		-	2.24	8.31
HT V (a):Public Services (old Govt.)	7		400		6.15	0.76	0.74	5.89	931		0.45	3.62	0.44	(0.25)	-	4.24	7.36
HT V (b):Public Services (old Others)	73		400		6.15	0.76	0.74	361.67	60,216		28.90	222.43	26.92	(16.32)	2.88	262.90	
HT VI: EV Charging Stations	5				7.50	0.76	0.74	11.47	8,536		0.00	8.59	0.85	(0.64)	-	8.81	7.69
<b>Sub-total</b>	<b>530</b>							<b>1,506.49</b>	<b>3,61,722</b>	<b>-</b>	<b>149.04</b>	<b>929.45</b>	<b>112.14</b>	<b>(67.09)</b>	<b>6.62</b>	<b>1,117.41</b>	<b>7.56</b>
								-									
<b>LT Category</b>																	9.27
LT I- Below Poverty Line	104	12		2.40		2.93		0.00		0.001		0.0007	0.0008		-	0.00	9.74
<b>LT -I Residential (Single Phase)</b>	<b>1858514</b>							<b>3,464.24</b>									
0-100	762612	90		3.45		2.93		1,840.72		82.36		635.05	540.20		0.04	1,248.93	6.79
101-300	915873	135		6.70		2.93		1,297.29		148.37		869.18	380.72		0.03	1,388.57	10.70
301-500	145139	135		8.10		2.93		239.89		23.51		194.31	70.40		0.01	285.58	11.90
500and above	34890	160		9.05		2.93		86.34		6.70		78.14	25.34		0.00	109.05	12.63
<b>LT -I Residential (Three Phase)</b>	<b>346852</b>							<b>1,798.55</b>									
0-100	65549	160		3.45		2.93		368.78		12.59		127.23	108.21		0.01	246.39	6.68
101-300	120168	160		6.70		2.93		547.25		23.07		366.66	160.58		0.02	547.01	10.00
301-500	81762	160		8.10		2.93		287.59		15.70		232.95	84.38		0.01	330.66	11.50
500and above	79374	160		9.05		2.93		594.94		15.24		538.42	173.83		0.02	722.26	12.14
LT II (a) - 0-20 kW	444208	475		5.72		2.93		2,092.10		253.20		1,196.68	613.93	(88.88)	0.09	1,964.27	9.39
LT II (b) - 20-50 kW	7662		300	5.77		2.93		265.77	99,592	0.00	35.85	153.35	77.99	(11.39)	0.13	255.95	9.63
LT II (c) - above 50 kW	7062		300	5.82		2.93		807.37	2,42,524	0.00	87.31	469.89	236.94	(34.90)	0.91	749.44	9.28
LT III (a) - LT Industrial upto 20 kW	18271	475		5.60		2.93		363.58		10.41		203.60	106.70	(15.12)	0.01	303.29	8.34
LT III (b) - LT Industrial above 20 kW	2847		400	5.68		2.93		368.68	1,00,031	0.00	48.02	209.41	108.20	(15.55)	0.58	344.79	9.35
LT IV (a): Public Service [old - Govt.]	1168	475		5.68		2.93		32.45		0.67		18.43	9.52	(1.37)	-	26.90	8.32
LT IV (b): Public Service [old - Others]	11580	475		5.68		2.93		256.44		6.60		145.66	75.26	(10.82)	0.03	213.54	
LT V (a): Agriculture - Pumpsets	41	45		5.00		2.93		0.11		0.00		0.06	0.03		-	0.09	8.08
LT V (b): Agriculture - Others	13	100		5.80		2.93		0.29		0.00		0.17	0.09		-	0.26	8.74
LT VI: EV Charging Stations	2749			5.48		2.93		16.90	1,101	0.00	0.00	4.96	4.96	(0.69)	0.01	13.29	7.87
<b>Sub-total</b>	<b>2701070</b>							<b>9,466.48</b>	<b>4,43,248</b>	<b>598.42</b>	<b>171.18</b>	<b>5,448.43</b>	<b>2,777.28</b>	<b>(178.73)</b>	<b>1.89</b>	<b>8,750.27</b>	<b>9.24</b>
								-									
<b>Total</b>	<b>2701603</b>							<b>11,064.62</b>	<b>8,19,737</b>	<b>598.42</b>	<b>323.76</b>	<b>6,427.46</b>	<b>2,889.43</b>	<b>(245.82)</b>	<b>8.51</b>	<b>9,920.26</b>	<b>9.00</b>

## 11 Annexure I (B): Revenue with Revised Tariffs for FY 2026-27

Category	No. of consumers - Total	Fixed Charges (Rs./connection/month)	Demand Charges (Rs./kVA/month)	Energy Charges (Rs./kWh)	Energy Charges (Rs./kVah)	Wheeling Charges (Rs./kWh)	Wheeling Charges (Rs./kVah)	Sales in M kWh(LT) and M kWh(LT - Demand categories, HT & EHT)- Total	Avg. Demand (KVA / month)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from Wheeling Charges (Rs. Crore)	Revenue from ToD charges (Rs. Crore)	Revenue from Green Energy Cess (Rs. Cr)	Total revenue (Rs. Crore)	Actual Average Billing Rate (Rs./kWh)
<b>EHT Category</b>																	
EHT IV - Metro & Monorail	3		200		5.01			96.22	15.506		3.72	48.21	-		-	51.39	6.63
<b>HT Category</b>																	
HT I: HT-Industry	131		400		5.73	0.58	0.57	631.03	1,31,784		63.26	361.58	35.78	(26.39)	2.83	432.74	6.98
HTII : HT- Commercial	291		300		5.97	0.58	0.57	565.09	1,74,526		62.83	337.36	32.04	(24.47)	1.24	402.57	7.29
HT III: HT-Group Housing Society	17		400		5.10	0.58	0.57	14.48	4,235		2.03	7.38	0.82		-	10.15	7.24
HT IV - HT Metro & Monorail	7		200		5.01	0.58	0.57	2.89	1,943		0.47	1.45	0.16		-	2.07	7.70
HT V (a):Public Services (old Govt.)	7		400		5.85	0.58	0.57	5.89	931		0.45	3.44	0.33	(0.24)	-	3.97	6.91
HT V (b):Public Services (old Others)	73		400		5.85	0.58	0.57	428.33	71,314		34.23	250.57	24.29	(18.39)	3.41	292.20	
HT VI: EV Charging Stations	6				7.02	0.58	0.57	13.76	10,243		0.00	9.66	0.78	(0.82)	-	9.62	7.00
<b>Sub-total</b>	<b>532</b>							<b>1,661.46</b>	<b>3,94,975</b>	<b>-</b>	<b>163.26</b>	<b>971.45</b>	<b>94.21</b>	<b>(70.32)</b>	<b>7.48</b>	<b>1,153.33</b>	<b>7.07</b>
								-									
<b>LT Category</b>																	7.80
LT I - Below Poverty Line	104	12		2.40			2.28	0.00		0.001		0.0007	0.0006		-	0.00	9.09
<b>LT -I Residential (Single Phase)</b>	<b>1874321</b>							<b>3,545.28</b>								-	
0-100	769099	90		2.65			2.28	1,883.78		83.06		499.20	430.42		0.04	1,004.00	5.33
101-300	923663	135		5.85			2.28	1,327.64		149.63		776.67	303.35		0.03	1,219.95	9.19
301-500	146373	135		7.10			2.28	245.50		23.71		174.31	56.09		0.01	251.47	10.24
500and above	35187	160		8.35			2.28	88.36		6.76		73.78	20.19		0.00	99.60	11.27
<b>LT -I Residential (Three Phase)</b>	<b>359134</b>							<b>1,899.56</b>									
0-100	67870	160		2.65			2.28	389.49		13.03		103.21	88.98		0.02	203.60	5.23
101-300	124423	160		5.85			2.28	577.99		23.89		338.12	132.05		0.02	490.75	8.49
301-500	84657	160		7.10			2.28	303.74		16.25		215.66	69.39		0.01	298.93	9.84
500and above	82183	160		8.35			2.28	628.35		15.78		524.67	142.98		0.03	678.19	10.79
LT II (a) - 0-20 kW	448381	475		5.70			2.28	2,226.48		255.58		1,269.09	508.69	(94.26)	0.10	1,928.45	8.66
LT II (b) - 20-50 kW	7947		300	5.74			2.28	282.84	99,592	0.00	35.85	162.35	64.62	(12.06)	0.13	250.92	8.87
LT II (c) - above 50 kW	7376		300	5.76			2.28	894.26	2,42,524	0.00	87.31	515.09	204.33	(38.26)	1.01	758.77	8.48
LT III (a) - LT Industrial upto 20 kW	18309	475		5.55			2.28	381.76		10.44		211.88	87.23	(15.74)	0.01	291.49	7.64
LT III (b) - LT Industrial above 20 kW	2847		400	5.68			2.28	368.68	1,00,031	0.00	48.02	209.41	84.24	(15.55)	0.58	320.83	8.70
LT IV (a): Public Service [old - Govt.]	1213	475		5.63			2.28	33.91		0.69		19.09	7.75	(1.42)	-	25.76	7.65
LT IV (b): Public Service [old - Others]	13567	475		5.63			2.28	288.11		7.73		162.21	65.83	(12.05)	0.03	220.56	
LT V (a): Agriculture - Pumpsets	46	45		5.00			2.28	0.13		0.00		0.06	0.03		-	0.09	7.44
LT V (b): Agriculture - Others	14	100		5.80			2.28	0.31		0.00		0.18	0.07		-	0.25	8.09
LT VI: EV Charging Stations	3436			5.46			2.28	20.27	1,101	0.00	0.00	11.06	4.63	(0.82)	0.01	14.64	7.22
<b>Sub-total</b>	<b>2736695</b>							<b>9,941.59</b>	<b>4,43,248</b>	<b>606.56</b>	<b>171.18</b>	<b>5,266.05</b>	<b>2,270.86</b>	<b>(190.16)</b>	<b>2.02</b>	<b>8,058.29</b>	<b>8.11</b>
								-									
<b>Total</b>	<b>2737230</b>							<b>11,699.28</b>	<b>8,53,729</b>	<b>606.56</b>	<b>338.16</b>	<b>6,285.70</b>	<b>2,365.07</b>	<b>(260.48)</b>	<b>9.49</b>	<b>9,263.00</b>	<b>7.95</b>

## 12 Annexure I (C): Revenue with Revised Tariffs for FY 2027-28

Category	No. of consumers - Total	Fixed Charges (Rs./connection/month)	Demand Charges (Rs./kVA/month)	Energy Charges (Rs./kWh)	Energy Charges (Rs./kVah)	Wheeling Charges (Rs./kWh)	Wheeling Charges (Rs./kVah)	Sales in MWh(LT) and MVAh(LT - Demand categories, HT & EHT)- Total	Avg. Demand (KVA / month)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from Wheeling Charges (Rs. Crore)	Revenue from ToD charges (Rs. Crore)	Revenue from Green Energy Cess (Rs. Cr)	Total revenue (Rs. Crore)	Actual Average Billing Rate (Rs./kWh)
<b>EHT Category</b>																	
EHT IV - Metro & Monorail	3		200		4.91			106.09	16,281		3.91	52.09	-		-	55.46	6.81
<b>HT Category</b>																	
HT I: HT-Industry	131		400		5.52	0.57	0.55	773.81	1,45,933		70.05	427.15	42.94	(28.16)	3.13	510.80	7.44
HTII : HT- Commercial	291		300		5.87	0.57	0.55	618.24	1,82,548		65.72	362.91	34.31	(25.17)	1.30	432.63	7.49
HT III: HT-Group Housing Society	17		400		4.95	0.57	0.55	14.48	4,235		2.03	7.17	0.80		-	9.91	7.08
HT IV - HT Metro & Monorail	8		200		4.91	0.57	0.55	2.89	1,943		0.47	1.42	0.16		-	2.04	7.58
HT V (a):Public Services (old Govt.)	7		400		5.65	0.57	0.55	5.89	931		0.45	3.33	0.33	(0.23)		3.85	7.86
HT V (b):Public Services (old Others)	73		400		5.65	0.57	0.55	600.76	84,457		40.54	339.43	33.34	(21.03)	4.04	394.40	
HT VI: EV Charging Stations	6				7.11	0.57	0.55	19.81	12,291		0.00	14.08	1.10	(0.87)	-	14.31	8.67
<b>Sub-total</b>	<b>533</b>							<b>2,035.88</b>	<b>4,32,339</b>	<b>-</b>	<b>179.25</b>	<b>1,155.47</b>	<b>112.97</b>	<b>(75.46)</b>	<b>8.46</b>	<b>1,367.95</b>	<b>7.58</b>
								-									8.54
<b>LT Category</b>																	
LTI - Below Poverty Line	104	12		2.50		2.23		0.00		0.001		0.0007	0.0006		-	0.00	9.13
<b>LT -I Residential (Single Phase)</b>	<b>1890262</b>							<b>3,628.22</b>								-	
0-100	775640	90		3.60		2.23		1,927.85		83.77		694.03	429.09		0.04	1,198.20	6.22
101-300	931519	135		6.65		2.23		1,358.70		150.91		903.53	302.41		0.03	1,347.15	9.91
301-500	147618	135		7.65		2.23		251.25		23.91		192.20	55.92		0.01	269.40	10.72
500and above	35486	160		8.88		2.23		90.43		6.81		80.30	20.13		0.00	106.11	11.73
<b>LT -I Residential (Three Phase)</b>	<b>371851</b>							<b>2,006.24</b>									
0-100	70274	160		3.60		2.23		411.36		13.49		148.09	91.55		0.02	251.50	6.11
101-300	128830	160		6.65		2.23		610.45		24.74		405.95	135.85		0.02	563.23	9.23
301-500	87655	160		7.65		2.23		320.80		16.83		245.41	71.39		0.01	331.27	10.33
500and above	85093	160		8.88		2.23		663.63		16.34		589.31	147.13		0.03	747.55	11.26
LT II (a) - 0-20 kW	452593	475		5.68		2.23		2,369.50		257.98		1,345.87	527.35	(99.97)	0.10	2,020.60	8.53
LT II (b) - 20-50 kW	8242		300	5.74		2.23		301.00	99,592	0.00	35.85	172.78	67.00	(12.83)	0.14	262.95	8.74
LT II (c) - above 50 kW	7704		300	5.76		2.23		990.49	2,42,524	0.00	87.31	570.52	220.46	(42.38)	1.12	826.32	8.34
LT III (a) - LT Industrial upto 20 kW	18348	475		5.45		2.23		400.85		10.46		218.46	89.22	(16.23)	0.01	299.60	7.47
LT III (b) - LT Industrial above 20 kW	2847		400	5.58		2.23		368.68	1,00,031	0.00	48.02	205.72	82.06	(15.28)	0.58	315.24	8.55
LTIV (a): Public Service [old - Govt.]	1260	475		5.49		2.23		35.44		0.72		19.46	7.89	(1.45)	-	26.27	7.48
LTIV (b): Public Service [old - Others]	15894	475		5.49		2.23		323.69		9.06		177.71	72.05	(13.20)	0.04	242.46	
LT V (a): Agriculture - Pumpsets	51	45		5.10		2.23		0.14		0.00		0.07	0.03		-	0.10	7.48
LT V (b): Agriculture - Others	15	100		5.90		2.23		0.33		0.00		0.20	0.07		-	0.27	8.14
LT VI: EV Charging Stations	4295			5.58		2.23		24.33	1,101	0.00	0.00	13.59	5.42	(1.01)	0.01	17.76	7.30
<b>Sub-total</b>	<b>2773468</b>							<b>10,448.92</b>	<b>4,43,248</b>	<b>615.02</b>	<b>171.18</b>	<b>5,983.20</b>	<b>2,325.00</b>	<b>(202.33)</b>	<b>2.15</b>	<b>8,825.99</b>	<b>8.45</b>
								-									
<b>Total</b>	<b>2774004</b>							<b>12,590.89</b>	<b>8,91,868</b>	<b>615.02</b>	<b>354.34</b>	<b>7,190.76</b>	<b>2,437.97</b>	<b>(277.80)</b>	<b>10.62</b>	<b>10,249.40</b>	<b>8.31</b>

## 13 Annexure I (D): Revenue with Revised Tariffs for FY 2028-29

Category	No. of consumers - Total	Fixed Charges (Rs./connection/month)	Demand Charges (Rs./kVA/month)	Energy Charges (Rs./kWh)	Energy Charges (Rs./kVah)	Wheeling Charges (Rs./kWh)	Wheeling Charges (Rs./kVah)	Sales in MWh(LT) and MVAh(LT - Demand categories, HT & EHT)- Total	Avg. Demand (KVA / month)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from Wheeling Charges (Rs. Crore)	Revenue from ToD charges (Rs. Crore)	Revenue from Green Energy Cess (Rs. Cr)	Total revenue (Rs. Crore)	Actual Average Billing Rate (Rs./kWh)
<b>EHT Category</b>																	
EHT IV - Metro & Monorail	3		200		5.31			106.09	17,095		4.10	56.33	-		-	59.90	7.01
<b>HT Category</b>																	
HT I: HT-Industry	131		400		5.92	0.58	0.57	773.81	1,61,602		77.57	458.10	44.03	(33.44)	3.47	545.42	7.17
HT II : HT- Commercial	292		300		6.22	0.58	0.57	618.24	1,90,940		68.74	384.54	35.18	(27.90)	1.36	455.50	7.54
HT III: HT-Group Housing Society	17		400		5.35	0.58	0.57	14.48	4,235		2.03	7.75	0.82		-	10.51	7.50
HT IV - HT Metro & Monorail	8		200		5.31	0.58	0.57	2.89	1,943		0.47	1.53	0.16		-	2.16	8.02
HT V (a):Public Services (old Govt.)	7		400		6.05	0.58	0.57	5.89	931		0.45	3.56	0.34	(0.25)	-	4.08	7.11
HT V (b):Public Services (old Others)	73		400		6.05	0.58	0.57	600.76	1,00,023		48.01	363.46	34.18	(26.67)	4.78	421.86	
HT VI: EV Charging Stations	6				7.31	0.58	0.57	19.81	14,750		0.00	14.48	1.13	(1.07)	-	14.54	7.34
<b>Sub-total</b>	<b>534</b>							<b>2,035.88</b>	<b>4,74,423</b>	<b>-</b>	<b>197.26</b>	<b>1,233.43</b>	<b>115.85</b>	<b>(89.33)</b>	<b>9.60</b>	<b>1,454.06</b>	<b>7.27</b>
<b>LT Category</b>																	
LT I - Below Poverty Line	104	12		2.70		2.41		0.00		0.001		0.0007	0.0007		-	0.00	9.12
<b>LT-I Residential (Single Phase)</b>	<b>1906339</b>							<b>3,713.10</b>								-	9.51
0-100	782237	90		4.05		2.41		1,972.95		84.48		799.05	474.95		0.04	1,349.79	6.84
101-300	939441	135		7.05		2.41		1,390.48		152.19		980.29	334.73		0.03	1,457.51	10.48
301-500	148873	135		8.05		2.41		257.12		24.12		206.99	61.90		0.01	290.36	11.29
500and above	35788	160		9.08		2.41		92.55		6.87		84.03	22.28		0.00	112.05	12.11
<b>LT-I Residential (Three Phase)</b>	<b>385018</b>							<b>2,118.91</b>									
0-100	72762	160		4.05		2.41		434.46		13.97		175.96	104.58		0.02	292.87	6.74
101-300	133392	160		7.05		2.41		644.73		25.61		454.53	155.19		0.03	632.03	9.80
301-500	90759	160		8.05		2.41		338.81		17.43		272.75	81.55		0.01	369.36	10.90
500and above	88105	160		9.08		2.41		700.90		16.92		636.42	168.10		0.03	816.21	11.65
LT II (a) - 0-20 kW	456846	475		5.98		2.41		2,521.70		260.40		1,507.97	607.01	(112.01)	0.11	2,252.74	8.93
LT II (b) - 20-50 kW	8549		300	6.04		2.41		320.34	99,592	0.00	35.85	193.48	77.11	(14.37)	0.15	292.25	9.12
LT II (c) - above 50 kW	8046		300	6.11		2.41		1,097.09	2,42,524	0.00	87.31	670.32	264.10	(49.79)	1.24	962.47	8.77
LT III (a) - LT Industrial upto 20 kW	18387	475		5.80		2.41		420.89		10.48		244.11	101.32	(18.13)	0.01	335.47	7.97
LT III (b) - LT Industrial above 20 kW	2847		400	5.93		2.41		368.68	1,00,031	0.00	48.02	218.63	88.75	(16.24)	0.58	333.88	9.06
LT IV (a): Public Service [old - Govt.]	1309	475		5.90		2.41		37.04		0.75		21.85	8.92	(1.62)	-	29.54	8.07
LT IV (b): Public Service [old - Others]	18621	475		5.90		2.41		363.67		10.61		214.57	87.55	(15.94)	0.04	293.64	
LTV (a): Agriculture - Pumpsets	57	45		5.10		2.41		0.15		0.00		0.08	0.04		-	0.12	7.67
LTV (b): Agriculture - Others	17	100		5.90		2.41		0.36		0.00		0.21	0.09		-	0.30	8.32
LT VI: EV Charging Stations	5369			5.63		2.41		29.20	1,101	0.00	0.00	16.45	7.03	(1.22)	0.01	22.03	7.54
<b>Sub-total</b>	<b>2811509</b>							<b>10,991.12</b>	<b>4,43,248</b>	<b>623.83</b>	<b>171.18</b>	<b>6,697.68</b>	<b>2,645.17</b>	<b>(229.32)</b>	<b>2.30</b>	<b>9,842.63</b>	<b>8.96</b>
<b>Total</b>	<b>2812046</b>							<b>13,133.09</b>	<b>9,34,766</b>	<b>623.83</b>	<b>372.54</b>	<b>7,987.44</b>	<b>2,761.02</b>	<b>(318.65)</b>	<b>11.91</b>	<b>11,356.58</b>	<b>8.68</b>

## 14 Annexure I (E): Revenue with Revised Tariffs for FY 2029-30

Category	No. of consumers - Total	Fixed Charges (Rs./connection/month)	Demand Charges (Rs./kVA/month)	Energy Charges (Rs./kWh)	Energy Charges (Rs./kVAh)	Wheeling Charges (Rs./kWh)	Wheeling Charges (Rs./kVAh)	Sales in MWh(LT) and MVAh(LT - Demand categories, HT & EHT)- Total	Avg. Demand (KVA / month)	Revenue from Fixed Charges (Rs. Crore)	Revenue from Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Revenue from Wheeling Charges (Rs. Crore)	Revenue from ToD charges (Rs. Crore)	Revenue from Green Energy Cess (Rs. Cr)	Total revenue (Rs. Crore)	Actual Average Billing Rate (Rs./kWh)
<b>EHT Category</b>																	
EHT IV - Metro & Monorail	3		200		5.21			111.39	17,950		4.31	58.03	-		-	61.80	6.89
<b>HT Category</b>																	
HT I: HT-Industry	131		400		5.97	0.58	0.57	856.90	1,78,953		85.90	511.57	49.15	(37.34)	3.84	608.81	7.23
HT II : HT- Commercial	293		300		6.22	0.58	0.57	646.66	1,99,717		71.90	402.22	37.09	(29.18)	1.42	477.03	7.55
HT III: HT-Group Housing Society	17		400		5.35	0.58	0.57	14.48	4,235		2.03	7.75	0.83		-	10.52	7.51
HT IV - HT Metro & Monorail	8		200		5.21	0.58	0.57	2.89	1,943		0.47	1.51	0.17		-	2.13	7.92
HT V (a):Public Services (old Govt.)	7		400		6.05	0.58	0.57	5.89	931		0.45	3.56	0.34	(0.25)	-	4.08	7.12
HT V (b):Public Services (old Others)	73		400		6.05	0.58	0.57	711.48	1,18,458		56.86	430.45	40.81	(31.59)	5.66	500.29	
HT VI: EV Charging Stations	6				7.15	0.58	0.57	23.77	17,699		0.00	16.99	1.36	(1.26)	-	17.09	7.20
<b>Sub-total</b>	<b>536</b>							<b>2,262.07</b>	<b>5,21,936</b>	<b>-</b>	<b>217.60</b>	<b>1,374.04</b>	<b>129.76</b>	<b>(99.62)</b>	<b>10.92</b>	<b>1,619.95</b>	<b>7.29</b>
								-									
<b>LT Category</b>																	9.57
LT I - Below Poverty Line	104	12		2.70		2.49		0.00		0.001		0.0007	0.0007		-	0.00	9.59
<b>LT -I Residential (Single Phase)</b>	<b>1922553</b>							<b>3,799.97</b>								-	
0-100	788890	90		4.50		2.49		2,019.11		85.20		908.60	502.08		0.04	1,487.20	7.37
101-300	947431	135		7.55		2.49		1,423.01		153.48		1,074.37	353.85		0.03	1,572.01	11.05
301-500	150140	135		8.05		2.49		263.14		24.32		211.83	65.43		0.01	298.94	11.36
500and above	36092	160		9.13		2.49		94.71		6.93		86.47	23.55		0.00	115.82	12.23
<b>LT -I Residential (Three Phase)</b>	<b>398652</b>							<b>2,237.91</b>									
0-100	75339	160		4.50		2.49		458.86		14.47		206.49	114.09		0.02	333.41	7.27
101-300	138116	160		7.55		2.49		680.94		26.52		514.11	169.31		0.03	706.63	10.38
301-500	93973	160		8.05		2.49		357.84		18.04		288.06	88.97		0.01	392.71	10.97
500and above	91224	160		9.13		2.49		740.27		17.52		675.86	183.43		0.03	871.59	11.77
LT II (a) - 0-20 kW	461138	475		6.78		2.49		2,683.67		262.85		1,819.53	667.30	(135.15)	0.11	2,603.91	9.70
LT II (b) - 20-50 kW	8867		300	6.84		2.49		340.92	99,592	0.00	35.85	233.19	84.77	(17.32)	0.16	336.67	9.88
LT II (c) - above 50 kW	8404		300	6.92		2.49		1,215.15	2,42,524	0.00	87.31	840.88	302.17	(62.46)	1.37	1,158.56	9.53
LT III (a) - LT Industrial upto 20 kW	18426	475		6.60		2.49		441.93		10.50		291.68	109.89	(21.66)	0.01	388.10	8.78
LT III (b) - LT Industrial above 20 kW	2847		400	6.73		2.49		368.68	1,00,031	0.00	48.02	248.12	91.68	(18.43)	0.58	364.11	9.88
LT IV (a): Public Service [old - Govt.]	1359	475		6.95		2.49		38.71		0.77		26.90	9.63	(2.00)	-	34.95	9.14
LT IV (b): Public Service [old - Others]	21816	475		6.95		2.49		408.59		12.44		283.97	101.60	(21.09)	0.05	373.77	
LT V (a): Agriculture - Pumpsets	64	45		5.30		2.49		0.17		0.00		0.09	0.04		-	0.14	7.95
LT V (b): Agriculture - Others	18	100		6.10		2.49		0.38		0.00		0.23	0.09		-	0.33	8.61
LT VI: EV Charging Stations	6711			5.39		2.49		35.03	1,101	0.00	0.00	18.90	8.71	(1.40)	0.02	25.98	7.42
<b>Sub-total</b>	<b>2850958</b>							<b>11,571.11</b>	<b>4,43,248</b>	<b>633.05</b>	<b>171.18</b>	<b>7,729.28</b>	<b>2,876.61</b>	<b>(279.51)</b>	<b>2.47</b>	<b>11,064.84</b>	<b>9.56</b>
								-									
<b>Total</b>	<b>2851497</b>							<b>13,944.57</b>	<b>9,83,134</b>	<b>633.05</b>	<b>393.09</b>	<b>9,161.35</b>	<b>3,006.36</b>	<b>(379.13)</b>	<b>13.39</b>	<b>12,746.59</b>	<b>9.18</b>

## **15 Annexure II: Tariff Schedule for FY 2025-26 to FY 2029-30**

### **ADANI ELECTRICITY MUMBAI LIMITED – DISTRIBUTION BUSINESS**

#### **SCHEDULE OF ELECTRICITY TARIFFS**

**(With effect from 1 April, 2025)**

The Maharashtra Electricity Regulatory Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, has determined, by its MYT Order dated 28<sup>th</sup> March, 2025 in Case No. 211 of 2024, the Tariff for supply of electricity by the Distribution Licensee, Adani Electricity Mumbai Limited – Distribution Business (AEML-D) to various classes of consumers as applicable from **1 April, 2025**.

#### **General**

1. These Tariffs will supersede all Tariffs so far in force.
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 of maximum / 15 minutes use, subject to conformity with the Commission's Electricity Supply Code Regulations, 2021 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 (kWh or kVAh as case may be) for the energy consumed during the month.
8. The Wheeling Charges shall be levied on the EHT consumers depending on the outcome of the pending litigation in respect of levy of Wheeling Charges to EHV consumers and till the time outcome, the EHV wheeling charges to be considered NIL.
9. 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.



## **LOW TENSION (LT) TARIFF**

### **LT I (A): LT – Residential (BPL)**

#### **Applicability:**

This Below Poverty Line (BPL) Tariff category is applicable to Residential consumers who have a Sanctioned Load upto 0.25 kW and who have consumed upto 360 units per annum in the previous financial year. The eligibility of such consumers will be reassessed at the end of each financial year. If more than 360 units have been consumed in the previous financial year, the LT I (B) - Residential Tariff shall thereafter be applicable, and such consumer cannot revert thereafter to the BPL category irrespective of his future consumption level.

The categorisation of BPL consumers will be reassessed at the end of the financial year on a pro-rata basis if there has been consumption for only a part of the year. The categorisation of BPL consumers who have been added during the previous year would be assessed on a pro rata basis, i.e., 30 units per month.

This BPL category will also be applicable to all new consumers subsequently added in any month with a Sanctioned Load of upto 0.25 kW and consumption between 1 to 30 units (on pro rata basis of 1 unit/day) in the first billing month.

The BPL Tariff is applicable only to individuals and not to institutions.

#### **Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12	2.40	2.93

#### **Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12	2.40	2.28

#### **Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12	2.50	2.23

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12	2.70	2.41

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
BPL Category	12	2.70	2.49

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for LT-Residential BPL				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	- Rs. 0.50/kWh (Rebate)	- Rs. 0.55/kWh (Rebate)	- Rs. 0.60/kWh (Rebate)	- Rs. 0.65/kWh (Rebate)	- Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

**Note:**

- a) ToD Rebate applicable to LT I category subject to installation of Smart Meters

**LT I (B): LT – Residential****Applicability:**

This Tariff category is applicable for electricity used at Low/Medium Voltage for operating various appliances used for purposes such as lighting, heating, cooling, cooking, washing/cleaning, entertainment/leisure, water pumping in the following premises:

- a) Private residential premises, Government / semi-Government residential quarters;  
Private Corporate bodies staff quarters / Hostels / Rest Houses;
- b) Premises used exclusively for worship, such as temples, gurudwaras, churches, mosques, etc.; provided that halls, gardens or any other part of such premises that

may be let out for a consideration or used for commercial activities would be charged at the applicable LT-II Tariff, unless specified in other category;

- c) Government / Private / Co-operative Housing Societies / Colonies / Complexes (where electricity is used exclusively for domestic purposes) only for common facilities such as Water Pumping / Street and other common area Lighting / Lifts /Parking Lots/ Fire-fighting Pumps and other equipment, etc.;
- d) Sports Clubs or facilities / Health Clubs or facilities / Gymnasium / Swimming Pool / Community Hall of Government / Private / Co-operative Housing Colonies/complexes - provided that they are situated in the same premises, and are for the exclusive use of the members and employees of such Housing Colonies/complexes;
- e) Telephone booths owned/operated by Persons with Disabilities/Handicapped persons;
- f) Residential premises used by professionals like Lawyers, Doctors, Engineers, Teachers, Chartered Accountants, etc., in furtherance of their professional activities, but not including Nursing Homes and Surgical Wards or Hospitals;
- g) Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes;
- h) A residential LT consumer with consumption upto 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises: such consumer shall not require a separate temporary connection, and would be billed at this Residential Tariff rate;
- i) Home-stay facilities at tourist destinations and religious places.
- j) Consumers undertaking business or commercial / industrial / non-residential activities from a part of their residence, whose monthly consumption is upto 300 units a month and annual consumption in the previous financial year was upto 3600 units. The applicability of this Tariff to such consumers will be assessed at the end of each financial year. In case consumption has exceeded 3600 units in the previous financial year, the consumer will thereafter not be eligible for the Tariff under this category but be charged at the Tariff otherwise applicable for such consumption, with prior intimation to him.
- k) Entities supplied electricity at a single point at Low/Medium Voltage for residential purposes, in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:
  - (i) a Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes; and
  - (ii) a person, for making electricity available to its employees residing in the same premises for residential purposes.

- l) Crematoriums and Burial Grounds for all purposes, including area lighting, Electric Kiln, Water Pumps, etc
- m) Temporary purposes for public religious functions / festivals like Ganesh Utsav, Navaratri, Eid, Moharrum, Ram Lila, Diwali, Christmas, Guru Nanak Jayanti, Gopalkala Utsav, Dashera etc., and for areas where community prayers are held; and for functions to commemorate anniversaries of personalities and National or State events for which Public Holidays have been declared, such as Gandhi Jayanti, Ambedkar Jayanti, Chhatrapati Shivaji Maharaj Jayanti, Republic Day, Independence Day, Maharashtra Day, etc.:

Provided that such temporary connection shall be subjected to 1.5 times of Fixed Charges.

**Note:**

*This Tariff category shall also be applicable to consumers who are supplied power at High Voltage for any of the purposes above other than (i) to (j) above.*

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh)	Fixed Charge / Demand Charge <sup>\$\$</sup>	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90	3.45	2.93
100-300 units	135	6.70	2.93
301-500 units	135	8.10	2.93
Above 500 units	160	9.05	2.93

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh)	Fixed Charge / Demand Charge <sup>\$\$</sup>	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90	2.65	2.28
100-300 units	135	5.85	2.28
301-500 units	135	7.10	2.28
Above 500 units	160	8.35	2.28

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh)	Fixed Charge / Demand Charge <sup>\$\$</sup>	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90	3.60	2.23
100-300 units	135	6.65	2.23
301-500 units	135	7.65	2.23
Above 500 units	160	8.88	2.23

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh)	Fixed Charge / Demand Charge <sup>\$\$</sup>	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90	4.00	2.41
100-300 units	135	7.05	2.41
301-500 units	135	8.05	2.41
Above 500 units	160	9.08	2.41

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh)	Fixed Charge / Demand Charge <sup>\$\$</sup>	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)
0-100 units	90	4.45	2.49
100-300 units	135	7.55	2.49
301-500 units	135	8.05	2.49
Above 500 units	160	9.13	2.49

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for LT-Residential				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	- Rs. 0.50/kWh (Rebate)	- Rs. 0.55/kWh (Rebate)	- Rs. 0.60/kWh (Rebate)	- Rs. 0.65/kWh (Rebate)	- Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

**Note:**

- b) <sup>\$\$</sup>: The above Fixed Charges are for single-phase connections. A Fixed Charge of Rs. 160 per month will be levied on Residential consumers availing 3-phase supply. An Additional Fixed Charge of Rs.250 per 10 kW load or part thereof above 10 kW load.
- c) Professionals like Lawyers, Doctors, Professional Engineers, Teachers, Chartered Accountants, etc., occupying premises exclusively for conducting their profession, shall not be eligible for this Tariff, and will be charged at the Tariff applicable to the respective categories.
- d) ToD Rebate applicable to LT I category subject to installation of Smart Meters

**LT II: LT – Non-Residential or Commercial****A. 0 – 20 KW****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, 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, Exhibition Centres;
- b) Warehouse / Godowns
- c) 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;
- d) Offices, including Commercial Establishments;
- e) Marriage Halls, Restaurants / Canteens / Cafeterias, Ice-cream parlours, Coffee / Tea Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths not covered under the LT I category, 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 and Service Stations, including Garages;
- g) Toll Collection Plazas;
- h) Tailoring Shops, Computer Training Institutes, Private Training Centres, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons, Mobile Shops;
- i) Banks and ATM centres, Telephone Exchanges, TV Stations, Microwave Stations, Radio Stations;
- j) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;
- k) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;

- l) External illumination of monuments/ historical/ heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;
- m) Construction of all types of structures/ infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

**Note:**

*Residential LT consumers with consumption above 500 units per month (current month of supply) and who undertake construction or renovation activity in their existing premises shall not require a separate Temporary category connection, and shall be billed at the LT-II Commercial Tariff rate;*

- n) Milk Collection Centres, Standalone milk refrigeration, storage centres;
- o) Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT – Public Services or LT – Industry categories;
- p) 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
- q) Temporary supply for any of the activity not covered under Residential category:

Provided that Temporary supply consumer shall pay 1.5 times applicable Fixed/Demand Charges and applicable 1.25 times Energy Charges:

Provided further that temporary supply for operating Fire-Fighting pumps and equipment in residential or other premises shall be charged as per the Tariff category applicable to such premises.

**B. 20kW and  $\leq$  50 kW and (C)  $>$  50kW**

**Applicability:**

As per the applicability described in LT II (A) and for the Sanctioned Load in the range applicable in this sub-category., i.e., LT II (B) and LT II (C)

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh/ kVAh)	Wheeling Charge (Rs./kWh/kVAh)
(A) 0-20 kW	Rs. 475 per month	Rs. 5.72/kWh	Rs. 2.93/kWh
(B) $>$ 20 kW and $\leq$ 50 kW	Rs. 300 per kVA	Rs. 5.54/kVAh	Rs. 2.82/kVAh
(C) $>$ 50 kW	Rs. 300 per kVA	Rs. 5.59/kVAh	Rs. 2.82/kVAh

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh/ kVAh)	Wheeling Charge (Rs./kWh/kVAh)
(A) 0-20 kW	Rs. 475 per month	Rs. 5.70/kWh	Rs. 2.28/kWh
(B) >20 kW and $\leq$ 50 kW	Rs. 300 per kVA	Rs. 5.51/kVAh	Rs. 2.19/kVAh
(C) > 50 kW	Rs. 300 per kVA	Rs. 5.53/kVAh	Rs. 2.19/kVAh

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh/ kVAh)	Wheeling Charge (Rs./kWh/kVAh)
(A) 0-20 kW	Rs. 475 per month	Rs. 5.68/kWh	Rs. 2.23/kWh
(B) >20 kW and $\leq$ 50 kW	Rs. 300 per kVA	Rs. 5.51/kVAh	Rs. 2.14/kVAh
(C) > 50 kW	Rs. 300 per kVA	Rs. 5.53/kVAh	Rs. 2.14/kVAh

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh/ kVAh)	Wheeling Charge (Rs./kWh/kVAh)
(A) 0-20 kW	Rs. 475 per month	Rs. 5.98/kWh	Rs. 2.41/kWh
(B) >20 kW and $\leq$ 50 kW	Rs. 300 per kVA	Rs. 5.80/kVAh	Rs. 2.31/kVAh
(C) > 50 kW	Rs. 300 per kVA	Rs. 5.87/kVAh	Rs. 2.31/kVAh

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh/ kVAh)	Wheeling Charge (Rs./kWh/kVAh)
(A) 0-20 kW	Rs. 475 per month	Rs. 6.78/kWh	Rs. 2.49/kWh
(B) >20 kW and $\leq$ 50 kW	Rs. 300 per kVA	Rs. 6.57/kVAh	Rs. 2.39/kVAh
(C) > 50 kW	Rs. 300 per kVA	Rs. 6.64/kVAh	Rs. 2.39/kVAh

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%



**Note:**

The ToD Tariff is applicable to the LT – II (A) – above 10 kW, LT-II (B) and (C) categories, and optionally available to LT- II (A) (below 10 kW) category consumers having ToD meter installed.

Tariff in Rs./kWh will be applicable for LT II (A)- Commercial up to 20 kW and Rs./kVAh will be applicable for LT II (B) & (C) - Commercial

**LT III: LT- Industry:**

**LT III (A): LT - Industry upto 20 kW load**

**LT III (B): LT - Industry, above 20 kW load**

**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, 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.

This category shall be also applicable to integrated logistics parks under Government of Maharashtra Policy, 2018

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- a) Dhobi / Laundry activities
- b) Flour Mill, Dal Mill, Rice Mill, Poha Mill, Masala Mill, Saw Mill, , Cattle / Poultry Feed Manufacturing Plants;
- c) Ice Factory, Ice-cream manufacturing units, Milk Processing and Chilling Plants (Dairy);

- d) Hotel / Motels / Youth Clubs, Resorts / Cottages / Service Apartment, Tourist Villas / Tourists Apartment.
- e) District Cooling Solution (DCS) for providing air conditioning services to a cluster of buildings in a centralised manner.
- f) Engineering Workshops, Engineering Goods Manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding / Rethreading units; and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;
- g) Ordnance / Ammunition Factories of Defence Establishments;
- h) Mining, Quarrying and Stone Crushing units;
- i) Garment Manufacturing units;
- j) Soap and cosmetics, Deodorant manufacturing, etc
- k) LPG/CNG bottling plants, and associated retail gas filling station, etc.;
- l) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the LT – Public Service category;
- m) Start-up power for Generating Plants, i.e., the power required for trial run of a Power Plant during Commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);
- n) Brick Kiln (Bhatti), Biomass Pellet;
- o) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
- p) Cold Storages, Packaged Drinking water plant;
- q) Food (including seafood and meat) Processing units, Khandsari / Jaggery Manufacturing Units;
- r) Stand-alone Research and Development units;
- s) Telecommunications Towers and associated telecom infrastructure but does not cover offices / outlets etc;
- t) Powerlooms including other allied activities like, Warping, Doubling, Twisting, etc., connected at Low/Medium Tension only;
- u) Auxiliary Power Supply to EHV / Distribution Substations (but not for construction);
- v) Ready-mix Concrete or hot mix plants.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(A): 0-20 kW	Rs. 475 per month	Rs. 5.60/kWh	Rs. 2.93/kWh

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(B): Above 20kW	Rs. 400 per kVA	Rs. 5.45/kVAh	Rs. 2.82/kVAh

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(A): 0-20 kW	Rs. 475 per month	Rs. 5.55/kWh	Rs. 2.28/kWh
LT III(B): Above 20kW	Rs. 400 per kVA	Rs. 5.45/kVAh	Rs. 2.19/kVAh

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(A): 0-20 kW	Rs. 475 per month	Rs. 5.45/kWh	Rs. 2.23/kWh
LT III(B): Above 20kW	Rs. 400 per kVA	Rs. 5.36/kVAh	Rs. 2.14/kVAh

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(A): 0-20 kW	Rs. 475 per month	Rs. 5.80/kWh	Rs. 2.41/kWh
LT III(B): Above 20kW	Rs. 400 per kVA	Rs. 5.69/kVAh	Rs. 2.31/kVAh

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh / kVAh)	Fixed/ Demand Charge	Energy Charge (Rs./kWh / kVAh)	Wheeling Charge (Rs./kWh / kVAh)
LT III(A): 0-20 kW	Rs. 475 per month	Rs. 6.60/kWh	Rs. 2.49/kWh
LT III(B): Above 20kW	Rs. 400 per kVA	Rs. 6.46/kVAh	Rs. 2.39/kVAh

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**Note:**

The ToD Tariff is applicable to the LT – III (A) – above 10 KW, LT-III (B) and (C) categories, and optionally available to LT- III (A) category (below 10 kW) consumers having ToD meter installed.

Tariff in Rs./kWh will be applicable for LT III (A)- Industrial upto 20 kW and Rs./kVAh will be applicable for LT III (B) – Industrial

**LT IV: Public Services****Applicability:**

This Tariff category is applicable for electricity supply at Low/Medium Voltage for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Bank and Pathology Laboratories; Libraries and public reading rooms;

It shall also be applicable for electricity used for Hostels / Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Hospitals, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients.

This Tariff is also applicable for electricity supply at Public Sanitary Conveniences.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Bank, Laboratories; Libraries and public reading rooms.
- Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions /Health Care facilities, provided that

they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;

- c) All offices of Government and Municipal/ Local Authorities/ Local Self Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, Police Stations and Police Chowkies, Post Offices, Armed Forces / Defence and Para Military establishments;
- d) Service-oriented Spiritual Organisations;
- e) Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees;
- f) State or Municipal/Local Authority Transport establishments, including their Workshops;
- g) Fire Service Stations; Jails, Prisons; Courts;
- h) Airports;
- i) Ports and Jetties and provisions for Shore Power Supply;
- j) Railway/Metro/Monorail Stations, including Shops, Workshops, Yards, etc., if the supply is at Low/ Medium Voltage.
- k) All Students Hostels affiliated to Educational Institutions not covered under LT Public Service – Government;
- l) All other Students' or Working Men/Women's Hostels/Youth Hostels;
- m) Other types of Homes/Hostels, such as (i) Homes / Hostels for Destitutes, Disabled Persons (physically or mentally handicapped persons, etc) and mentally ill persons (ii) Remand Homes (iii) Dharamshalas, (iv) Rescue Homes, (v) Orphanages – subject to verification and confirmation by the Distribution Licensee's concerned Zonal Chief Engineer or equivalent;
- n) Dam operation including Lighting and other activities, etc;
- o) Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants, Common Effluent Treatment Plants and waste processing units;
- p) lighting of public streets/ thorough fares which are open for use by the general public  
Provided that Street lights in residential complexes, commercial complexes, industrial premises, etc. will be billed at the Tariff of the respective applicable categories.
- q) Lighting in Public Gardens (i.e. which are open to the general public free of charge);
- r) Traffic Signals and Traffic Islands;
- s) Public Water Fountains;

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	475	5.68	2.93	5.45	2.82

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	475	5.63	2.28	5.40	2.19

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	475	5.49	2.23	5.27	2.14

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	475	5.90	2.41	5.66	2.31

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./Connection/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	475	6.95	2.49	6.67	2.39

**Note:**

*\*Tariff for Rs/kVAh shall be applicable for LT IV Public Service with Sanctioned Load above 20 kW*

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**Note:**

- a) The ToD Tariff is compulsorily applicable to the LT IV category with Contract Demand/Sanctioned Load above 10 kW; and optionally available to the LT IV category with Contract Demand/Sanctioned Load up to 10 kW having ToD meter installed.
- b) Tariff in Rs./kWh will be applicable for LT IV – Public Services upto 20 kW and Rs./kVAh will be applicable for LT IV – Public Services with load above 20 kW.

**LT V (A): LT - Agriculture - Pumpsets****Applicability:**

This Tariff category is applicable for motive power supplied for agricultural metered pumping loads, and for one lamp of wattage up to 40 to be connected to the motive power circuit for use in pump-houses at Low/Medium Voltage.

It is also applicable for power supply for cane crushers and/or fodder cutters for self-use for agricultural processing operations, but not for operating a flour mill, oil mill or expeller in the same premises, either operated by a separate motor or a change of belt drive.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.93	5.00

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.28	5.00

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.23	5.10

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.41	5.10

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.49	5.30

**Note:**

- a) Consumers who avail power supply at High Voltage for the above purposes shall also be billed as per this Tariff category.

**LT V (B): LT – Agriculture– Others****Applicability:**

This Tariff category is applicable for use of electricity / power supply at Low / Medium Voltage for:

- Pre-cooling plants and cold storage units for Agricultural Products – processed or otherwise;
- Poulties exclusively undertaking layer and broiler activities, including Hatcheries;
- High-Technology Agriculture (i.e., Tissue Culture, Green House, Mushroom cultivation activities), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;
- Floriculture, Horticulture, Nurseries, Plantations, Aquaculture, Sericulture, Cattle Breeding Farms, etc.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.93	5.80



**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.28	5.80

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.23	5.90

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.41	5.90

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh)	Fixed Charge / Demand Charge	Wheeling Charge (Rs/kWh)	Energy Charge (Rs/kWh)
All Units	Rs. 45 per HP	2.49	6.10

**Note:**

- a) Consumers who avail power supply at High Voltage for the above purposes shall also be billed as per this Tariff category.

**LT VI: LT – Electric Vehicle (EV) Charging Stations****Applicability:**

This Tariff category is applicable for Electric Vehicle Charging Station including battery swapping station 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. The Consumer has an option to seek a separate connection for EV charging under this category.

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. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	-	5.48	2.93	5.26	2.82

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./kVA / Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	-	5.46	2.28	5.24	2.19

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./kVA / Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	-	5.58	2.23	5.36	2.14

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./kVA / Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	-	5.63	2.41	5.41	2.31

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kWh/kVAh)	Fixed Charge (Rs./kVA / Month)	Energy Charge (Rs./kWh)	Wheeling Charge (Rs./kWh)	Energy Charge* (Rs./kVAh)	Wheeling Charge* (Rs./kVAh)
All Consumption	-	5.39	2.49	5.18	2.39

**Note:**

*\*Tariff for Rs/kVAh shall be applicable for LT VI EV Charging Stations with Sanctioned Load above 20 kW*

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**Note:**

- The ToD Tariff is compulsorily applicable to the LT V category with Contract Demand/Sanctioned Load above 10 kW; and optionally available to the LT V category with Contract Demand/Sanctioned Load up to 10 kW having ToD meter installed.*
- Tariff in Rs./kWh will be applicable for LT VI – EV Charging Station upto 20 kW and Rs./kVAh will be applicable for LT VI – EV Charging Station with load above 20 kW.*

**EXTRA HIGH TENSION (EHT) and HIGH TENSION (HT) TARIFF****EHT I and HT I: HT – Industry****Applicability:**

This Tariff category is applicable for electricity for Industrial use at Extra High Voltage (220 kV/132 kV/110 kV) and High Voltage (33 kV/22kV/11 kV) 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; lifts, water pumps, fire-fighting pumps and equipment, street and common area lighting; Research and Development units, 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.

This Tariff Category shall be also applicable to integrated logistics park under Government of Maharashtra Policy, 2018.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

- a) Dhobi and Laundry activities
- b) Flour Mills, Dal Mills, Rice Mills, Poha Mills, Masala Mills, Saw Mills, Cattle / Poultry feed manufacturing plants;
- c) Ice Factories, Ice-cream manufacturing units, Milk Processing and Chilling Plants (Dairy);
- d) Hotel / Motels / Youth Clubs, Resorts / Cottages / Service Apartment, Tourist Villas / Tourists Apartment.
- e) District Cooling Solution (DCS) for providing air conditioning services to a cluster of buildings in a centralised manner
- f) Engineering Workshops, Engineering Goods manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding / Rethreading units, and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;
- g) Ordnance / Ammunition Factories of Defence Establishments;
- h) Mining, Quarrying and Stone Crushing units;
- i) Garment Manufacturing units;
- j) Soap and cosmetics, Deodorant manufacturing, etc;
- k) LPG/CNG bottling plants and associated retail filling stations;
- l) Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the HT – Public Services (Others);
- m) Start-up power for Generating Plants, i.e., the power required for trial run of a Power Plant during Commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);
- n) Brick Kiln (Bhatti) /Biomass Pellet;
- o) Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra;
- p) Cold Storages;
- q) Food (including Seafood and meat) Processing units.
- r) Stand-alone Research and Development units,
- s) Seed manufacturing
- t) Dedicated Water Supply Schemes to Power Plants
- u) Auxiliary Power Supply to EHV/Distribution Substation (but not for construction)
- v) Telecommunications Towers and associated telecom infrastructure but does not cover offices / outlets etc.
- w) Ready-mix Concrete or hot mix plants.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	6.13	-
HT	Rs. 400 per kVA	6.13	0.74

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.73	-
HT	Rs. 400 per kVA	5.73	0.57

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.52	-
HT	Rs. 400 per kVA	5.52	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.92	-
HT	Rs. 400 per kVA	5.92	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.97	-
HT	Rs. 400 per kVA	5.97	0.57

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September)	-15% (April to September)	-20% (April to September)

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
			-25% (October to March)	-25% (October to March)	-30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**Note:**

- Demand Charge shall be applicable at the rate of 25% of the above rates on the start-up demand contracted by the Power Plant (as referred to at (h) above) with the Distribution Licensee.*
- Data Centres to be provided discount of 10% in wheeling charges on their electricity consumption through 100% Green Energy either through open access or through Green Tariff or combination thereof*

**EHT II and HT II: HT- Commercial****Applicability:**

This Tariff category is applicable for electricity used at Extra High Voltage (220 kV/132 kV/110 kV) and High Voltage (33 kV/22 kV/11 kV) 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, entertainment/leisure and water pumping in, but not limited to, the following premises:

- Non-Residential, Commercial and Business premises, including Shopping Malls and Showrooms;
- Warehouse / Godowns;
- 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;
- Offices, including Commercial Establishments;
- Marriage Halls, Restaurants / Canteens / Cafeterias, Ice-cream parlours, Coffee Shops, Guest Houses, Internet / Cyber Cafes, Telephone Booths and Fax / Photocopy shops;
- 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 Toll Collection plazas;
- Tailoring Shops, Computer Training Institutes, Typing Institutes, Private Training Centers, Photo Laboratories, Beauty Parlours and Saloons;

- h) Banks and ATM centres, Telephone Exchanges, TV Stations, Micro Wave Stations, Radio Stations;
- i) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;
- j) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;
- k) External illumination of monuments/ historical/heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;
- l) Construction of all types of structures/ infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

**Note:**

*Residential HT consumers with consumption above 500 units per month (current month of supply) and who undertake construction or renovation activity in their existing premises shall not require a separate Temporary category connection but be billed at the HT-II Commercial Tariff;*

- m) Milk Collection Centres, standalone milk refrigeration and storage centres;
- n) Sewage Treatment Plant/ Common Effluent Treatment Plant for Commercial Complexes, not covered under the Public Services or Industrial category;
- o) 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;
- p) Temporary supply for any of the activity not covered under any other HT category:

Provided that Temporary supply consumer shall pay 1.5 times applicable Fixed/Demand Charges and 1.25 times applicable Energy Charges.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 300 per kVA	6.22	-
HT	Rs. 300 per kVA	6.22	0.74

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 300 per kVA	5.97	-
HT	Rs. 300 per kVA	5.97	0.57

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 300 per kVA	5.87	-
HT	Rs. 300 per kVA	5.87	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 300 per kVA	6.22	-
HT	Rs. 300 per kVA	6.22	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 300 per kVA	6.22	-
HT	Rs. 300 per kVA	6.22	0.57

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**Note:**

- a) A consumer in the HT II 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.*

### **EHT III and HT III: HT - Group Housing Society (Residential)**

#### **Applicability:**

Entities supplied electricity at a single point at High Voltage (33 kV / 22 kV / 11 kV) for residential purposes in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:

- a) a Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes;
- b) a person, for making electricity available to its employees residing in the same premises for residential purposes.
- c) Serving Armed Forces / Paramilitary forces residential establishments. These consumers shall be eligible for 20% discount on energy charges including FAC. This 20% discount is also applicable to defence.

#### **Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.45	-
HT	Rs. 400 per kVA	5.45	0.74

#### **Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.10	-
HT	Rs. 400 per kVA	5.10	0.57

#### **Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	4.95	-
HT	Rs. 400 per kVA	4.95	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.35	-
HT	Rs. 400 per kVA	5.35	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.35	-
HT	Rs. 400 per kVA	5.35	0.57

ToD Slabs	Period	Duration (hours)	ToD (Rebate) for LT-Residential BPL				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
-	00:00 hrs to 06:00 hrs	6	0%	0%	0%	0%	0%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	- Rs. 0.50/kWh (Rebate)	- Rs. 0.55/kWh (Rebate)	- Rs. 0.60/kWh (Rebate)	- Rs. 0.65/kWh (Rebate)	- Rs. 0.70/kWh (Rebate)
Peak Hours	17:00 hrs to 24:00 hrs	7	0%	0%	0%	0%	0%

**EHT IV and HT IV- Railways/Metro/Monorail****Applicability:**

This Tariff category is applicable to power supply at Extra High Voltage (220 kV/132 kV/110 kV) and High Voltage (33 kV/22 kV/11 kV) for Railways, Metro and Monorail, including Stations and Shops, Workshops, Yards, etc.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 200 per kVA	5.41	-
HT	Rs. 200 per kVA	5.41	0.74

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 200 per kVA	5.01	-
HT	Rs. 200 per kVA	5.01	0.57

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 200 per kVA	4.91	-
HT	Rs. 200 per kVA	4.91	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 200 per kVA	5.31	-
HT	Rs. 200 per kVA	5.31	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 200 per kVA	5.21	-
HT	Rs. 200 per kVA	5.21	0.57

**EHT V and HT V - Public Services****Applicability:**

This Tariff category is applicable for electricity supply at Extra High Voltage (220 kV/132 kV/110 kV) and High Voltage (33 kV/22 kV/11 kV) for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Pathology Laboratories; Libraries and public reading rooms;

It shall also be applicable for electricity used for Hostels, Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for the students / faculty/ employees/ patients of such Educational Institutions and Hospitals.

This tariff is also applicable for electricity supply at Public Sanitary Conveniences.

This Tariff category is applicable for electricity supply at Extra High Voltage (220 kV/132 kV/110 kV) and High Voltage (33 kV/22 kV/11 kV) for:

- a) Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Pathology Laboratories; Libraries and public reading rooms
- b) Sports Clubs and facilities / Health Clubs, Students / Working Men / Women/Youth hostel and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;
- c) All offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats; Police Stations and Police Chowkies; Post Offices; Armed Forces/Defence and Para-Military establishments;
- d) Service-oriented Spiritual Organisations;
- e) Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees. State or Municipal/Local Authority Transport establishments, including their Workshops;
- f) Fire Service Stations; Jails, Prisons; Courts;
- g) Airports;
- h) Ports and Jetties and provision for Shore Power Supply.
- i) Pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants, Common Effluent Treatment Plants and waste processing units;
- j) Waste Processing units and Water ATM not covered under HT IV category;
- k) Dam operation including Lighting and other activities, etc;
- l) Lighting of public streets/thorough fares which are open for use by the general public;

Provided that Street lights in residential complexes, commercial complexes, industrial premises, etc. will be billed at the Tariff of the respective applicable categories.

**Tariff w.e.f. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	6.15	-
HT	Rs. 400 per kVA	6.15	0.74

**Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.85	-
HT	Rs. 400 per kVA	5.85	0.57

**Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	5.65	-
HT	Rs. 400 per kVA	5.65	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	6.05	-
HT	Rs. 400 per kVA	6.05	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	Rs. 400 per kVA	6.05	-
HT	Rs. 400 per kVA	6.05	0.57

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October)	-15% (April to September) -25% (October)	-20% (April to September) -30% (October)

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
			to March)	to March)	to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

### **EHT VI and HT VI: HT – Electric Vehicle (EV) Charging Stations**

#### **Applicability:**

This Tariff category is applicable for Electric Supply at High Voltage (33 kV / 22 kV / 11 kV) for Electric Vehicle Charging Station including battery swapping station 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. The Consumer has an option to seek a separate connection for EV Charging under this category.

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. 1 April, 2025 to 31 March, 2026**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	-	7.50	-
HT	-	7.50	0.74

#### **Tariff w.e.f. 1 April, 2026 to 31 March, 2027**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	-	7.02	-
HT	-	7.02	0.57

#### **Tariff w.e.f. 1 April, 2027 to 31 March, 2028**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	-	7.11	-
HT	-	7.11	0.55

**Tariff w.e.f. 1 April, 2028 to 31 March, 2029**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	-	7.31	-
HT	-	7.31	0.57

**Tariff w.e.f. 1 April, 2029 to 31 March, 2030**

Consumption Slab (kVAh)	Fixed Charge (Rs./kVA/ Month)	Energy Charge (Rs./kVAh)	Wheeling Charge (Rs./kVAh)
EHV	-	7.15	-
HT	-	7.15	0.57

ToD Slabs	Period	Duration (hours)	ToD Charge / (Rebate) for categories		
			FY 2025-26	FY 2026-27	FY 2027-28 to FY 2029-30
-	00:00 hrs to 06:00 hrs	6	-10%	-15%	-20%
-	06:00 hrs to 09:00 hrs	3	0%	0%	0%
Solar Hours	09:00 hrs to 17:00 hrs	8	-15% (April to September) -25% (October to March)	-15% (April to September) -25% (October to March)	-20% (April to September) -30% (October to March)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%	+20%	+20%

**MISCELLANEOUS AND GENERAL CHARGES****Fuel Adjustment Charge (FAC)/PPCA Component of Z-factor Charge**

The Fuel Adjustment Charge (FAC)/PPCA 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 the applicable  $Z_{FAC}$  for each month shall be available on the Distribution Licensee's website [www.tatapower.com](http://www.tatapower.com)

**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 [www.tatapower.com](http://www.tatapower.com)

**Power Factor Computation**

Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average Power Factor during the billing period shall be applied:

$$\text{Average Power Factor} = \frac{\text{Total (kWh)}}{\text{Total (kVAh)}}$$

Wherein the kVAh is =  $\sqrt{\sum(\text{KWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$

Further, average PF so computed can be considered as leading or lagging based on the following test:

If "RkVAh lead" > "RkVAh lag" then "Average P.F." is to be treated as "Lead P.F."

If "RkVAh lead" = < "RkVAh lag" then "Average P.F." is to be treated as "Lag P.F."

**Rebate on Bulk Consumption**

Rebate for Bulk consumption for eligible consumers within HT-Industrial category shall be governed as per following conditions:

- a) All HT-Industrial consumers with monthly consumption in excess of 1 lakh units per month (0.1 MU per month) shall be eligible to avail Rebate on Bulk Consumption with a reverse telescopic slab structure as outlined below: Thus, the Commission has decided to introduce "Bulk Consumption" rebate in a reverse telescopic manner for HT Industrial consumers in following manner:
  - I. For monthly consumption (> 1 Lakh units to 1 MU) per month: 2%
  - II. For monthly consumption (> 1 MU to 5 MU) per month: 1.5%
  - III. For monthly consumption (> 5 MU) per month: 1%



(Note – Units referred are in kVAh such as Lakh kVAh or Million kVAh)

- b) Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC of the Bill excluding taxes and duty.

**Illustration:**

Say a consumer consumes 15 MU during month then, its consumption more than 1 Lakh units upto 1 MU units rebate will be 2%/unit, for next 4 MU (i.e. upto consumption of 5 MU) rebate will be 1.5%/unit and for consumption in excess of 5 MU upto 15 MU, rebate will be 1%/unit.

**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 on the billed amount, including the taxes, cess, duties, etc., shall be levied on simple interest basis at the rate of 1.25% on the billed amount for the first month of delay.

**Discount for digital payment**

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.

**Discount for E-Bill**

A discount of Rs. 10 per consumer per bill shall be provided for those opting for E-bills through written/email confirmation. No hard copy of the bills shall be generated for such consumers.

**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 per annum (%)
1	Payment made after 60 days and before 90 days from the date of billing	12%
2	Payment made after 90 days from the date of billing	15%

**Rebate for consumers with Prepaid connections**

Consumers with prepaid metered connections shall be entitled for rebate of 2% in the Energy Charge Rate (incl FAC) applicable for the consumer category.

**Load Factor Incentive**

Consumers having Load Factor above 75% and upto 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 EHT I and HT I: Industry, EHT II and HT II: Commercial and EHT V and HT V: Public Services - (A) and (B) only.

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) × Unity Power Factor  
× (Total no. of hours during the month, less actual interruptions hours recorded on meter for billing period)

In case the consumer exceeds its Contract Demand (including during the non-peak hours, i.e., 22:00 hrs to 06:00 hrs.) in any particular month, the Load Factor Incentive will not be payable to the consumer in that month.

**Penalty for exceeding Contract Demand**

In case a consumer (availing Demand-based Tariff) exceeds 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 his 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.

In case any consumer exceeds the Contract Demand on more than three occasions in a calendar year, the action taken in such cases would be governed by the Supply Code.

#### **Additional Demand Charges for Consumers having Captive Power Plant**

For consumers having a Captive Power Plant, additional Demand Charges at the rate of Rs. 20/kVA/month shall be payable only on the extent of the Stand-by demand component and not on the entire Contract Demand. The additional Demand Charges will be levied on the Stand-by component only if the consumer's demand exceeds his Contract Demand.

#### **Consumers' Security Deposit**

As specified under Regulations 13 of the MERC (Supply Code Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, Consumer shall pay Security Deposit and will be entitled for interest on such Security Deposit.

#### **Definitions**

##### **Maximum Demand:**

Maximum Demand in kilo-Watts 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 kilo-Watt (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.

**Billing Demand - LT Tariff categories:**

Monthly Billing Demand will be the higher of the following:

- a) 65% of the actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;
- b) 40% of the Contract Demand.

**Note:**

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*
- *In case of a 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 - HT Tariff 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 the preceding eleven months, subject to the limit of Contract Demand;
- c) 75% of the Contract Demand.

**Note:**

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*
- *In case of a 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.*

## 16 APPENDIX – 1: List of persons who attended the Technical Validation Session (TVS) held on 24 December , 2024

Sr. No.	Name of Representative	Organization
1.	Shri. Kapil Sharma	AEML-D
2.	Shri. Palaniappan M.	ABPS
3.	Shri. Vivek Mishra	AEML-D
4.	Shri, Kishor Patil	AEML-D
5.	Shri. A Sivanarayan	AEML-D
6.	Shri. Harshal Bhingare	AEML-D
7.	Shri. Ranjeet Savardekar	AEML-D
8.	Shri. Ganesh Balasubramaniam	AEML-D
9.	Shri. Shishir Mahulkar	AEML-D
	Shri. Kirti Thakkar	AEML-D

## 17 APPENDIX – 2: List of persons who attended Public Hearing dated 18 February, 2025

Sr. No.	Name of Representative	Organization
1.	Shri. Vivek Mishra	AEML-D
2.	Shri. Palaniappan M.	ABPS
3.	Mr. Manoj Nirgudkar	Individual
4.	Mr. Sanjay Kotwani	Individual
5.	Adv. Harinder toor	MSEDCL
6.	Mr. Ponrathnam Nadarajan	Individual
7.	Adv. Abhishek Munot	Adani Cooling Solutions Limited
8.	Ms. Ann Josey	Prayas (Energy Group)
9.	Ms. Supriya Jaan	(RTP & Coro India)
10.	Mr. Avinash Madhane	Individual