

- 4.3.7 MSEDCL's request to classify 22:00–06:00 hrs as peak hours conflicts with Rule 8a of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, which sets peak hours to solar hours with a minimum 20% rebate during solar hours and a 20% premium during peak hours. The Rule allows recognition of off-peak hours and additional rebates, but MSEDCL's interpretation seeks to eliminate off-peak benefits, contrary to Rule's intent.
- 4.3.8 Any review to change ToD or banking would amend the Regulation indirectly. The Supreme Court in *State of Jharkhand v. Brahmaputra Metallics Ltd.* recognised the principle of legitimate expectation, with long-term investors relying on regulatory certainty. Sudden withdrawal of banking or night-hour benefits would harm investor confidence and planning. The ATE's judgment in *Fortune Five Hydel Projects Pvt. Ltd. v. KERC* also states banking arrangements can't be changed abruptly unless public interest demands, and expectations should be gradually managed after agreements expire.
- 4.3.9 Advocate Smt. Deepa Chawan, representing M/s Sunsure Energy Pvt Ltd and the National Solar Energy Federation of India, said Regulation 20.3 of the MERC Regulations, 2016, doesn't restrict using banked energy in the same ToD slot. MSEDCL's view, limiting banked energy to solar hours, would weaken banking for most open access and captive consumers, as solar power is only available during limited daytime hours, while industrial operations run 24/7. The illustration to Regulation 20.3 cannot override its main text, and MSEDCL's interpretation effectively amends the regulations via review proceedings. Any regulatory change should follow Section 181 of the EA 2003, with draft publication and stakeholder consultation, not review petitions. She added that sudden changes to the banking framework would harm renewable energy projects, which are built on years of investment, financing, and open access arrangements based on the current Maharashtra mechanism. She cited a Supreme Court decision emphasising that clear statutes cannot be altered through interpretation. She further said that any restrictive changes should be applied prospectively with proper transition for current consumers.
- 4.3.10 Shri R.B Goenka, representing M/s Mukund Ltd. and Vidarbha Industries Association, stated that MSEDCL's proposal lacks data and conflicts with past treatment. A utility's failure to provide complete data is not a valid reason to reopen settled issues. Regulation 38.3 states any banking treatment change must be prospective with transition for existing open access.
- 4.3.11 M/s Ambad Industries & Manufacturers' Association and others argued that applying revised ToD tariffs for past periods is impermissible, as it violates regulatory certainty. The Commission should direct that any tariff or ToD revisions be implemented only prospectively, with no retrospective adjustments.
- 4.3.12 M/s UltraTech Cement Ltd and others stated that energy storage technologies are still in early stages and face scalability issues. They cannot yet support large-scale

industrial energy needs, especially for continuous operations requiring stable power during non-solar hours. Banning banking based on current storage availability ignores technical limits and places unfair financial burdens on consumers.

- 4.3.13 Sanyo Special Steel Manufacturing India Pvt. Ltd. submitted that the ToD tariff structure and the banking mechanism approved by the Commission in the MYT Order are consistent with the DOA Regulations 2016, MoP Rules and the MYT Regulations, 2024 and do not suffer from any error apparent on the face of the record. The Provision of ToD rebate during Solar hours (09.00-17.00 Hrs) as well as during other/Night hours (00.00-06.00 Hrs) is rational, data backed and aligned with system demand characteristics.
- 4.3.14 Shri. Satej Patil, MLA stated that the revised ToD will be disincentivising rooftop solar consumers.
- 4.3.15 CleanMax and others submitted that in the garb of the consumer rules the sole objective of MSEDCL looks to be to use it as a side door restriction for the generation and consumption of solar power by the consumers of C&I sector and restrict banking of solar power.
- 4.3.16 Pacific Enterprises and others stated that businesses install solar panels expecting excess daytime power to offset nighttime usage. If banking rules are suddenly tightened or restricted by time slots, consumers will face losses despite proper system function. The government and Commission have long promoted solar energy. Based on this, people have taken loans and invested in rooftop solar. Sudden rule changes could undermine trust in future schemes and stop banks from financing solar projects.
- 4.3.17 Shri. Bhushan Kulkarni said the TOD rebate system rewards customers for using MSEDCL power beyond their needs at specific times, but the current proposal penalises people. It sounds good in theory, but it is a financial trap in practice, increasing bills for use between 5 PM and 9 AM. There is no logic in offering rebates from 9 AM to 5 PM since people are at work. Instead, rebates should be offered in the evening or morning so residential consumers can benefit.
- 4.3.18 Shri Shripal Khajanchi submits that Solar exports get credited at lower (off-peak) rates. Evening consumption (peak hours) is billed at higher rates. It creates a financial disadvantage for prosumers. The objector calls this a ‘solar penalty mechanism’.
- 4.3.19 M/s CIE Automotive India Ltd. emphasises the need for the Commission to create clear policies for open access from BESS to prevent future ambiguity or operational issues. BESS projects are capital-intensive, requiring regulatory certainty for bankability and feasibility.

MSEDCL Reply:

- 4.3.20 Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023 permits a rebate only during Solar Hours and a premium during Peak Hours. Any extension of rebate to non-solar hours is contrary to the statutory framework and beyond the scope of tariff determination.
- 4.3.21 Regulation 20.3 of the MERC (Distribution Open Access) Regulations establishes that energy banked during lower-tariff ToD slots cannot be utilised in higher-tariff or peak tariff ToD slots. In the Regulation, banking is permitted only within the applicable ToD slot hierarchy, allowing adjustment from higher-tariff (peak) slots to lower-tariff (off-peak) slots, and not vice-versa. Any contrary interpretation would convert banking during solar or off-peak hours into a risk-free arbitrage mechanism, and any attempt to alter this framework through a tariff order is beyond jurisdiction.
- 4.3.22 The proposed ToD tariff structure aligns with the Electricity (Rights of Consumers) Amendment Rules 2023 (MoP Rules), notified by the Ministry of Power (MoP) Rule 8a. MSEDCL has suggested a rebate on energy charges during solar hours (9 AM to 5 PM). The ToD is structured so that the charges and rebates are based on the actual load profile of all HT and LT industrial consumers, not on individual cases. Shifting demand from non-solar to solar hours benefits consumers by lowering power purchase costs, which are then passed on to them.
- 4.3.23 The aim of the proposed ToD structure is to maximise electricity use during solar hours when excess solar power is available. MSEDCL has secured numerous renewable energy contracts, especially for solar power, to fulfil its Renewable Purchase Obligation approved by the Commission. These contracts, particularly with competitive solar rates, benefit consumers by lowering power purchase costs. During non-solar hours, MSEDCL must depend on higher-cost thermal generation to meet demand, leading to increased power procurement expenses during peak times. The proposed structure encourages consumption during solar hours when solar energy is cheaper, helping to reduce unnecessary procurement costs, optimise renewable energy scheduling and dispatch, and provide a more efficient, cost-effective power supply for consumers. MSEDCL adopts measures to limit tariff increases by reducing distribution losses, ensuring accurate billing through proper meter reading, improving collection efficiency, controlling operation and maintenance costs, and implementing advanced technology.
- 4.3.24 The present Petition does not propose any retrospective levy or recovery contrary to law. Any regulatory adjustment arising from the correction of errors, misclassification, or non-consideration of material already on record is undertaken strictly in accordance with the statutory framework and established regulatory principles. Such corrections are an inherent part of the review jurisdiction and cannot be equated with impermissible retrospective tariff fixation.
- 4.3.25 Objections based on an alleged bar on retrospective application, without appreciating the limited scope and purpose of review proceedings, are therefore

misplaced. Accordingly, MSEDCL submits that the objections raised regarding the retrospective application of ToD/tariff are devoid of merit and should be rejected.

Commission Analysis and Ruling

4.3.26 The Commission noted the objections raised by the stakeholders and replies by MSEDCL.

4.3.27 The Commission has discussed and ruled on the issue of ToD and banking in the latter part of this Order.

4.4 Grid Support Charges

Suggestions/Objections

4.4.1 M/s. Urjal Cleantech, AIREA, and MASMA stated that the Commission, in its MYT Order dated 28 March 2025 in Case 217 of 2024, already examined and decided on Grid Support Charges (GSC). The Commission allowed MSEDCL to seek intervention only if solar rooftop capacity exceeded 5,000 MW before the Mid Term Review (MTR) Order. They argued that trying to introduce GSC through a Review Petition reopens a reasoned tariff decision, which is not permitted under the Electricity Act 2003 and MERC Regulations.

4.4.2 MASMA and Smt. Priti More added that the proposed GSC lacks a transparent cost analysis showing the additional grid burden on rooftop solar consumers. Without such justification, the charge is arbitrary and discourages rooftop solar, which is contrary to statutory mandates.

4.4.3 Ex. Minister of State Dr. Sunil Deshmukh, M/s. AIREA, M/s. Rup-Ram Energies, Shri. Raviraj Patil, Shri. Sudhir Budhay, and others argued that imposing Grid Support Charges (GSC) on electricity generated and used entirely within a consumer's premises is fundamentally flawed and unfair. They stated that, if GSC is introduced, it should apply only to energy exported to the grid, replacing banking charges rather than adding an extra burden. They highlighted that many consumers have invested in renewable energy projects based on stable government incentives and current regulations. They contended that applying such charges retrospectively would cause significant financial hardship, threaten loan repayments, and undermine confidence in renewable energy policies.

4.4.4 Shri. Sudhir Budhay, Shri. Mohammad Arfat, and others opposed GSC, arguing that MSEDCL used unreliable rooftop solar data, showing a sudden jump from 2,634 MW to 3,218 MW in three months, and wrongly claimed rooftop capacity would cross 5,000 MW. They supported the earlier direction that GSC can only be decided after actual capacity exceeds 5,000 MW via a separate Petition with public consultation. They also claimed GSC is unfair and unconstitutional because it applies only to certain net-metered consumers between 11 kW and 999 kW, while open-access captive users are not charged. Shri. Mohammad Arfat said that levying

GSC on Gross Generation capacity is illegal and violates the Electricity Act, 2003, which grants consumers the right to captive generation.

- 4.4.5 Shri. Amit Kulkarni explained that the formula for Grid Support Charges includes Demand Charges, which are charged separately to consumers, leading to a double burden on them.
- 4.4.6 Shri. Ashish Chandarana supported applying Grid Support Charges to net metering consumers and pointed out that the state's rooftop solar capacity has exceeded 5000 MW, triggering an exemption limit. He argued that rooftop solar users effectively use the grid as a free storage, causing MSEDCL to cover fixed generator and infrastructure costs, which unfairly raises tariffs for other consumers.
- 4.4.7 Shri. Samir Gandhi, Shri. Mayur Mohan Pande, and others opposed the GSC, saying these charges are based on hypothetical and system-level losses and should not be imposed selectively on rooftop solar prosumers. They argued such charges are legally unreasonable and violate net metering principles.
- 4.4.8 Shri. Kishor Potdar and others argued that the distribution grid is essentially owned by consumers, who bear its costs, while MSEDCL's role is limited to maintenance, covered by fixed charges already paid by consumers. Imposing GSC on top of these would unfairly increase their financial burden.
- 4.4.9 Pacific Enterprises and others argue that Grid Support Charges should not be applied to consumers for electricity generated and used at their own expense and premises, especially when they do not export any excess energy to the grid. The Commission has permitted Discoms to impose Banking charges on the excess energy exported for later use to offset DISCOM losses. Therefore, if GSC are to be imposed, they should only apply to exported units and should replace banking charges. Any surplus energy at the end of the month should be carried forward and offset against next month's consumption, following current regulations.

MSEDCL's Reply

- 4.4.10 According to Regulation 11.5 of the MERC Net Metering Regulations, MSEDCL has proposed Grid Support Charges in the MYT Petition. These charges would apply to rooftop solar-generated units for both HT and LT consumers with sanctioned loads exceeding 10 kW.
- 4.4.11 MSEDCL encounters various commercial and technical challenges due to the increasing number of Rooftop Solar (RTS) systems. These charges target consumers with sanctioned loads above 10 kW, typically high-end HT/LT consumers who provide cross-subsidies. A decline in energy sales to such high-tariff consumers, driven by solar adoption, results in a lower Average Billing Rate (ABR) and disrupts the existing cross-subsidy embedded in the tariff structure.
- 4.4.12 The Commission holds the authority to regulate the power sector and set tariffs, and additional charges cannot be introduced without its prior approval. Regular tariff

revisions are necessary to recover legitimate costs, deliver satisfactory consumer services, and maintain the sector's financial health.

Commission's Analysis and Ruling

4.4.13 The Commission noted the objections raised by the stakeholders and replies by MSEDCL.

4.4.14 The Commission has discussed and ruled on the issue of levy of CGS in the latter part of this Order.

4.5 Tariff Recategorization of Hotel Industry

Suggestions/Objections

4.5.1 The Lonavala Khandala Hotel and Restaurant Association, Western India Hotel and Restaurant Association and others oppose reclassifying hotels from Industrial to Commercial, stating it could impede the State's tourism development and economic growth. They pointed out that the Commercial category already contributes significantly to revenue relative to its usage, effectively subsidising other categories. They also contended that sustaining high power costs would undermine the goals of the Tourism Policy 2024.

4.5.2 Shri Harpreet Singh, representing M/s. Hotel Amarpreet and others highlighted that the hospitality and tourism sector accounts for approximately 6.5% of Maharashtra's Gross Value Added (GVA) and provides significant employment opportunities. They indicated that growth in this sector is obstructed by extremely high commercial HT electricity tariffs in Maharashtra, which are around Rs. 22 per unit. In comparison, states like Uttar Pradesh, Gujarat, and Karnataka charge between Rs. 6 and Rs. 11 per unit.

4.5.3 Shri. Ashish Chandarana opposed the categorization of the Hotel as "Industrial," stating it is an erroneous interpretation of the GoM 'Tourism Policy 2024', which actually provides for an electricity tariff refund rather than a category change. He argued that this shift violates Sections 62(3) and 65 of the Electricity Act, 2003, as subsidies must be paid in advance by the State Government, and granting this benefit passes the tariff burden onto other consumers.

4.5.4 Shri Alok Sovind Chandewar stated that his hotel holds an Industrial Status Certificate under the Maharashtra Government Resolution dated 03 December 2020, asserting that its electricity usage is inherently industrial. He argued that under Section 62 of the Electricity Act, 2003, tariff must reflect the nature of supply, while Section 65 permits government subsidies to bridge revenue gaps. He contended cross-subsidy concerns should not override proper consumer categorization.

4.5.5 Shri. B. R. Mantri stated that the original decision to classify hotels as Industrial was a conscious policy decision by the Commission and not a clerical error subject to review.

4.5.6 Shri. Ravindran Pillai, Shri. Madhav Todi, Hotel Radisson Blu and others stated that the 'Industrial Status' is based on the earlier Govt. of Maharashtra Resolution dated 3 December 2020 and operates independently from the Maharashtra Tourism Policy 2024. They argued that the Industrial Status framework applies primarily to existing eligible hotels, whereas the 2024 Policy is largely an incentive scheme for new projects operating through a subsidy mechanism. They contended that the new Policy does not cancel or replace the existing Industrial Status framework, and thus, the tariff classification for existing certificate holders should not be diluted. Further, they argued that other distribution companies from Maharashtra are also implementing the policy, and only MSEDCL is not accepting the tariff from the Industry Category.

MSEDCL's Reply

4.5.7 The categorisation of hotels with lodging facilities under the Commercial tariff category is determined solely by the nature of electricity usage, which is primarily commercial and hospitality oriented.

4.5.8 The Maharashtra Tourism Policy, 2024, issued by the Government of Maharashtra to promote tourism, does not contemplate any change in tariff categorisation of hotels from Commercial to Industrial. Instead, the Policy provides for a post-consumption refund of the difference between Commercial and Industrial tariff, to be paid directly by the Government by way of subsidy, without altering the existing tariff classification or involving MSEDCL or the Commission. MSEDCL stated that such refund is a matter between the hotel and the Government and is not a tariff matter for the Commission.

4.5.9 No directive has been issued by the Government of Maharashtra to the Commission under Section 108 of the Electricity Act, 2003, in respect of the grant of an industrial tariff to hotels. In the absence of any such direction, tariff has to be determined without factoring in any subsidy or change in consumer category.

4.5.10 Under the Electricity Act, 2003, the Commission is vested with the statutory authority to regulate the power sector and determine tariffs for electricity consumers. Tariffs and charges are determined by the Commission through a transparent process of public consultations, and MSEDCL merely levies charges as per the Commission's Tariff Order and has no authority to alter consumer categories or tariffs on its own.

Commission's Analysis and Ruling

4.5.11 The Commission has noted the submissions of stakeholders and MSEDCL as well as the policy pronouncement of GoM.

4.5.12 The Commission has discussed and ruled on the categorisation of Hotels in the latter part of this Order.

4.6 kVAh Billing Methodology

Suggestions/Objections

- 4.6.1 Shri. Satej Patil, MLA, M/s. Ichalkaranji Powerloom Association, Shri. Thirupati Siripuram of Bhiwandi Powerloom Majoori Beam Weaver's and Owner's Association and others stated that kVAh-based billing leads to higher electricity bills than kWh billing, especially for MSMEs and power-intensive industries that cannot always maintain a near-unity power factor. kVAh billing charges for reactive power, which is not useful energy, effectively turning it into extra revenue for utilities.
- 4.6.2 Maharashtra Timber Laghu Udyog Mahasangh, Shantanu Deshmukh and others stated that kVAh billing removes incentives to maintain a high power factor, unlike the earlier system that rewarded or penalized PF levels. They stated that even consumers with near-unity PF are still billed on apparent energy, effectively causing a hidden tariff increase and discouraging investment in capacitors or reactive compensation equipment.
- 4.6.3 Ambad Industrial Manufacturing Association, Ichalkaranji Powerloom Association and others stated that kVAh billing unfairly impacts small and medium industries, especially textiles, powerlooms, and manufacturing with inductive and fluctuating loads. Consumers end up paying for network inefficiencies and voltage fluctuations beyond their control, which increase reactive power and kVAh consumption.
- 4.6.4 Maharashtra Vij Grahak Sanghatana, Shri. Mayur Pande and others stated that kVAh billing is contrary to consumer protection principles under the Electricity Act, 2003, as consumers are being billed for non-productive energy which does not result in any useful output. They contended that electricity charges should be based on active energy (kWh) which reflects actual consumption, and not on apparent energy which includes reactive components that arise due to grid conditions and voltage quality.
- 4.6.5 MASMA, Shri. Arun Singavi and others stated that kVAh billing creates distortions for consumers using modern power electronics, inverters and renewable energy systems, where reactive power flows are often dictated by grid voltage and system stability requirements, not by consumer behaviour. They contended that such consumers are penalised for technical characteristics of the grid, even though they are complying with all technical standards.
- 4.6.6 Shri. Shantanu Deshmukh and others contended that kVAh billing has a direct adverse impact on energy efficiency and decarbonisation, because it discourages adoption of energy-efficient motors, VFDs and power electronics, which tend to introduce reactive components. He stated that this is inconsistent with national objectives of energy efficiency and clean energy transition.
- 4.6.7 Thane Small Scale Industries Association, MASMA, Shri. Mayur Pande, Maharashtra Vij Grahak Sanghatana, and others stated that the MYT Order continued kVAh-based tariffs for HT and LT consumers without adequately addressing the distributional and sector-specific impacts which amounts to a policy

decision that should be reconsidered in review, given the disproportionate burden on MSMEs and industrial consumers.

- 4.6.8 Shri. Pramod Wagh, Shri. Deepak Pawar, Shri. Milind Rajput and Smt. Manisha Barbe and others submitted that installing power-factor correction equipment is expensive compared to the limited financial benefit. Small consumers also find it difficult to continuously maintain the required power factor and therefore, requested MSEDCL to introduce a system such as advance SMS or similar alerts to inform consumers in time, so that the consumers can correct and maintain their power factor.

MSEDCL's Reply

- 4.6.9 MSEDCL submitted that kVAh billing provides inbuilt incentive which automatically takes care of power factor incentive and disincentive. The primary objective of kVAh-based billing is to encourage consumers to maintain a unity power factor, leading to reduction in system losses, improved system stability & power quality and enhanced voltage profile. By improving the Power Factor (closer to unity), consumers may experience a reduction in their demand, resulting in lower kVAh billing due to improved system voltage. This, in turn, reduces the Licensee's power purchase expenditure, ultimately benefiting consumers with a lower overall tariff.
- 4.6.10 MSEDCL stated that comparing the tariff rates and billing methodologies with other States is not appropriate due to the distinct consumer mix, geographical spread, availability of power, and network conditions in Maharashtra. MSEDCL argued that the tariff structure must be viewed holistically, considering the various concessions already provided to industrial consumers to ensure competitiveness.
- 4.6.11 MSEDCL highlighted that significant incentives are available to industrial consumers, which can substantially reduce their effective electricity bills if power usage is planned efficiently.
- 4.6.12 Powerloom consumers are already provided a distinct concession of 2.5% on the total energy charge (including Fuel Adjustment Charge) compared to general industrial consumers.
- 4.6.13 MSEDCL emphasized that it implements tariffs and billing methodologies strictly in accordance with the Regulations and Orders issued by the Commission, which is vested with the sole authority to determine such matters.

Commission's Analysis and Ruling

- 4.6.14 The Commission notes that issue of kVAh billing was not introduced first time in MYT Order 2025. Infact, the same has been implemented in a phased manner through multiple Tariff Orders of the Commission as summarised below:

- a. In MTR Order dated 1 November 2018 (Case No. 195/2017), the Commission ruled that kVAh-based billing will be implemented for all HT

consumers and LT consumers having a load above 20 kW from 1 April 2020. The Commission directed the Distribution Licensee to take necessary steps, such as meter replacement, if required, prepare billing software, etc.

- b. In MYT Order dated 30 March 2020 (Case No. 322/2019), considering the preparedness of Distribution Licensees, the Commission has allowed kVAh billing for all HT consumers from 1 April 2020. In the same Order, the Commission directed Distribution Licensees, to take necessary steps to implement kVAh billing for LT consumers having load above 20 kW from MTR Order i.e. 1 April 2023.
- c. In MTR Order dated 31 March 2023 (Case No. 226/2022), as MSEDCL has not completed meter replacement for implementation of kVAh billing to LT consumers, the Commission has directed MSEDCL to complete the preparedness and proposed kVAh-based billing for LT consumers in the next MYT Petition.
- d. In MYT Order dated 28 March 2025 (217/2024), considering the preparedness of MSEDCL, the Commission allowed kVAh-based billing to all LT consumers having a load above 20 kW from 1 April 2025.

4.6.15 As summarised above, the Commission has repeatedly issued directions for implementing kVAh-based billing since 2018. Based on the preparedness of Distribution Licensees, this billing method was first implemented for all HT consumers starting 1 April 2020, and later for LT consumers with loads exceeding 20 kW from 1 April 2025. Such a deliberate decision cannot be regarded as an error and, therefore, is not subject to review.

4.7 Capex & Opex

Suggestions/Objections

4.7.1 Prayas (Energy Group) (PEG) contended that MSEDCL sought Rs. 55,624.51 crore in Capex, which the Commission disallowed as an apparent error, mostly for DPR schemes awaiting approval. The MYT Order states Capex for the 5th Control Period has not been explicitly disallowed but deferred to the Mid-Term Review, subject to proper checks. The Commission clarified that non-DPR and DPR project expenditures can proceed after due process, without disallowance. The Commission's approval in MYT Order was based on all information provided by MSEDCL. Such reasoned decision is not an error .

4.7.2 M/s. Vidarbha Industries Association (VIA), M/s. Captive Power Producers Association (CPPA), M/s. Meenakshi Ferro Ingots Pvt. Ltd., and others argued that MSEDCL's Review Petition is an attempt to re-examine the Commission's decision on capex, which is not allowed under review procedures. They pointed out that MSEDCL itself admitted that the Petition aims to reconsider aspects like the Capex philosophy, indicating it is not limited to correcting clerical or arithmetical errors.

MSEDCL is seeking re-adjudication of the MYT Order, which is not permissible under review proceedings

- 4.7.3 M/s. Captive Power Producers' Association, Shri. Samir Gandhi and others stated that excessive approval of capex and associated opex would adversely affect industrial competitiveness, and that the Commission must strictly scrutinise capital proposals, particularly in a review proceeding.
- 4.7.4 Shri. Ashish Chandarana submitted that the total disallowance of Rs. 55,500 crores for the Fifth Control Period adversely impacts critical schemes planned by MSEDCL, such as RDSS and MSKVY 2.0, which are essential for network modernization, distributed generation evacuation, and providing daytime agricultural supply. He argued that this disallowance creates a substantial financial burden of carrying cost and negatively affects network efficiency and reliability.
- 4.7.5 Akhil Bharatiya Grahak Panchayat, Maharashtra Vij Grahak Sanghatana and others demanded a strict audit of MSEDCL's expenses. They argued that unless MSEDCL sets concrete targets to reduce distribution losses and administrative expenses, no tariff hike should be approved. They specifically requested that the Commission should not act as a silent spectator but must conduct a rigorous audit (potentially through CAG) of the claimed expenses to ensure accountability.

MSEDCL's Reply

- 4.7.6 The review of capital expenditure is confined to correction of the way capitalisation projections and their consequential regulatory treatment have been reflected in the ARR and does not seek reopening of prudence checks or approval processes. The Review Petition demonstrates that certain Capex components, though duly submitted with scheme-wise details and supporting information, were either excluded, aggregated incorrectly, or inconsistently treated in the Commission's ARR computations, leading to downstream distortions in depreciation, O&M expenses, and return parameters.
- 4.7.7 The capital expenditure projections primarily arise from the implementation of Central and State Government-funded schemes such as RDSS (including loss reduction and feeder separation), MSKVY 2.0 for feeder-level solarisation, DPDC schemes aimed at bridging infrastructure gaps in tribal and socially disadvantaged areas, and system strengthening and capacity augmentation required to serve a geographically vast network spanning over 3.08 lakh square kilometres and catering to approximately 3 crore consumers. MSEDCL is not seeking blanket approval of unapproved DPR schemes through the Review Petition; the limited relief sought is correction of errors in aggregation, classification, and consequential treatment of these already-submitted schemes, which are apparent from the record and fall squarely within the permissible scope of review.
- 4.7.8 MSEDCL fully recognizes the Commission's oversight and has sought correction of apparent errors in the MYT Order's capex treatment. As context, the higher capex

proposed is driven by centrally sponsored RDSS Scheme, which targets loss reduction, feeder separation, and network modernization, and by GoM-funded DPDC schemes focused on inclusive development for Scheduled Caste and Nav-Buddha beneficiaries and bridging tribal/non-tribal gaps. MSEDCL's network spans over 3.08 lakh sq. km and serves more than 3 crore consumers, making system strengthening and capacity augmentation indispensable. Under MSKVY 2.0, day-time availability for agriculture necessitates augmentation at existing substations to evacuate decentralized solar power; similarly, the New Consumers (2025-30) initiative requires timely network readiness for connection releases.

- 4.7.9 The review points out that the MYT Order disallowed capitalisation even for DPR-submitted/approved and 100% grant-funded schemes and relied narrowly on past trends, which is contrary to Regulation 24.6 of the MYT Regulations, 2024 which requires consideration of demand growth, generation additions, and funding tie-ups.
- 4.7.10 MSEDCL stated that the Review Petition falls squarely within Regulation 28(a) of the MERC Regulations, 2022, as it addresses errors apparent on the face of the record. Responding on the financial impact, MSEDCL argued that under a "Business as Usual" approach, the average power supply rate would have escalated from Rs. 9.45 per unit in FY 2024-25 to Rs. 14.67 per unit by FY 2029-30. However, due to strategic planning and the shift towards renewable energy (solar, wind, pumped storage), MSEDCL has projected substantial savings, the benefits of which are being passed on to consumers through the proposed tariff reductions.
- 4.7.11 Regarding the demand for audits and efficiency, MSEDCL stated that it is taking concrete steps to improve service quality and reliability, which necessitates the proposed Capital Expenditure. MSEDCL maintained that timely tariff revisions are essential to recover legitimate costs and ensure the financial viability of the sector.

Commission's Analysis and Ruling

- 4.7.12 The Commission has noted the submissions of stakeholders regarding the maintainability of the Capital Expenditure claims in the present Petition and MSEDCL's reply.
- 4.7.13 The Commission has discussed and ruled on the Capex and Capitalization in the latter part of this Order.

4.8 Agricultural Sales Estimation

Suggestions/Objections

- 4.8.1 Prayas (Energy Group) stated that MSEDCL's claim that the Commission ignored its feeder-based data for estimating agricultural demand is not correct. The Commission had examined feeder-level energy input data submitted by MSEDCL in response to Data Gap Queries. They also highlighted that, during public consultation, MSEDCL admitted that "monthly data is considered, peak load period i.e. Jan / Feb / Mar / Apr / May 2024 is considered," which shows that CYM-DIST

data was not for the full year but only for limited months and certain feeders. According to Prayas, this confirms that the data relied upon by MSEDCL is not robust enough to replace the Commission's independent agriculture study, and therefore MSEDCL's attempt to change the approved methodology cannot be allowed through a review and would require a full tariff determination with detailed data and analysis.

- 4.8.2 M/s. Captive Power Producers' Association (CPPA) and others submitted that the Commission has already examined MSEDCL's methodology for estimating agricultural sales in the MYT Order and found that the AG Sales Index proposed by MSEDCL was unreliable.
- 4.8.3 M/s. UltraTech Cement Limited (UTCL) and others objected that the AG Sales determination is a fundamental tariff-setting process. They contended that any revision would directly impact energy balance, cross-subsidies, and tariffs for non-agricultural consumers. MSEDCL is not claiming any clerical or arithmetic errors but instead requests a re-evaluation of the methodology and data, which is beyond the scope of the review jurisdiction.
- 4.8.4 MIDC Industries Association, Chandrapur and others also highlighted the importance of accurate projections of agricultural sales and stated that unless AG sales are derived from accurate and verifiable feeder and consumer data, cross-subsidy calculations would become distorted and would lead to inflated tariff for non-agricultural categories.
- 4.8.5 Shri. Satish Shah and others highlighted that out of 10,811 mixed feeders, MSEDCL has so far completed the separation of 6,099 feeders, while 4,712 feeders are still not separated. Incomplete feeder separation have a direct bearing on losses and on the correctness of agricultural consumption estimation.
- 4.8.6 M/s. MIDC Industries Association, Chandrapur and M/s. Meenakshi Ferro Ingots Pvt. Ltd. and others objected to any increase in tariffs or cross-subsidy surcharge (CSS) for industrial consumers to compensate for the alleged under-recovery from agricultural sales. They argued that the burden of MSEDCL's inefficiency in metering and billing agricultural consumers should not be passed on to industrial consumers who are already paying high tariffs.
- 4.8.7 Shri. Ashish Chandarana stated that the Commission's approach to determining separate Average Cost of Supply (ACOS) for Agriculture and Non-Agriculture consumers has paradoxically led to an increase in agricultural tariffs. He noted this increases the direct subsidy burden on the State Government, entirely contradicting the core objectives of the GoM's policy.

MSEDCL's Reply

- 4.8.8 The review of agricultural sales is requested due to incorrect handling of feeder-level data and previously recorded technical loss assumptions in the MYT proceedings. The present Petition does not propose a new methodology but aims to correct

inconsistencies caused by neglecting scientifically calculated feeder-wise losses using the Ministry of Power's recommended CYMDIST tool, and by applying different sample sizes and assumptions in calculating the Agricultural Sales Index.

- 4.8.9 Although CYMDIST-based loss estimates indicate a 9.1% loss for 535 feeders, confirmed by a larger dataset, the Commission still used an 18% loss figure derived from a small sample of 44 feeders. This inconsistency affects the estimation of agricultural sales and has significant financial impacts on cross-subsidies, revenue recovery, distribution losses, and power procurement planning. Correcting this within the review scope will improve accuracy and regulatory clarity.
- 4.8.10 Regarding the inconsistency in the true-up approach: for FY 2022-23, the AG Sales Index was approved at 1,216 kWh/HP/year based on approximately 514 feeders. For FY 2023-24, it was set at 1,377 kWh/HP/year based on 1,054 feeders. Using the larger sample retrospectively would increase AG sales for FY 2022-23 by 3,552 MUs, aligning with the Commission's previous practice of retrospective adjustments. MSEDCL has now provided data for 5,644 feeders, showing that the Index improves with a larger sample (1,403 kWh/HP/year at 18% loss; 1,518 kWh/HP/year at 9.1% loss). Maharashtra's diverse geography and cropping patterns cannot be accurately captured by a small sample of 502 feeders. The CYMDIST methodology, which follows the Commission's prescribed approach and is system-generated, reduces errors. MYT Regulations mandate using the methodology rather than adhering to outdated assumptions, and rejecting CYMDIST data without proposing an alternative is arbitrary.

Commission's Analysis and Ruling

- 4.8.11 The Commission has noted the submissions of stakeholders regarding the agricultural sales estimation in the present Petition and MSEDCL's reply.
- 4.8.12 The Commission has discussed and ruled on the agriculture sales estimation in the latter part of this Order.

4.9 Power Purchase Expenses

Suggestions/Objections

- 4.9.1 M/s. UltraTech Cement Limited (UTCL) and others stated that reopening and re-arguing of tariff issues and re-working of power procurement modelling cannot be done under review proceedings. The Hon'ble Bombay High Court held that the review jurisdiction cannot be used to reopen or re-decide issues already settled in the MYT Order.
- 4.9.2 M/s. MASMA and others submitted that the Review Petition seeks to socialise the costs of "poor power procurement planning", along with high T&D losses, inefficient O&M and weak billing and collection. Consumers, especially MSMEs, industrial units and renewable energy users, have no control over procurement

decisions and therefore cannot be treated as shock absorbers for MSEDCL's systemic failures.

- 4.9.3 Shri. Ashish Chandarana highlighted multiple alleged errors in the Commission's power procurement model, ignoring ramp constraints and technical minimums (violating the State Grid Code 2020), and relying on an outdated demand profile that ignores agricultural load shifts, EV penetration, and industrial growth. He cautioned that artificially under-representing power purchase costs creates a mere illusion of reduced tariffs, which will inevitably lead to massive Fuel Adjustment Charge (FAC) shocks, upsetting consumer budgets and crippling MSEDCL's financial ability to procure reliable power.
- 4.9.4 National Solar Energy Federation of India (NSEFI) and others submitted that reopening power procurement and tariff determinations through review would adversely affect renewable energy developers and financiers and undermine the stability of renewable power purchase arrangements that were already approved by the Commission.
- 4.9.5 Prayas (Energy Group) (PEG) stated that MSEDCL's claim of ₹69,824 crore due to alleged errors in the Commission's power procurement model does not qualify as a reviewable error, because the Commission had carried out a detailed examination of MSEDCL's power procurement assumptions and Resource Adequacy (RA) Plans during the MYT proceedings.
- 4.9.6 Shri Satish Shah and others objected to MSEDCL's high projected power purchase cost of ₹5.01–₹5.55/unit, stating it exceeds prevailing market rates. He noted that electricity on IEX is available at ₹3.32–₹5.34/unit (Apr–Oct 2025) and suggested procuring more from the exchange to save costs and avoid tariff hikes.
- 4.9.7 MCCIA and others argued that MSEDCL's higher power purchase cost due to transmission constraints should undergo a strict prudence check by the Commission.

MSEDCL's Reply

- 4.9.8 Power Purchase Cost constitutes a major portion of the Aggregate Revenue Requirement and is influenced by factors such as fuel prices, availability of domestic coal, statutory change-in-law provisions, and system demand. MSEDCL follows the Merit Order Dispatch principle and continuously endeavours to procure power at the most economical rates while ensuring reliable and uninterrupted supply to consumers across the State.
- 4.9.9 MSEDCL submitted that its Petition does not seek to reopen policy decisions or regulatory discretion on Resource Adequacy, but only seeks correction of factual, technical and computational errors in the Commission's power procurement cost modelling for the Fifth Control Period, which are apparent from the existing record. MSEDCL stated that the Commission's modelling has resulted in a material understatement of prudent power purchase costs, which must be corrected through review to avoid financial and operational risk.

- 4.9.10 The Commission's Merit Order Dispatch (MoD) is based on simplified Excel-based assumptions which do not capture real-world operational constraints recognised under grid codes and power purchase contracts, such as technical minimum of thermal stations, ramp-up and ramp-down limitations, start-stop constraints, compensation obligations, incorrect CUF treatment of distributed solar, mismatch in State periphery energy accounting, and changes in demand profile. MSEDCL stated that these factors were not properly reflected in the Commission's modelling, which led to under-provision of power purchase cost in the ARR. If these errors are not corrected, MSEDCL submitted that it will lead to FAC shocks, Late Payment Surcharge liabilities and operational risk, contrary to the objective of tariff stability and reliable supply, and therefore these errors need to be corrected through review.
- 4.9.11 Due to strategic planning by MSEDCL over the past two and a half years, substantial savings in power procurement costs are projected over the next five years. MSEDCL has emphasized renewable energy sources (primarily solar, wind, pumped storage, battery storage), and as green power will be available at cheaper rates from these sources, the benefit is being extended to domestic, industrial, and commercial consumers through tariff reductions.
- 4.9.12 MSEDCL works in close coordination with the Transmission Utilities to ensure optimum utilisation of the transmission network. Power procurement decisions are taken after considering prevailing transmission constraints and system availability. Wherever constraints exist, these are operational realities that are addressed through coordinated planning, network augmentation, and system optimisation, so as to minimise avoidable costs to consumers.

Commission's Analysis and Ruling

- 4.9.1 The Commission has noted the submissions of stakeholders regarding the estimation of power purchase costs in the Petition, as well as MSEDCL's reply.
- 4.9.2 The Commission has discussed and ruled on the power purchase cost estimation in the latter part of this Order.

4.10 Additional Submission by MSEDCL dated 04 December 2025

Suggestions/Objections

- 4.10.1 Chamber of Marathwada Industries and Agriculture, Shri. Vasim Raziya Aziz Naik, Saurmandal Solar (Shri. Rhishikesh Kondekar), M/s. GD Mete Steels, Prayas (Energy Group), M/s. Meenakshi Ferro Ingots Pvt. Ltd. and others objected to MSEDCL's additional claim of approximately Rs. 11,700 Crore (specifically Rs. 11,751 Crore) arising from legacy liabilities and court judgments. They argued that these massive new claims cannot be included in the present Review Petition as they do not qualify as "errors apparent on the face of the record" and have not undergone any technical validation or prudence check by the Commission.

4.10.2 The objectors contended that a financial burden of this magnitude warrants separate legal proceedings, detailed disclosures, and independent scrutiny through public hearings, rather than being rushed through this limited review process in violation of the High Court's directive which restricted the scope to the original petition.

MSEDCL's Reply

4.10.3 MSEDCL submits that its additional submission of ₹11,751 crore impact is due to post-MYT binding Order and regulatory directions (Hon'ble Supreme Court/APTEL/MERC/CERC) covering, RGPPL capacity charges, MSPGCL dues, refunds to Adani Power, legacy deviation charges, and approved change-in-law claims (e.g., forest tax, fly-ash transportation). These are statutory/judicially mandated obligations, not efficiency losses. If recovered solely through monthly FAC, consumers would face a compressed and steep tariff spike.

4.10.4 Inclusion of this in ARR will enable smoother, phased recovery across the control period, stabilising tariffs and avoiding shock while preserving the integrity of supply payments and system operations.

Commission's Analysis and Ruling

4.10.5 The Commission noted the objections and responses submitted by MSEDCL. As stated by MSEDCL, the liability for these claims has arisen subsequent to the MYT Order and even the filing of the present Petition therefore, such claims are not admissible in the present proceedings arising out of the MYT Order. Hence, the Commission has not considered the additional claim of Rs. 11751 Crore filed by MSEDCL in these present proceedings.

4.10.6 At the same time, without going into the correctness of the amount claimed by MSEDCL, the Commission clarifies and grants liberty to MSEDCL to seek recovery of these claims by separate Petition.

4.11 Wheeling Charges

Suggestions/Objections

4.11.1 Shri. Arun Singavi, Shri. Shashikant Wakade, Smt. Ashwini Shimpi, and others objected to the proposed increase in wheeling charges in the Review Petition, stating that it would make open access and renewable power uneconomical. They further raised concerns that wheeling charges have been collected from retail consumers since 2016, which is not permissible because wheeling charges relate to network usage by Open Access consumers, not retail supply. They also stated that this issue requires detailed disclosure, independent audit, and corrective regulatory action, and that wheeling charges should not be collected from retail consumers as wheeling is part of MSEDCL's retail business; any amount collected from 2026 should be reimbursed to consumers.

- 4.11.2 Mr. Mandar Bhatt objected MSEDCL's recovery of "Wheeling Charges" from retail consumers, citing regulatory precedents and arguing it violates the Electricity Act, 2003, and the Commission's orders, particularly Order No. 48 dated 3 November 2016 (Sections 5.21 and 5.26) and Order No. 322 of 2019. He stated that these orders only approved charges from Open Access consumers and cited the Solicitor General's opinion to claim MSEDCL's actions are illegal. He also highlighted MSEDCL's failure to maintain separate accounts for wire and retail businesses and its omission of wheeling charge revenue from financial reports since March 2017, calling for legal action under Section 142.
- 4.11.3 Miss. Ashwini Shimpi criticised MSEDCL for not following laws that link higher voltage wheeling charges to maintaining a certain billing demand for nine months. She claimed MSEDCL approved a waiver of wheeling charges for specific HT consumers since April 2020 in Vasai Circle but concealed this from the Commission and submitted false affidavits claiming some consumers were on non-express feeders. She pointed out inconsistencies in disclosures, noting investigations into whistleblower complaints but declaring 'NIL' complaints in the FY 2022-23 Annual Report. Additionally, she questioned why the voltage surcharge, mandated if supply is at a lower voltage, was not applied to consumers enjoying NIL wheeling charges at lower voltage.

MSEDCL's Reply

- 4.11.4 With regards to wheeling charges, MSEDCL submits that the Regulation 97.1 of the MERC MYT Regulation, 2024 provides formulae for computation of wheeling charges separately for LT Voltage and HT Voltage for the Distribution wire business. As per the MERC MYT Regulations 2024, the wheeling charges are payable for usage of distribution wires of a Distribution Licensee by Distribution System User. Wheeling charges are decided by the Commission, as the infrastructure is already in place, the cost of these network charges has already been incurred, but they still need to be recovered. Essentially, these charges are for maintaining and operating the network for reliable and sustainable supply. MSEDCL is required to make significant investment in infrastructure development, especially to expand the grid to meet growing demand. This involves upgrading substations, transmission lines, or transformers to ensure the reliable delivery of power. MSEDCL submits that it has computed the proposed Wheeling Charges by following the methodology specified by the Commission.
- 4.11.5 MSEDCL submits that revisions in Fixed/Demand Charges, Energy Charges and Wheeling Charges have been proposed in accordance with Regulations 112, 113 and 114.4 of MYT Regulations, 2024.
- 4.11.6 MSEDCL stated that Smt. Ashwini Shimpi's objections are unrelated to the current case, Case No. 75 of 2025, which is focused on issues from the MYT Order of 28.03.2025. The objections concerning waiver of wheeling charges, subsidy misuse, billing issues, whistle-blower matters, and related claims pertain to Case No. 66 of

2025, a separate proceeding, and are outside the scope of the present tariff case. MSEDCL reserves rights to address these issues separately in Case No. 66 of 2025, and the ongoing proceedings are unaffected as they involve different issues and follow judicial directions.

Commission's Analysis and Ruling

4.11.7 The Commission considers the submissions of various stakeholders. It observes that the Distribution Licensee performs two key functions, namely the Wheeling function (Wires business) and the Supply function (Retail business). The activity of owning and operating the distribution network is referred to as the Distribution Wires Business (Wires Business), while the function of procuring power for supply to consumers is called the Supply Business. These two functions of the Distribution Licensee are evident from the following definitions under the EA, 2003, as follows:

*“2 (17) “distribution licensee” means a licensee authorised to **operate and maintain a distribution system for supplying electricity to the consumers in his area of supply**”;*

4.11.8 Section 61 of the Electricity Act, 2003 (EA 2003) authorizes the Appropriate Commission to establish the terms, conditions, and guiding factors for tariff determination. Furthermore, Section 62 mandates the State Electricity Regulatory Commission (SERC) to determine the tariff for both the wheeling and retail supply of electricity. Under Section 42, the SERC is tasked with introducing open access within the distribution system in a phased manner, ensuring the distribution licensee acts as a common carrier providing non-discriminatory access. Consequently, as per Section 9 of the EA 2003, any individual, including captive consumers utilising the distribution licensee's network for open access, is obligated to pay wheeling charges.

4.11.9 Under Section 86 of the EA, the Commission is required to determine, inter alia, the Tariff for wheeling of electricity and the tariff for retail sale of electricity. The relevant extract of the EA reads as under:

*“ **Section 86. (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -***

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers; “

4.11.10 It is evident from the above provision that whenever any consumer opts for Open Access on the Distribution network of the Distribution Licensee, such consumers are required to pay the wheeling charges as determined by the Commission. That is, for

open access consumers, only the wheeling charges are to be determined by the Commission. The above provision cannot be read as “wheeling charges are applicable only for Open Access consumers.” For the Distribution Licensee to supply power to its consumers, wires must be utilised, and hence the consumer needs to pay charges for both the supply and the wire business of the Distribution Licensee.

4.11.11 The statutory provision stating that Open Access consumers pay Wheeling Charges aims to exempt them from the costs of the Supply Business, since they obtain their power from third parties instead of the distribution licensee. In contrast, retail consumers depend on the distribution licensee for both network infrastructure and power supply. As a result, retail consumers must pay Wheeling Charges for the Wire Business in addition to the Fixed/Demand and Energy Charges associated with the Supply Business.

4.11.12 Hence, the Commission does not find any merit in the contention that only Open Access consumers are liable to pay the wheeling charges and there is illegality in levy of wheeling charges for retail consumers.

4.11.13 To facilitate precise tariff determination, the Commission, through its Multi-Year Tariff (MYT) Regulations and various Tariff Orders, has mandated distribution licensees to maintain separate accounting for their Wires and Supply businesses. Licensees are required to file independent Annual Revenue Requirements (ARRs) for both segments. This unbundling of costs is a fundamental prerequisite for accurately calculating Wheeling Charges. The costs associated with the Wires business are further classified across different network voltages. As a result, the calculated Wheeling Charges are explicitly reflected in the tariff for every consumer, promoting transparency regarding the cost of the licensee's network infrastructure.

4.11.14 Sections 42, 62 and 86 of the EA 2003 allows Commission to determine the Wheeling Charges. Also, Regulation 73 of the MYT Regulations, 2019, allows the Commission to determine the Wheeling charges of Distribution Licensee in terms of Rupees/kWh or Rupees/ kVA/Month, for the purpose of recovery from Distribution System User.

“73.2 The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of a Petition for determination of Tariff filed by the Distribution Licensee in accordance with Part B of these Regulations:

Provided that the Wheeling Charges may be denominated in terms of Rupees/kWh or Rupees/kVAh or Rupees/kW/month or Rupees/kVA/month, for the purpose of recovery from the Distribution System User, or any such denomination, as may be stipulated by the Commission:

Provided further that the Wheeling Charges shall be determined separately for LT voltage, HT voltage, and EHT voltage, as applicable.”

4.11.15 Regulation 91.2 of the MYT Regulations, 2024, also contains a similar provision regarding the determination of Wheeling Charges. Consumption at a particular voltage level uses the network at that voltage and all higher voltages. Therefore, since the HT network is used to supply power to LT consumers, the cost of the HT network is appropriately allocated to LT consumers while calculating LT wheeling Charges. Conversely, as the LT network is used only for LT consumers, its cost is allocated solely to LT consumers during wheeling charge calculations. Accordingly, the Commission is approving voltage-wise Wheeling Charges (EHT, HT, & LT) for the consumers.

4.11.16 As required under the MYT Regulations, the expenses of the Distribution Licensee are divided into Wire Business and Supply Business. Recovery of charges for the Wire Business is done through Wheeling Charges, while charges for the Supply Business are through Fixed/Demand Charges and Energy Charges. Retail consumers use services from both segments of the Distribution Licensee: the Wire Business, responsible for constructing and maintaining the distribution infrastructure, and the Supply Business, which procures power from various sources for supply to end consumers. Therefore, consumers are required to pay Wheeling Charges, Fixed/Demand Charges, and Energy Charges. This segregation of cost components is necessary for effective performance monitoring of the Distribution Licensee and for promoting competition in the electricity sector.

4.11.17 Furthermore, when the Commission did not approve wheeling charges as a separate component for the electricity tariff, it was recovered through the Energy Charge. Now that Wheeling Charges are shown separately, the Energy Charge is reduced accordingly. Therefore, in both cases, the total tariff paid by the consumer for the respective year remains the same. As a result, showing a separate Wheeling Charge in the electricity tariff does not impact the consumer.

4.12 Miscellaneous

Suggestions/Objections

Tariff Hike

4.12.1 Shri Arun Singavi suggested that a buffer period should be provided between the date of publication of the Order and its date of implementation, so as to allow industries as well as project holders adequate time to prepare for compliance.

4.12.2 Shri Sanjay Vaishampayan advocated for zone-wise tariffs under the Electricity Act, 2003, stating that the current uniform tariff structure is inequitable due to regional differences in consumer mix, subsidies, and revenue. He highlighted cross-subsidy disparities between Bhandup and Konkan and requested tariff rationalization based on actual cost of supply along with updated data on metered and unmetered consumers.

4.12.3 Akhil Bhartiya Grahak Panchayat, Shri. Bansilal Kothari and others suggested that rural and urban areas should have separate electricity tariffs instead of a single uniform rate.

4.12.4 Shri. Atul Londhe stated that MSEDCL earns massive, hidden profits from solar energy without making any investments. He demanded that MSEDCL transparently declare this solar revenue before any tariff increase is considered.

Smart Meter Implementation

4.12.5 Shri. Pramod Pawar, Shri. Amit Kulkarni, Shri. Gorakh Barhate and other objectors stated that the cost quoted by MSEDCL is significantly higher than prevailing market rates and requested that the Commission intervene to prevent arbitrary pricing. Furthermore, they opposed the blanket implementation of the Smart Metering scheme, arguing that replacing functional meters leads to unnecessary Capital Expenditure. Instead, they suggested a cost-effective approach where existing meters are replaced with Smart Meters only upon technical failure.

Prompt Payment Rebate

4.12.6 Akhil Bhartiya Grahak Panchayat proposed increasing the Prompt Payment Discount from 1% to 1.5% to encourage faster bill payments and improve MSEDCL's cash flow. They also suggested extending the payment window from 7 days to 8–9 days to accommodate weekends and bank holidays. Additionally, they recommended timely bill delivery via email on the billing date, SMS alerts, and the option to register multiple email IDs for consumers.

4.12.7 Shri. Sanjay Jadhav proposed that the Commission should strictly fix the Technical Minimum for power generation at 55%. Furthermore, he recommended that this threshold should be progressively reduced to 40%, in accordance with the guidelines issued by the CEA, to ensure better grid flexibility and cost optimization.

Regulatory Framework for Combined Solar & Bio Energy Plant and BESS Projects

4.12.8 Shri Mayur Mohan Pande (Sahyadri Farms) requested the Commission to issue clear guidelines for installing combined solar and bio-energy plants. He stated that the lack of a regulatory framework is creating uncertainty and discouraging consumers from adopting these hybrid renewable energy systems.

4.12.9 Shri Mayur Bhangdiya (Prabhatkiran Saur Urja Pvt. Ltd.) requested the Commission to frame clear regulations to allow and promote in-premises Battery Energy Storage Systems (BESS). He also proposed permitting export of electricity from BESS to the grid to support peak load management and better renewable energy utilization.

4.12.10 M/s. MCCIA stated that MSEDCL's proposed ₹197 Crore investment in BESS may be insufficient given the rising share of renewable energy. They urged the Commission to reassess battery storage needs while approving power procurement and capex plans to ensure grid reliability, peak management, and operational flexibility.