Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 4 of 2004

IN THE MATTER OF
Determination of Annual Revenue Requirement (ARR)
2004-05 & 2005-06
and Tariff for 2005-06 of
Brihan-Mumbai Electric Supply & Transport Undertaking (BEST)

Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

Date of Order: February 25, 2006

O R D E R

The Maharashtra Electricity Regulatory Commission (MERC), in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 (EA 2003) and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by BEST Undertaking, all the objections raised, responses of the BEST Undertaking, issues raised during the Public Hearing, and all other relevant material, hereby passes this Operative Order on the determination of the ARR and electricity tariff for the Brihan-Mumbai Electric Supply & Transport Undertaking for retail distribution as under. The Revised Electricity Supply Tariffs would be applicable form 1st March 2006.

The details of category wise revised tariff are annexed.

The Brihan-Mumbai Electric Supply & Transport Undertaking (BEST), submitted its application for approval of Annual Revenue Requirement and Tariff for FY 2004-05 and FY 2005-06, on 30th November 2004, under affidavit, in response to the Commission's Interim Order in the Case No. 4 of 2004 dated 15th July 2004 and subsequent letter dated 29th September 2004 directing submission of ARR and Tariff proposal. This is the first time since ERC Act 1998 and EA 2003, that the BEST has submitted a petition for approval of ARR and Tariff to the Commission.

The Commission asked BEST to submit certain additional data related to ARR in specific formats, and BEST submitted the same. However, the Commission was informed that the ARR and Tariff Proposal of BEST was disapproved by the BEST Committee. BEST submitted an Affidavit and revised data formats for the revised ARR and Tariff proposal for 2004-05 and 2005-06 in their letter dated 11th March 2005 .

On receipt of the clarification on data gaps and additional data from BEST, the Commission held a Technical Validation Session in the presence of authorized consumer representatives and others on 11th August 2005.

During the Technical Validation session, several discrepancies and data gaps were identified and the Commission directed BEST to submit a consolidated ARR and Tariff Petition along with additional data and clarifications. Subsequently, BEST submitted the Comprehensive ARR and Tariff Proposal (Petition) for FY 2004-05 and 2005-06 on 27th September 2005 under affidavit.

Subsequently, based on the instructions from the Commission, a Public Notice appeared in Newspapers on October 20, 2005 giving a period of one month to the public to file their objections. A Public Hearing was held at Mumbai on December 21, 2005. It was observed that there was indifferent/ low level of public participation.

The Commission received written objections and comments regarding the ARR and existing tariff structure of BEST, cross subsidization, working of BEST and a host of other issues.

Based on various objections received, the Commission directed BEST to submit clarifications and additional data as agreed during the course of the Public Hearing. BEST submitted the additional data/ clarifications vide their letter dated 3rd January 2006.

Further, the Commission requested BEST to submit additional data and clarifications with respect to the ARR and tariff proposal, which were subsequently submitted by BEST vide letters dated 25th January 2006 and 6th February 2006.

The Commission has revised the tariff after taking into consideration all the objections, including the submissions and responses of the BEST, issues raised during the Public Hearing, and all other relevant material, comments and suggestions made.

1. The revised electricity tariffs to be charged by BEST to its consumers will be applicable with effect from March 1, 2006, and will continue to remain in force till further revision in tariffs. In cases, where there is a billing cycle difference of a consumer with respect to the date of applicability of the revised tariffs then the revised tariff should be made applicable on a pro-rata basis for the consumption. The Bills for the respective periods as per existing tariff and revised tariffs shall be calculated based on the pro-rata consumption (units consumption during respective period arrived at on the basis of average unit consumption per day multiplied by number of days in the respective period falling under the billing cycle).

2. For projecting the energy requirement, the Commission has considered the Distribution losses as given by BEST for FY 2004-05 as it is based on actuals (10.78%) and FY 2005-06 based on actuals for 9 months and estimates for next 3 months viz. January, February and March of 2006 (12.4%). The Commission has noted with reservations the explanation

given by BEST that the increase in the figure of Distribution losses for 2005-06 is due to the change in accounting practice and billing procedure in line with MERC Regulations. The Commission has asked BEST to conduct a study for segregation of Technical and Commercial Losses and asked it to submit a report on the same by 31st May 2006. The Commission has also considered the sales units as provided by BEST for FY 2004-05 and FY 2005-06 as they are based on actuals and estimates. Thus, the energy requirement for BEST for FY 2004-05 is 3962 MU and for FY 2005-06 is 4164 MU.

Based on the above referred study report, the Commission intends to put a road map with specific target for reduction of technical loss and elimination of commercial loss while considering FY 2006-07 ARR. The Commission directs BEST to reduce the Distribution Losses in a progressive manner. In this respect the Commission also directs BEST to put in place regular substation-wise energy accounting and audit and to submit the break-up of technical and commercial loses.

BEST should prepare a long term plan for customer indexing and distribution transformer-wise energy accounting for consideration of the Commmission.

3. BEST procures power from Tata Power Company to meet its demand. The Commission has allowed the Power Purchase expenses given by BEST in FY 2004-05 as they are at actuals and projections in FY 2005-06 as they are based on actuals for 9 months and estimates for the remaining three months.

4. The Commission has considered the employee expenses after taking into account the impact of the Pay Revision Committee Recommendations on the Electric Supply Division. The Commission has disallowed the creation of a Regulatory Asset proposed by BEST to offset the impact of the Pay Revision Committee.

5. The Commission has allowed the Repairs and Maintenance (R&M) expenditure for FY 2004-05 as they are at actuals and the projected R&M expenses for FY 2005-06, as R&M expenditure is required to be incurred to ensure that the system functions efficiently.

6. The general administration expenses given for FY 2004-05 have been allowed by the Commission as they are at actuals. For FY 2005-06, the general administration expenses have been recomputed by the Commission on the basis of past trends.

7. BEST incurs Other Expenses which include various components such as insurance, contingency reserve fund, etc. The Commission has considered the amount shown for contingency reserve fund as given by BEST for FY 2004-05 and FY 2005-06. In case of other expenses, the Commission has considered the expenses as shown by BEST for FY 2004-05 as they are at actuals and have computed the expenses for FY 2005-06 on the basis of past trends.

8. The Commission has projected lower level of depreciation as compared to BEST's projections, as it has made an adjustment to depreciation, assuming that depreciation would be computed on gross fixed assets less grants. The Commission has disallowed additional depreciation in ARR computation.

9. The Commission has allowed the interest expenditure on loans for FY 2004-05 as it is at actuals. For FY 2005-06, the Commission has considered a normative Debt : Equity ratio of 70:30 to fund BEST' fresh capital investments, and has accordingly computed interest expenditure on the normative loan amount.

10. Interest on working capital and consumer security deposits have been recomputed as per the MERC Regulations. Interest on working capital has been computed at 10.25%. The security deposit amount has been recomputed and interest on security deposit has been allowed at 6%.

11. The non-tariff income for FY 2004-05 has been allowed by the Commission as it is at actuals. The Commission has computed the non-tariff income for FY 2005-06 on the basis of past trends.

12. The Commission has considered Return on Equity in the ARR computation. The Commission has disallowed Interest on Internal funds projected by BEST in lieu of Return on Equity. The Commission has computed an opening notional equity for BEST and has computed Return on equity (at 16%) as per Section 76.1 of the MERC (Terms and Conditions of Tariff) Regulations, 2005.

13. The Annual Revenue Requirement (ARR) allowed by the Commission amounts to Rs. 1383.94 crores and Rs. 1496.48 crores for FY 2004-05 and FY 2005-06 respectively. Details of ARR have been annexed.

14. The Commission has disallowed the losses of the Transport Division as a part of the ARR.

15. Based on the existing tariffs and the Commission's projections of the revenues and expenses, the surplus between the Total Revenue of BEST and the Annual Revenue Requirement amounts to Rs. 98 crores for FY 2004-05 and Rs. 23 crores for FY 2005-06. The Commission's tariff philosophy has been not to revise the tariffs retrospectively for past years and has thus revised the tariff of BEST, effective from March 1, 2006.

16. The Commission has estimated the Total Revenue of BEST for FY 2005-06 based on a number of assumptions (viz. projections for last 3 months of FY 2005-06, number of consumers for certain categories, kVA demand in some cases, consumption units for telescopic tariff, etc.). Thus, the Commission notes that the BEST's actual revenue is likely to vary from that estimated by the Commission. The Commission has been unable to determine the revenue impact of certain tariff components due to the lack of adequate data. The Commission feels that BEST's revenues may be lower than estimated. Therefore, the Commission feels that an additional cushion is required to take into account these uncertainties. Thus, the Commission has provided for a cushion/ surplus of ~ Rs. 51.13 Crores through the revised tariff against the ARR for FY 2005-06 of Rs. 1496.48 crores. The surplus, if any, generated out of the revised tariff of BEST over the ARR, as per audited results for 2005-06, shall be used for the Electricity Supply division of BEST only and with prior approval of the Commission. The Commission has instituted a truing up process where in the actual expenses and the actual revenue will be trued up at the end of the year based on audited financial results and subject to a prudence check..

From the Accounting perspective, MERC directs that BEST Undertaking should maintain its accounts from year 2006-07 as per the Company's Act 1956. This is in addition to the maintenance of accounts for BEST as per MMC Act 1888.

17. The Commission has determined the tariffs in line with the tariff philosophy adopted by it in the past, and the provisions of law. The tariffs have been determined in such a manner that the movement of tariff is toward the average cost of supply, and the cross-subsidy is reduced gradually without subjecting any consumer category to a large tariff shock, and also to initiate a movement towards uniform tariffs throughout Mumbai and its suburbs.

18. The Fuel Adjustment Cost (FAC) has been made zero. The FAC charge will be applicable on the entire sales of BEST, without any exemption to any consumer categories. The earlier method followed by BEST of FAC exemption for the first 200 units of consumption by its existing consumer categories R, S, SN and H and for Temporary Supply Religious (TSR) connections has been done away with. The existing FAC has been merged with the basic tariff since the Commission has considered the prevailing fuel and power purchase prices. Thus, FAC has been equated to zero. The Commission has approved the following FAC formula to account for any change in the cost of power purchase due to variations in the fuel cost:

    FAC = C + I + B where,

    FAC = Fuel Adjustment Cost

    C = Change in cost of power purchase due to variation in the fuel cost

    I = Interest on Working Capital

    B = Adjustment Factor for over-recovery/ under-recovery

    The FAC on a monthly basis shall be calculated and charged as per Section 82 of the MERC (Terms and Conditions of Tariff) Regulations 2005.

19. BEST's existing tariff structure is quite complicated with too many consumer categories following no rationale. The Commission has undertaken significant rationalization of categories and subcategories/ slabs as a result of which the billing rate for some categories may have increased, while that of some others have been reduced. This is inevitable in any tariff rationalization exercise. The rationalization has been undertaken in such a way that the categories and slabs are similar to those of the Reliance Energy (REL) and earstwhile Maharashtra State Electricity Board (MSEB) to the extent possible.

20. Gradual reduction in cross-subsidy has been initiated, while at the same time ensuring that no consumer category is faced with a tariff shock.

<u>Revised LT Consumer Tariff Categories</u>

21. The Commission has introduced a new category 'BPL' for consumers below poverty line viz. BPL, with consumption slab of 0-30 units. This is in accordance with the National Electricity Policy, whereby "consumers below poverty line who consume below a specified level, say 30 units per month, may receive a special support through cross

subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply." However, as the existing tariff for these consumers is at a much lower level than the cost of supply (19% of cost of supply), the Commission has specified a lower tariff for this category in order to avoid tariff shock to the BPL consumer category.

22. The Commission directs BEST to gather data regarding the consumption of consumers and identify consumers who consume lower than 30 units per month, who are the real life-line category of consumers, so that the Commission can target the real life-line consumers by specifying lower tariffs (i.e. BPL category tariffs).

23. The consumer categories comprising R, S and SN as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. Residential LF-1. For this revised category LF-1, three slabs are introduced viz. 0-100 units, 101-300 units and consumption above 300 units.

24. The consumer category of E (Electric Crematoriums) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule, and the existing slab of consumption of all units to continue.

25. The consumer category of TS (R) (Temporary Supply for Public Religious Functions) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule, and the existing slab of consumption of all units to continue.

26. The consumer categories comprising C1, C2 and H as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. Non-residential cum Commercial LF-2. For this revised category LF-2, three slabs are proposed viz. 0-300 units, 301-1000 units and consumption above 1000 units.

27. The consumer category of RC (LV) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule viz. LTC-1 (Low Tension Power Commercial – 1) and the existing slab of all units to continue.

28. The consumer category of C (D) (Advertisements and Hoardings) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule, and the existing slab of consumption of all units to continue.

29. The consumer categories comprising GP1 and GP2 as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. LTP-1 (Low Tension Power Industrial – 1). For this revised category LTP-1, three slabs are proposed, viz. 0-300 units, 301-1000 units and consumption above 1000 units.

30. The consumer category of Ind (LV) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule, viz. LTP-2 (Low Tension Power Industrial – 2) and the existing slab of consumption of all units to continue.

31. The consumer categories comprising TS and SB as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. T (Temporary). For this revised category T, there is a single slab for consumption of all units.

32. The various consumer categories comprising GRD SL and PUB SL as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. SL (Street Lights). For this revised category SL, there is a single slab for consumption of all units.

Revised HT Consumer Tariff Categories

33. The consumer categories of S (HV) and SN (HV) as per the Existing Tariff Schedule of BEST have been merged into one consumer category, viz. HTP-1 (High Tension Power – 1). For this revised category HTP-1, there is a single slab for consumption of all units.

34. The consumer category of H (HV) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule viz. HTP-2 (High Tension Power Commercial – 2) and the existing slab of consumption of all units to continue.

35. The consumer category of RC (HV) as per the Existing Tariff Schedule of BEST has been retained as a separate category in the revised tariff schedule viz. HTP-3 (High Tension Power Commercial – 3) and the existing slab of consumption of all units to continue.

36. The consumer category of Ind (HV) and GP2(HV) as per the Existing Tariff Schedule of BEST have been merged into one consumer category in the revised tariff schedule viz. HTP-4 (High Tension Power Industrial – 4) with a single slab for consumption for all units.

37. The existing category of R(HV) and Defence bulk consumption for commercial have been merged into a new category viz HT Defence Bulk Consumption HTP-5 (High Tension Power - 5). For this revised category HTP-5, there is a single slab for consumption of all units.

38. The Commission has introduced a two-part tariff for all consumer categories. The Demand charges have been specified in terms of Rs./kVA/month (for LTC-1, LTP-2, SL, HTP-1, HTP-2, HTP-3, HTP-4 and HTP-5 categories) and in terms of Rs./connection/month (for BPL, LF-1, LF-2, E, LTP-1 and C (D) categories). The Fixed Charges for the categories T and TS(R) will be applicable in terms of Rs./ connection per occasion of supply.

39. In case of Residential LF-1, Non-residential cum Commercial LF-2 and LTP-1 category, the connected load data is not easily verifiable, hence the Commission has determined the fixed charges for these categories in terms of Rs./connection/month except in case of connected load above 20 kW or monthly consumption greater than 3000 kWh/ month, in respect of consumers falling in LF-2 and LTP-1 category.

40. To begin with, BEST is directed to start installation of MD meters for all consumers in LF-2 and LTP-1 category with sanctioned load equal to or above 20 kW or using more than 3,000 kWh (units) so that on installation of electronic meters (capable of maximum demand measurement) for these consumers, the demand charges can be made applicable in the next tariff determination exercise to these consumers (LF-2 and LTP-1 category). BEST is also directed to maintain separate data on consumption and demand of consumers having sanctioned load of upto 20 kW and those having load above 20 kW.

41. RkVAh charges will be applicable to consumers of category LF-2, LTP-1, LTP-2, LTC-1 and all HT categories. In case of LF-2 and LTP-1 categories the RkVAh charges will be applicable to consumers whose monthly energy consumption is above 3000 kWh (units) per month.

42. The Commission has abolished meter rent in conformity of the policy already implemented for other licensees, viz. MSEDCL, REL and TPC.

43. The Commission has abolished the minimum charges and the concept of Two Part Tariff, namely Fixed Charge and Variable Charge has been introduced for all consumers, in line with the policy already implemented for other licensees. This will send the correct economic signal to the consumers, that all consumers have to contribute towards the fixed cost of the licensee, and will also simplify the bill and make it easier to understand.

44. BEST should ensure strict observation of metering , billing and collection provisions as stipulated in the MERC (Electric Supply Code and other Conditions of Supply) Regulations 2005.

45. The tariffs are telescopic for LF-1, LF-2 and LTP-1 categories, i.e., consumers falling in the higher slabs will have to pay higher tariffs only for the consumption in that slab and not on the total consumption. This will ensure that the effective tariff for consumers in the higher slabs is such that there is no tariff shock.

46. Henceforth, Tax on Sale of Electricity (ToSE) shall not be charged on the consumers separately.

47. The revenue from fixed charges as a percentage of the fixed costs is projected to increase from 8% to 21.5% on account of the increase in fixed/ demand charges determined by the Commission. The Commission intends to increase the recovery of fixed costs through fixed charges in future gradually in order to avoid tariff shock.

48. The Monthly Billing Demand for LT/ HT consumers will be the higher of the following:

    a. Actual established demand recorded in the month during the period of 0800 hours to 2400 hours;

    b. 75% of the highest billing demand or Contract Demand, whichever is lower, during the preceding eleven months;

    c. 50% of the Contract Demand as defined in the Supply Code.
    ("Contract Demand" means demand in kilowatt (kW) / kilovolt ampere (kVA), mutually agreed between BEST and the consumer as entered into in the agreement or agreed through other written communication).

49. The Commission has decided to introduce the Time of the Day (ToD) Tariffs for the Commercial and Industrial consumers with consumption above a certain level. However, it is seen that appropriate meters are not installed for all such consumers. The Commission has therefore directed BEST to install ToD meters for its consumers in categories LF-2, LTP-1, LTP-2, LTC-1 with consumption above 3,000 kWh/month and to all consumers in HT categories consumers in a time bound manner so that the ToD tariffs can be introduced for these consumer categories in the next Tariff Determination exercise

for FY 2006-07. To begin with, three Time of the Day Slots are envisaged as '0800-1600 Hours', '1600-2400 Hours' and '2400-0800 Hours'. However, in future these shall be scalable for upgradation to 4 time slots. BEST should keep this in mind, metering being an important area for focused attention and upgradation, while installing new meters for existing/ new connections in the HT and LT Industrial and Commercial categories mentioned here.

50. The Commission notes that BEST Undertaking has not refunded the excess Security Deposit as per the MERC (Electric Supply Code and other Conditions of Supply) Regulations 2005. Although, as per the Regulations, the excess Security Deposit has to be refunded in a single payment, given the quantum of refund involved the Commission directs BEST to refund the Excess Security Deposit over a period of 6 months from the data of this order with an interest rate of 6% upto the date of 20th January 2005 (the Date of enforcement of MERC Electric Supply Code and other Conditions of Supply Regulations 2005) and from thereon at a rate of 12% p.a. till the date of refund on a reducing balance basis.

51. The Commissions has found the current level of Consumer Outstandings of BEST to be unacceptable. Therefore, it has directed BEST to make focused efforts in a time bound manner for reducing the outstandings to a reasonable level. The Commission directs BEST to publish a list of defaulters in newspapers and also on its website on a regular basis.

52. Prompt Payment Discount has been revised to the rate of 1% of the energy bill (excluding fixed/demand charges, FAC, and Electricity Duty) for the HT and LT Industrial and Commercial categories, provided the payment of the bill is received by BEST within 7 (seven) days from the date of issue of the energy bill or within 5 (five) days from date of receipt of the energy bill, whichever is later.

53. The Commission has rationalized the charges for power factor maintenance, by eliminating the Power Factor Surcharge in the revised Tariff and retaining only the RkVAh charges.

54. BEST is directed to explore methods such as prepaid meters, advance payment and discount schemes, etc. to reduce the transaction costs for metering, billing and collection from low consumption residential consumers.

55. The State of Maharashtra is passing through a phase of acute power shortage, and even Mumbai city, which so far has been spared of load shedding, is likely to face power shortages in the coming summer months. In the absence of additional capacity in the region, there is an urgent need for energy conservation and load management by all power intensive consumers. In order to achieve this, the Commission has adopted the principle of economic signals for high consumption consumers, i.e., residential (households, which would typically have energy intensive equipment such as air conditioners) and commercial consumers having consumption > 300 units per month and all LT/ HT industrial and HT commercial consumers.

56. The Commission has therefore directed that all the residential and commercial consumers consuming more than 300 units per month and all industrial consumers (irrespective of their level of consumption) in the BEST License area will have to reduce their monthly consumption to a level of 80% of their average corresponding monthly consumption in the past year (January 2005 to December 2005). Penal tariff shall be applicable for the consumption exceeding the 80% limit at the rate of additional 100% of the highest tariff chargeable to the respective category, and will be charged in the energy bill of the consumer in that month.

57. The money collected through the levy of this penal tariff has to be maintained in a separate fund to be used for energy conservation and Demand Side Management (DSM) measures. The Commission proposes to provide overall guidance to the licencees on DSM and assist the licensees in formulating DSM schemes, which is the need of the hour.

Any reduction in the monthly consumption below the 80% limit prescribed will be incentivised at the rate of 50% of the normal chargeable rate to the kWh units in the tariff slab applicable to the reduced no. of units, by refunding the amount, sourced from the fund mentioned in paragraph ‘p’ above, calculated in the energy bill of the consumer for that month. This is applicable for residential (households, which would typically have energy intensive equipment such as air conditioners) and commercial consumers having consumption greater than 300 units per month and all LT/ HT industrial and HT commercial consumers.

The detailed Order will follow.

Sd/-	Sd/-	Sd/-
(S. B. Kulkarni)	(A. Velayutham)	(Pramod Deo)
Member	Member	Chairman, MERC

(Malini Shankar)
Secretary, MERC

Table 1: Annual Revenue Requirement for FY 2004-05 and 2005-06

Rs. Crores

Particulars	FY 2004-05		FY 2005-06	
	BEST Proposal *	**MERC Approval**	**BEST Proposal ***	**MERC Approval**
Power Purchase Cost	1088.50	1088.50	1168.13	1119.93
Employee Expenses	88.26	88.26	85.62	136.41
Repairs & Maintenance	10.19	10.19	11.83	11.83
Share of General Administration Expenses	37.74	37.74	36.03	41.80
Other Expenses (Insurance, Transport, etc.)	44.67	44.67	54.92	49.76
Depreciation	55.44	34.51	59.01	37.57
Interest on Loans	3.81	3.80	6.29	6.97
Interest on Working Capital & Consumer Security Deposits	7.55	13.45	9.00	13.51
Tax on Sale of Electricity (paid to State Government)	-	42.64	-	61.13
Return on Equity	-	92.99	-	95.82
Interest on Internal Funds	59.46	-	51.10	-
Bus division losses	231.08	-	140.30	-
Total Revenue Requirement	**1626.70**	**1456.74**	**1622.23**	**1574.74**
Less Non-Tariff Income	72.79	72.79	83.42	78.26
Annual Revenue Requirement	**1553.91**	**1383.94**	**1538.81**	**1496.48**
Revenue from existing Tariff	1,439.4	1,482.1	1,514.7	1,519.6

** As per BEST ARR and Tariff Proposal for 2004-05 and 2005-06 dated 27th September 2005*

Table 2: Summary of HT and LT Tariff effective from March 1, 2006

Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)		Energy Rate (Paise/kWh)	RkVAh Rate (Paise/ RkVAh)
	Single phase	Three phase		
BPL (Below Poverty Line Residential)				
0-30	Rs 3 per connection per month		50	-
LF-1 (Residential)				
0-100	Rs 10 per connection per month		75	-
101-300	Rs 10 per connection per month	Rs 100 per connection per month	215	-
>300 (only balance units)	Rs 50 per connection per month	Rs 100 per connection per month	465	-
LF-2 (Non-residential cum Commercial)				
0-300	Rs 150 per connection per month		415	
301-1000	Rs 150 per connection per month		515	
>1000	Rs 150 per connection per month		630	
RkVAh charges applicable for consumers above 3000 units per months consumption				
PF <0.92				270
0.92< PF <0.95				180
0.95< PF <0.97				120
PF >0.97				0
E (Elec. Crematoriums)	Rs 100 per connection per month		195	-
LTP -1 (LT Power Industrial -1)				
0-300	Rs 300 per connection per month		340	
301-1000	Rs 300 per connection per month		465	
>1000	Rs 300 per connection per month		615	
RkVAh charges applicable for consumers above 3000 units per months consumption				
PF <0.92				270
0.92< PF <0.95				180
0.95< PF <0.97				120
PF >0.97				0

Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)	Energy Rate (Paise/kWh)	RkVAh Rate (Paise/ RkVAh)
T (Temporary)	Rs 250 per connection per month	865	-
C(D) (Advertisements and Hoardings)	Rs 200 per connection per month	1215	-
TS (R) (Temporary Supply for Public Religious Functions)	Rs 200 per connection per month	215	-
SL (Street Lights)	Rs. 300 per kVA per month	360	-
LTP-2 (LT Power Industrial - 2)			
All units	Rs. 300 per kVA per month	345	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0
LTC-1 (LT Power Commercial - 1)			
All units	Rs. 300 per kVA per month	410	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0
HTP-1 (HT Power -1 Schools, Charitable/ Public Trusts)			
All units	Rs. 300 per kVA per month	270	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0
HTP-2 (HT Power Commercial -2)			
All units	Rs. 300 per kVA per month	435	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0

Consumer Category and Consumption Slab (Units in kWh Slabs)	Fixed/ Demand Charge (Rs/connection/month OR Rs/kVA/month)	Energy Rate (Paise/kWh)	RkVAh Rate (Paise/ RkVAh)
HTP-3 (HT Power Commercial -3)			
All units	Rs. 300 per kVA per month	360	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0
HTP-4 (HT Power Industrial -4)			
All units	Rs. 300 per kVA per month	270	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0
HTP-5 (HT Power Defence Bulk Supply - 5)			
All units	Rs. 100 per kVA per month	270	
PF <0.92			270
0.92< PF <0.95			180
0.95< PF <0.97			120
PF >0.97			0

Notes:

1. Fuel Adjustment Cost (FAC) will be applicable to all consumers and will be charged over the above tariffs, on the basis of the FAC formula prescribed by the Commission, and computed on a monthly basis.
2. Additional fixed charges of Rs. 100 per 10 kW or part thereof above 10kW load shall be payable by consumers in LF-1 category.
3. In case of LF-2 (Non-residential cum Commercial) consumers and Temporary (T) connection consumers, additional fixed charge of Rs. 150 per 10 kW load or part thereof above 10 kW load shall be payable.
4. Billing Demand: The Monthly Billing Demand, where applicable, for LT/ HT consumers will be the higher of the following:
    a. Actual established demand recorded in the month during the period of 0800 hours to 2400 hours;
    b. 75% of the highest billing demand or Contract Demand, whichever is lower, during the preceding eleven months;
    c. 50% of the Contract Demand as defined in the Supply Code.

("Contract Demand" means demand in kilowatt (kW) / kilovolt ampere (kVA), mutually agreed between BEST and the consumer as entered into in the agreement or agreed through other written communication).

5. Payment of Bills: Bills will be rendered monthly. The due date for the payment of a bill/s shall be mentioned on the bill and such due date shall be not less than fifteen (15) days from the bill date.

6. Prompt Payment Discount at the rate of 1% of the energy bill (excluding fixed/demand charges, FAC, Electricity Duty) for the HT and LT Industrial and Commercial categories, provided the payment of the bill is received by BEST within 7 (seven) days from the date of issue of the energy bill or within 5 (five) days from date of receipt of the energy bill, whichever is later.

7. Delayed Payment Charges: If the payment of the energy bill is not made within the time limit, as specified in Point 6 above, a one-time Delayed Payment Charge of 2% of the amount of monthly Electricity bill (excluding statutory levies) will be payable by the consumer.

8. The Rate of Interest chargeable on arrears will be as given below:

S. No.	**Delay in Months (Span of months)**	**Interest rate per annum (%)**
1	Payment after due date upto 3 months (0-3)	12%
2	Payment made after 3 months and before 6 months (3-6)	15%
3	Payment made after 6 months	18%

The interest will be payable from the second month after the due date of payment, on the amount of bill plus the one-time delayed payment charges.

9. Security Deposit: The Security Deposit payable by consumers shall be equal to the average of 3 months' of billing or of the billing cycle period, whichever is lesser. For determining the average billing for this purpose, the average of the billing to the consumer for the last 12 months or, in cases where supply has been provided for a shorter period, the average of the billing for such shorter period, shall be considered.

10. The electricity duty will be charged as per the Government notification from time to time. However, the rate and the reference number of the Government Resolution/ Order vide which it is made effective, shall be stated in the bill. A copy of the said Resolution/ Order shall be made available on the BEST website.